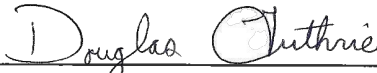



RESOLUTION AUTHORIZING THE PRESIDENT & CEO, OR DESIGNEE, TO EXECUTE AMENDMENT NO. 3 TO THE LEGAL SERVICES CONTRACT WITH GOLDFARB & LIPMAN, LLP (HA-2019-133NF) TO INCREASE THE MAXIMUM PAYMENT OBLIGATION BY \$500,000, FOR A TOTAL CONTRACT AMOUNT NOT-TO-EXCEED \$1,500,000



 Douglas Guthrie
 President and CEO



 Howard Baum
 Deputy General Counsel

- Purpose:** To authorize a \$500,000 increase in the maximum payment obligation under the legal services contact with Goldfarb & Lipman, LLP (“Goldfarb”) for the continuation of specialized legal services to the Housing Authority on an as-needed basis, and to restore the President and CEO’s contracting authority of up to \$250,000 should the contract require further amendment.
- Regarding:** On October 1, 2019, the Housing Authority and Goldfarb entered into Contract HA-2019-133-NF for up to a five-year term in the amount of \$500,000, pursuant to Board of Commissioners Resolution No. 9533, as subsequently amended to increase the contracting amount under its Amendment No. 1 and No. 2, each for \$250,000, for a total current contracting amount of \$1,000,000 (the “Contract”). Goldfarb has significant experience with redevelopment transactions including those requiring multiple layers of HUD approval and utilizing Low Income Housing Tax Credit (“LIHTC”) financing, the HUD Rental Assistance Demonstration (“RAD”), and utilization of project-base vouchers (“PBVs”). Goldfarb has assisted the Housing Authority with the complex resyndications of Aliso Village I and II (aka Pueblo del Sol I and II) and was instrumental in getting both phases to timely closings and securing required HUD approvals.
- Issues:** To date, Goldfarb has provided assistance with two primary matters, negotiating and drafting the Second Amendment to the Exclusive Negotiation Agreement and ancillary documents for the redevelopment of the Rancho San Pedro public housing community, and more recently, the resyndication of Pueblo del Sol I and Phase II. The resyndication of Pueblo del Sol I involved substantial legal support. That support included providing legal assistance and tax advice for the exercise of the Aliso Village I purchase option agreement, helping safeguard the Housing Authority’s rights under the purchase option agreement, and drafting the Ownership Transfer Notification to the California Tax Credit Allocation Committee. In addition, Goldfarb helped determine the steps necessary and HUD approvals required to achieve a RAD conversion of the two phases of Aliso Village in FY2020 and FY2021 and assisted the Housing Authority in preparing formation documents for the creation of a single asset entity with La Cienega LOMOD, Inc. as its sole member, and another single asset entity for the Housing Authority (HACLA PDS LLC). Other services included changing the name, amending the bylaws, formation documents and operating agreements for the former Aliso Village Housing Corporation, now Housing Promise Corporation, the disaffiliated entity required to effectuate the Pueblo del Sol resyndications.

Completion of the Pueblo del Sol I resyndication also required an exchange of property with the Los Angeles Unified School District. Goldfarb assisted with these efforts by helping negotiate the property exchange terms and conditions which grew complex due to several title encumbrance issues. These efforts were successful and the resyndication closed in October of 2020. Goldfarb continues to assist the Housing Authority with completing property exchanges with LAUSD.

The legal services performed by Goldfarb to date have led to significant utilization of the Contract, and have led to two previous amendments to the Contract totaling \$500,000, as noted above. Additional contracting authority is required to support continued use of Goldfarb.

Portions of Goldfarb legal expenses incurred in connection with the resyndication of Pueblo del Sol were recoverable from the Project's financing. For example, \$200,000 was reimbursed at the close of the Phase I resyndication and \$200,000 was reimbursed at the close of the Phase II resyndication. However, these funds cannot be restored to the Contract, thereby necessitating an increase in contracting authority.

Over the Contract's remaining three year term, Goldfarb's legal assistance and tax advice services are desired for the following services as described in the table below:

Project	Amount	Year	Note
1. Pueblo Del Sol Phase I and II			
a. PDS Phase I Perm conversion/ HUD approvals	\$20,000	2022	Complete all transaction evidentiary documents for achieving perm conversion, working with HUD Office of General Counsel on conversion approval
a. PDS Phase I Perm conversion/ HUD approvals	\$20,000	2022	Complete all transaction evidentiary documents for achieving perm conversion, working with HUD Office of General Counsel on conversion approval
c. Mendez Center resolution	\$10,000	2021	Assist with the DOT releases on the Mendez Center properties
e. General HUD matters	\$10,000	2022-23	Research & opinion on HUD related issues
Sub-Total	\$60,000		
2. Transactional Legal Advice and Assistance with other Redevelopment Matters			
a. Acquisitions of two redeveloped projects	\$40,000	2022-23	Complete negotiations on the acquisitions, finalize the Purchase & Sale agreements, and any other legal documents, assist in achieving HUD and CTCAC approvals
b. Prepare and amend formation documents for affiliated and non-affiliated entities	\$5,000	2022-23	Prepare and amend articles of incorporations, bye-laws, and file with the Sec of State, help with Board report/resos
c. Resyndications of the acquired projects	\$300,000	2023-25	Assist in negotiations and completion of the term sheet, DDA/GL and other legal docs, cost sharing agreements, LPA; complete all transaction evidentiary documents, work with HUD on the interim transfers and RAD closings
e. General HUD matters	\$20,000	2023-25	Research & opinion on HUD related issues pertaining to these projects
Sub-Total	\$365,000		
Total	\$425,000		

As the above amounts are estimates only, staff desires to increase the Contract by \$500,000 in recognition that actual legal services needs may differ.

The Housing Authority will require Goldfarb's assistance to help negotiate the best possible terms for the acquisition of two properties for which it has a Purchase Option/Right of First Refusal, drafting the Ownership Transfer Notification to the California Tax Credit Allocation Committee to finalize the evidentiary documents for the resyndication of these two projects, preparing the necessary legal evidentiary documents, working with HUD legal staff on the Housing Authority's behalf, achieving the RAD conversions, and handling various related acquisition, rehabilitation and resyndication activities. In addition, transactional legal assistance and opinions may be sought for HUD regulatory and program requirements, real estate and redevelopment matters, public and private financing and Public Works contracting.

The Housing Authority's existing panel of legal services providers with similar expertise is very limited and most firms lack the knowledge and experience necessary to assist with the above matters. Moreover, Goldfarb's attorney fee schedule is comparable to our other providers and, as discussed in the Procurement section below, has been determined price reasonable.

Procurement

Although the Contract is not federally-funded, it was secured in conformity with U.S. Department of Housing and Urban Development ("HUD") procurement requirements. HUD encourages housing agencies to purchase common goods and services that are routine in nature under contracts awarded by other public agencies through a "cooperative purchasing" procedure to realize greater economy, efficiencies and reduce costs.

Goldfarb provides legal representation to numerous public agencies and several cooperative purchasing opportunities existed. Staff determined that a Goldfarb legal services contract procured by the Richmond Housing Authority was the most economical cooperative purchasing opportunity. The Richmond Housing Authority went through a competitive solicitation for legal services in January 2018. The solicitation was advertised on various Bar Association websites. As result of the outreach, over thirty (30) proposals were submitted. Following an extensive review and vetting including price reasonableness determination, the Richmond Housing Authority Board of Commissioners adopted Resolution No. 2076 authorizing the contract award to Goldfarb in December 2018. Thereafter, the Richmond Housing Authority executed a contract with Goldfarb for an initial three-year term with two one-year options to extend on December 19, 2018. Goldfarb's attorney fee schedule was analyzed and determined price reasonable as compared to other law firms on our panel. In addition, Goldfarb has agreed to hold its rates without increase over the next five years so that the additional Contract funding remains price reasonable.

Vision Plan: PATHWAYS Strategy #7: Identify opportunities to reduce operating and administrative costs so that scarce resources are maximized.

Securing the services of Goldfarb at rates locked for the next five years helps reduce outside legal counsel expenses and the legal representation provided including

negotiating assistance with the final stages of the resyndication of Pueblo del Sol and other projects helps ensure Housing Authority resources are safeguarded and maximized.

Funding: The Chief Administrative Officer confirms the following:

Source of Funds: The costs for services rendered by Goldfarb will be paid by non-federal funds realized through uncommitted Rent Subsidy proceeds or unrestricted and available redevelopment proceeds.

Budget and Program Impact: Budget authority for these services will be programmed as part of the Housing Authority's fiscal year budgeting process.

Section 3: Goldfarb has made a commitment to contribute up to three percent (3%) of amounts paid under the Contract to the Housing Authority's Section 3 Fund for youth scholarship purposes. To date, Goldfarb has contributed \$18,106.92 to the fund with additional amounts accruing for this year.

Attachment: Resolution

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE PRESIDENT & CEO, OR DESIGNEE, TO EXECUTE AMENDMENT NO. 3 TO THE LEGAL SERVICES CONTRACT WITH GOLDFARB & LIPMAN, LLP (HA-2019-133NF) TO INCREASE THE MAXIMUM PAYMENT OBLIGATION BY \$500,000 FOR A TOTAL CONTRACT AMOUNT NOT-TO-EXCEED \$1,500,000

WHEREAS, the Housing Authority of the City of Los Angeles (the "Authority") requires certain specialty legal services that cannot be provided by Authority legal staff;

WHEREAS, on October 1, 2019, the Authority and Goldfarb & Lipman, LLP ("Goldfarb") entered into Contract HA-2019-133-NF for specialty legal services, for up to a five-year term in the amount of \$500,000, pursuant to Board of Commissioners ("Board") Resolution No. 9533 (the "Contract");

WHEREAS, Amendment No. 1 to the Contract was executed on November 15, 2020 under Contracting Officer authority increasing the contracting amount by an additional \$250,000 for a total Contract amount of \$750,000;

WHEREAS, Amendment No. 2 to the Contract was executed on December 17, 2020 pursuant to Board Resolution No. 9671, increasing the contracting amount by an additional \$250,000 for a total current Contract amount of \$1,000,000;

WHEREAS, for the reasons set forth in the Report of the President and CEO of the same date herewith, the Board desires to increase the Contract's maximum payment obligation by an additional \$500,000 for a total Contract amount of \$1,500,000; and

WHEREAS, the Board also desires to confirm that the Contracting Officer is authorized to increase the Contract by up to an additional \$250,000 pursuant to the authority to increase any Board-approved contract by said amount as provided under the Authority's Procurement Policy.

NOW, THEREFORE, BE IT RESOLVED that the Board authorizes the President & CEO, or designee, to execute Amendment No. 3 to the Contract to increase the maximum payment obligation by \$500,000 for a total contract amount of \$1,500,000, and further authorizes the President & CEO, or designee, to increase the Contract by up to an additional \$250,000 pursuant to the authority to increase any Board-approved contract by said amount as provided under the Authority's Procurement Policy.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

APPROVED AS TO FORM:
JAMES JOHNSON

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

BY: _____
GENERAL COUNSEL

BY: _____
CHAIRPERSON CIELO CASTRO

DATE ADOPTED: _____