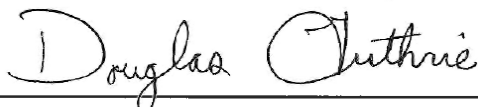


**RESOLUTION AUTHORIZING THE PRESIDENT & CEO, OR DESIGNEE, TO EXECUTE A LEGAL SERVICES CONTRACT WITH RENO & CAVANAUGH, PLLC FOR AN INITIAL ONE-YEAR TERM WITH FOUR (4) ONE-YEAR OPTIONS TO RENEW FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$1,000,000**



Douglas Guthrie  
President and CEO



Howard Baum  
Deputy General Counsel

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**Purpose:** To enter into a new legal services contact with Reno & Cavanaugh, PLLC ("R&C") to permit the firm to continue providing specialized legal services to the Housing Authority on an "as-needed" basis in the areas of HUD regulations governing public housing rehabilitation and redevelopment, public finance/tax credit financing, and the administration of public housing and Section 8 programs (collectively, "Federal Law").

**Issues:** The Housing Authority entered into a five-year legal services contract (HA-2015-7601-E) with R&C to provide transactional legal services and support in the area of Federal Law pursuant to award under RFP No. 7601. The contract has since been amended on three occasions for a total contracting amount of \$1,350,000 and is scheduled to expire on September 30, 2020. Over the course of the last five years, R&C has provided assistance with the redevelopment of Jordan Downs Phases 1A, 1B, and 1C and Rose Hill Courts, and more generalized legal assistance with HUD regulations. These activities have included advisory services and the preparation of various development, re-syndication, and related agreements including those required for RAD conversion activities. Prior to the last contracting period, R&C assisted the Housing Authority with the re-syndication of Harbor Village. Staff have been very satisfied with R&C's performance to date.

Projected specific and specialized needs for legal services over the next five years are currently forecasted as detailed on the following page.

Project	Amount	Year	Notes
<b>1. Jordan Downs Redevelopment Project</b>			
Area H, 1B, S3 - Residential - BRIDGE/TMO	\$50,000	2020 - 2023	Close out/ Perm conversion/ HUD Consultation
Area H-2, H-3 - Residential - BRIDGE	\$150,000	2020 - 2023	Preparation of Term sheet, DDA/ Ground Lease, and other evidentiary documents, working with HUD on RAD closing
Phase S2, S3, S4, S5 - Residential - TMO	\$200,000	2020 - 2025	Preparation of Term sheet, DDA/ Ground Lease, Predev loan agreement and other evidentiary documents, working with HUD on RAD closing
Phase 2 - Homeownership (HO1, HO2, SO1 & SO2)	\$85,000	2023 - 2025	Preparation of MDA amendment, Term sheet, DDA/ Ground Lease, Predev loan agreement, working with HUD on closing
Community Center	\$50,000	2020 - 2023	Set up Non-Profit, Set up Operating Agreement, Amend ASA for Primestor
Association	\$30,000	2020	Amend CCR documents, Review CCR actions
Relocation / General HUD matters/Other	\$25,000	2020 - 2023	Research & opinion on related issues
<b>SUB TOTAL - Jordan Downs</b>	<b>\$590,000</b>	2020 - 2025	
<b>2. Rose Hill Courts</b>			
Phase I	\$75,000	2020 - 2021	Complete all transaction evidentiary documents for Phase I, working with HUD on RAD closing
Phase II	\$60,000	2021 - 2022	Complete all transaction evidentiary documents for Phase 1, working with HUD on RAD closing
Relocation	\$25,000	2020 - 2022	Relocation for Phase I and II
<b>SUB TOTAL - Rose Hills Court</b>	<b>\$160,000</b>	2020 - 2022	
<b>3. Rancho San Pedro</b>			
MDA	\$100,000	2021	Draft MDA/Amendments
DDA Phase I	\$75,000	2021 - 2022	DDA preparation
Acquisition	\$25,000	2021	Acquisition of adjacent parcels
HUD/General Issues	\$25,000	2020 - 2023	Service needs over three years
Relocation	\$25,000	2022 - 2023	Service needs over three years
<b>SUB TOTAL - Rancho San Pedro</b>	<b>\$250,000</b>	2021 - 2023	
<b>GRAND TOTAL</b>	<b>\$1,000,000</b>		

It's important to note that some of the legal expenses incurred by the Housing Authority for its redevelopment activities are reimbursable. For example, in connection with the closing of Jordan Downs Phase 1A, Phase 1B, and Dana Strand IV, nearly \$320,000 in legal pre-development expenses were reimbursed to the Authority. Similarly, approximately \$140,000 was recovered in connection with the re-syndication of Harbor Village.

**Procurement:**

The U.S. Department of Housing and Urban Development (HUD) permits and encourages housing authorities to purchase common goods and services that are routine in nature (including legal services) under competitively awarded contracts entered into by other public agencies through a procedure called "cooperative purchasing" (a.k.a. "piggy-backing") to realize greater economy, efficiencies and reduce costs. R&C provides legal representation to numerous public agencies and several cooperative purchasing opportunities existed.

Staff determined that a R&C legal services contract procured by the Hawaii Public Housing Authority ("HPHA") would be the most economical and preferred method of procuring a new legal services contract with R&C. HPHA issued Request for Proposals DEV-2017-47 (the "RFP") for legal services in December 2017. The solicitation was advertised on their website. Six (6) law firms responded to the RFP with R&C receiving the highest evaluation score. HPHA executed a contract with R&C in March 2018 for a 5-year term. The contract is effective through March 2023. The HPHA RFP satisfied all applicable solicitation standards and requirements including proof of advertising, panel scoring and evaluations, and vendor vetting. Moreover, R&C was agreeable to a further reduction in rates to more closely align with its current 2015 Housing Authority contract, thereby allowing the Authority to realize significant cost savings as shown on the following table.

	<b>Standard Hourly Rates (2020)</b>	<b>Hawaii Public Housing Authority Hourly Rates (2020)*</b>	<b>HACLA Hourly Rates(2020)*</b>
<b>FIRM MEMBERS</b>			
Sr. Partner	600	540	325
Partner II	490	400	325
Partner I	430	-	325
<b>ASSOCIATES</b>			
Senior Associate	340	270	270
Associate II	320	-	270
Associate I	300	-	260
Paralegal	150	-	150

\* Rates under the HPHA contract are scheduled to increase following its third year anniversary (beginning 2022) in each billing category by fixed amounts (average 3.7%) while rates under the Housing Authority's contract will increase annually to reflect any increases in the Consumer Price Index (CPI). CPI has averaged 2.5% over the last five years in the Los Angeles area and is expected to continue to be modest. Even in the event of higher CPI levels, the Housing Authority is expected to enjoy significant cost savings due to the discounted Firm Member rates.

**Current Request:**

To authorize the President & CEO, or designee, to execute a new legal services contract with R&C for a one-year term with four one-year options to extend for a total contract amount not to exceed \$1,000,000.

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

Securing the services of R&C at such favorable rates for the next five years helps reduce outside legal counsel legal expenses and provides continuity of services to help ensure Housing Authority resources are safeguarded and maximized.

**Funding:** The Chief Administrative Officer confirms the following:

Source of Funds: Non-federal funds generated by the non-public housing rental portfolio. A portion of the funds expended on redevelopment transactions will be reimbursed as noted above.

Budget and Program Impact: The necessary funds are available, are included in the 2020 operating budget, and will be budgeted in subsequent years as required.

**Section 3:** The proposed contract is being procured through a piggyback contract, the terms of which have been previously negotiated. Notwithstanding, Section 3 was applied to the procurement in accordance with the Housing Authority's Section 3 Guide and Compliance Plan. General Services held discussions with R&C to explore hiring and training opportunities. Due to their Washington DC-based location and nature of services provided, it was determined that hiring was not feasible. However, the firm made a commitment to contribute to the Housing Authority's Section 3 Fund to provide college scholarships to deserving public housing and Section 8 participant family youth.

**Attachment:** Resolution

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION AUTHORIZING THE PRESIDENT & CEO, OR DESIGNEE, TO EXECUTE A LEGAL SERVICES CONTRACT WITH RENO & CAVANAUGH, PLLC FOR AN INITIAL ONE-YEAR TERM WITH FOUR (4) ONE-YEAR OPTIONS TO RENEW FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$1,000,000**

**WHEREAS**, the Housing Authority of the City of Los Angeles (the "Authority") requires certain specialty legal services; and

**WHEREAS**, the U.S. Department of Housing and Urban Development ("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 ("piggy-backing") to realize greater economy, efficiencies, and reduce costs; and

**WHEREAS**, as detailed in the Report of the President and CEO as the same date hereof, the Hawaii Public Housing Authority ("HPHA") went through a competitive solicitation for legal services in December 2017 (DEV-2017-47) which resulted in the award of a five-year legal services contract to Reno & Cavanaugh, PLLC ("R&C") which is effective through March 2023; and

**WHEREAS**, the Housing Attorney has independently determined that R&C's rates as further reduced through direct negotiations are reasonable, and that it is economical to piggy-back off of the HPHA's procurement; and

**WHEREAS**, the Housing Attorney desires to enter into a legal services contract with R&C for a one-year term with four one-year options to extend for a total amount not to exceed \$1,000,000.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners authorizes the President & CEO, or designee, to execute a legal services contract with R&C for a one-year term with four one-year options to extend for a total contract amount not to exceed \$1,000,000.

**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

DATE ADOPTED: \_\_\_\_\_