RESOLUTION AUTHORIZING THE PRESIDENT & CEO, OR DESIGNEE, TO EXECUTE THREE NEW LEGAL SERVICES CONTRACTS PURSUANT TO REQUEST FOR PROPOSALS NO. HA-2020-29 (“RFP”), AND FURTHER AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO INCREASE THE CONTRACTING AMOUNT OF ONE EXISTING LEGAL SERVICES CONTRACT AWARDED UNDER THE RFP, FOR CONTRACTING AMOUNTS TOTALING $1,700,000

Douglas Guthrie Howard Baum
President and CEO Deputy General Counsel

Purpose: Approval of these requests will ensure compliance with U.S. Department of Housing and Urban Development ("HUD") litigation contracting approvals, eliminate confusion over where HUD approval of contract increases is required, and ensure continued and uninterrupted legal services in support of important initiatives including Project Homekey.

Regarding: The Housing Authority of the City of Los Angeles ("HACLA") entered into twenty-one (21) legal services contracts pursuant to awards under Request for Proposals No. HA-2020-29 (the "RFP"), as authorized by Board of Commissioners ("Board") Resolution No. 9616, dated June 30, 2020. Staff now desire to execute additional legal services contracts with three awardees under the RFP to ensure compliance with U.S. Department of Housing and Urban Development ("HUD") litigation contracting approvals, and to increase the contracting amount of one of those awardees for an existing contract to ensure continued and uninterrupted legal services support of important initiatives including Project Homekey.

Issues: Ten of the twenty-one law firms awarded contracts under the RFP can provide federally-funded litigation services under their respective scope of services. In recognition that litigation services paid for in whole or part with federal funds may require HUD approval (and the possibility that federally-funded litigation could occur), on July 17, 2020, HACLA requested approval from Regional Counsel for HUD to contract with these ten firms for federally-funded litigation services, pursuant to HUD Litigation Handbook No. 1530.1 REV-5. HUD’s Regional Counsel subsequently presented HACLA’s request to HUD’s Associate General Counsel, Office of General Counsel for Assisted Housing and Community Development, who approved the request on September 29, 2020. Contracts in the amount of Three Hundred Thousand Dollars ($300,000) were approved for each law firm for a total contracting amount of $3,000,000. The firms are identified below:

1. Burke Williams & Sorensen
2. Olivarez Madruga Lemieux O’Neill
3. Sanders Roberts
4. Atkinson, Adelson, Loya, Rudd & Romo
5. Fisher & Phillips
6. Aleshire & Wynder
7. Best Best & Krieger
8. Joseph Stark & Associates
9. Lewis Brisbois Bisgaard & Smith
Those law firms highlighted above are the subject of this request. To date, none of these firms have provided federally-funded litigation services subject to HUD contract approval under the HUD Litigation Handbook. However, the ability to use these firms for transactional legal services and non-federally funded litigation and the need to periodically increase their contracting amounts may create confusion over when HUD approval is required for such increases. Staff desire to eliminate that ambiguity and ensure compliance with HUD’s litigation contract approvals through contracts bifurcation.

For example, Lewis Brisbois Bisgaard & Smith’s ("LBBS’s") legal services contract (Contract No. HA-2020-29-S) has a scope of services that includes transactional real estate matters support and the firm has been used extensively in connection with Project Homekey. All contractual expenses incurred on behalf of the City of Los Angeles for its acquisition of Project Homekey sites have been reimbursed to HACLA. It should be noted that such extensive use of the contract was not contemplated when originally awarded. Project Homekey did not exist at that time and the later request by the City for Homekey assistance and need for our own could not have been foreseen.

LBBS’s original $300,000 contracting amount was exhausted, and Contracting Officer authority to increase any Board-approved contract up to the Simplified Acquisition Threshold ($250,000) was recently utilized to increase the contract to its current amount of $550,000 (under its Amendment No. 2; Amendment No. 1 clarified billing rates). No HUD approval of the contract increase was required given the nature of activities.

To ensure HACLA adheres with HUD’s litigation contract approvals, staff desire to establish a new and separate LBBS contract for federally-funded litigation matters in an amount not to exceed HUD’s $300,000 approval. Increases beyond that $300,000 will require HUD approval. In addition, in anticipation of additional use of LBBS for Project Homekey and other transactional real estate needs over the remainder of its approx. 2.5 years’ contracting term, Board authority is being sought to increase LBBS’ existing contract by an additional $800,000.

Burke, Williams & Sorensen’s ("BWS’s") and Best Best & Krieger’s ("BBK’s") legal services contracts (Contract Nos. HA-2020-29-L and HA-2020-29-Q, respectively) have scopes of legal services identical to those of LBBS, and are capable of providing support for Project Homekey and other non-litigation matters. As such, staff also desire to establish separate contracts with those firms in the amount of $300,000 each, to provide federally-funded litigation support. These arrangements will eliminate confusion over adherence with HUD’s $300,000 contracting limit for federally-funded litigation should contract increases under BWS’s and BB&K’s existing contracts be desired in the future.

**Current Request:**

To authorize the President and CEO, or designee, to execute new legal services contracts for federally-funded litigation matters with LBBS, BWS and BBK, each in the amount of Three Hundred Thousand Dollars ($300,000), pursuant to awards under the RFP and in accordance with HUD contracting approvals, and to further authorize the President and CEO, or designee, to increase the contracting amount
of Contract No. HA-2020-29-S with LBBS, in the amount of $800,000, for a new total contract amount of $1,350,000.

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

Ensuring that our legal services contracts are established in a manner that adheres to HUD contracting requirements and maintains sufficient contracting authority under those contracts helps ensure efficient HUD program compliance and that HACLA’s interests and resources are safeguarded and maximized.

**Funding:**

The Chief Administrative Officer confirms the following:

**Source of Funds:** For the $800,000 increase of the existing LBBS contract, non-federal funds generated by the non-public housing rental portfolio and reimbursements from the City of Los Angeles for Homekey activity will be used. For the combined $900,000 for the three new agreements, various funding sources, including federal funds, may be used from the applicable program as appropriate.

**Budget and Program Impact:** The necessary funds are available and are included in the 2022 operating budget and will be budgeted in subsequent years as required.

**Section 3:** At the time of the RFP, LBBS, BWS and BBK each submitted Section 3 Economic Opportunity Plans that conformed with the requirements of HACLA’s Section 3 Guide and Compliance Plan. While hiring is generally not feasible due to the nature of services and other factors, those commitments include mentoring (LBBS), internships (BBK), and Section 3 Fund contributions/hiring if possible (BWS).

**Attachment:** Resolution
RESOLUTION AUTHORIZING THE PRESIDENT & CEO, OR DESIGNEE, TO EXECUTE THREE NEW LEGAL SERVICES CONTRACTS PURSUANT TO REQUEST FOR PROPOSALS NO. HA-2020-29 (“RFP”), AND FURTHER AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO INCREASE THE CONTRACTING AMOUNT OF ONE EXISTING LEGAL SERVICES CONTRACT AWARDED UNDER THE RFP, FOR CONTRACTING AMOUNTS TOTALING $1,700,000

WHEREAS, the Housing Authority of the City of Los Angeles (the “Authority”) requires certain specialty legal services including for federally-funded and non-federally funded litigation and assistance with transactional matters such as real estate transactions (collectively “Services”) that cannot be performed by regular employees of the Authority;

WHEREAS, the Authority issued Request for Proposals No. HA-2020-29 (the “RFP”) seeking proposals from legal services providers to provide some or all of the Services;

WHEREAS, pursuant to awards under Resolution No. 9616, dated June 30, 2020, the Board of Commissioners (“Board”), authorized the President and CEO, or designee, to enter into twenty-one (21) legal services contracts including ten (10) contracts with law firms that provide litigation support services;

WHEREAS, in recognition that litigation services paid for in whole or part with federal funds may require HUD approval (and the possibility that federally-funded litigation could occur), on July 17, 2020, the Authority requested approval from Regional Counsel for HUD to contract with these ten firms for federally-funded litigation services, pursuant to HUD Litigation Handbook No. 1530.1 REV-5. HUD’s Regional Counsel subsequently presented the Authority’s request to HUD’s Associate General Counsel, Office of General Counsel for Assisted Housing and Community Development, who approved the request on September 29, 2020, with each firm approved for a litigation services contract in the amount of Three Hundred Thousand Dollars ($300,000);

WHEREAS, those ten legal services firms include Lewis Brisbois Bisgaard & Smith (“LBBS”), that is providing non-federally funded transactional Services to the Authority pursuant to Contract No. HA-2020-29-S; Burke, Williams & Sorensen (“BWS”), that is providing non-federally funded transactional Services to the Authority pursuant to Contract No. HA-2020-29-L; and Best Best & Krieger (“BBK”), that is providing non-federally funded transactional Services to the Authority pursuant to Contract No. HA-2020-29-Q; and

WHEREAS, for the reasons set forth in the Report of the President and CEO of the same date herewith including a desire to adhere to HUD’s litigation contract approvals, the Board desires to authorize the President and CEO, or designee, to execute new legal services contracts for federally-funded litigation matters with LBBS, BWS and BBK, each in the amount of Three Hundred Thousand Dollars ($300,000), pursuant to awards under the RFP and in accordance with HUD contracting approvals, and to further authorize the President and CEO, or designee, to increase the contracting amount of Contract No. HA-2020-29-S with LBBS, in the amount of $800,000, for a new total contract amount of $1,350,000.
NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners authorizes the President and CEO, or designee, to execute new legal services contracts for federally-funded litigation matters with LBBS, BWS and BBK, each in the amount of Three Hundred Thousand Dollars ($300,000), pursuant to awards under the RFP and in accordance with HUD contracting approvals, and to further authorize the President and CEO, or designee, to increase the contracting amount of Contract No. HA-2020-29-S with LBBS, in the amount of $800,000, for a new total contract amount of $1,350,000.

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

APPROVED AS TO FORM:

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

BY: _________________________   BY:  ______________________

James Johnson, General Counsel          Cielo Castro, Chairperson

DATE ADOPTED: _______________________