

MEMORANDUM



The
**Long Beach
Housing
Development
Company**

DATE: September 16, 2009

TO: Board of Directors
The Long Beach Housing Development Company

FROM: Ellie Tolentino, Vice President

PREPARED BY: Dale Hutchinson, Housing Operations Officer

SUBJECT: Contract with Liebold, McClendon & Mann for
Legal Consulting Services

RECOMMENDATION

Authorize the President to enter into a contract with Liebold, McClendon & Mann to provide legal services to The Long Beach Housing Development Company in an amount not to exceed \$600,000 for a two-year period effective October 1, 2009.

BACKGROUND

Staff regularly requires outside legal counsel in negotiating and structuring acquisition, development and/or rehabilitation loan agreements with affordable housing developers and/or property owners, and in preparing the necessary legal documents. Since 2001, the law firm of Liebold, McClendon & Mann (LMM) has provided legal assistance to staff for LBHDC projects, programs, and statutory obligations.

From October 1, 2009 through September 30, 2011, staff anticipates needing legal services for various projects, including the following:

1. Coronado – closing/conveyance of the property;
2. Palace Hotel – complete set of loan documents to be drafted, negotiated and closed concurrently with conveyance of the property;
3. The Courtyards – complete set of loan documents to be drafted, negotiated and closed;
4. Pacific City Lights – amendment to Loan Agreement;
5. Meta Project at Long Beach Blvd. and Anaheim St. – predevelopment loans outstanding on the project currently due; project financing pending;

**MAKING
AFFORDABLE
HOUSING
HAPPEN**

AGENDA ITEM NO. 3

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6. Lyon West Gateway – construction in progress, conversion to permanent financing to occur upon completion of construction;
7. Long Beach & Burnett – construction just started, conversion to permanent financing to occur upon completion of construction; and
8. Villages at Cabrillo – release of retention and construction loan payoff.

Based on previous experience and the complexity of these transactions, it is anticipated that legal services for these projects will cost approximately \$600,000 over a two-year period. Note, however, that LMM has agreed to provide a 5% discount on all invoices for services provided through June 30, 2010. This is pursuant to a 5% discount request made by the City Manager from all vendors and consultants in order to financially assist the City during this economic recession.

Staff requests your approval to authorize the President or designee to enter into a new contract with LMM in an amount not to exceed \$600,000 to cover anticipated legal costs for a two-year period through September 30, 2011.

These cost estimates have been reviewed and approved by Deputy City Attorney Rich Anthony, and will only be spent to the extent services are provided.