



MEMORANDUM

DATE: October 19, 2011

TO: Board of Directors
The Long Beach Housing Development Company

FROM: Amy Bodek, President

PREPARED BY: Dale Hutchinson, Redevelopment Administrator

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

RECOMMENDATION

Authorize the President to extend the existing legal consulting services contract between Liebold, McClendon & Mann and The Long Beach Housing Development Company, for a one-year period, through September 30, 2012.

BACKGROUND

Staff regularly requires outside legal counsel to prepare and assist with negotiating and structuring acquisition, development and/or rehabilitation loan agreements with affordable housing developers. Staff also consults with outside legal counsel on complex housing regulations and other legal matters. Since 2001, the law firm of Liebold, McClendon & Mann (LMM) has provided legal assistance to staff for LBHDC projects, programs, and statutory obligations.

The most recent contract was approved by the Board on September 16, 2009 in an amount not to exceed \$600,000 for the period of October 1, 2009 through September 30, 2011. As of September 30, 2011, the contract had a remaining balance of approximately \$295,000. However, due to the expiration of the contract, the LBHDC lacks the authority to expend the remaining funds.

Under normal circumstances, staff would have returned to the Board to request approval to amend the contract for a minimum of two years and increase funding, if necessary. However, as a result of the June 29, 2011 approval of ABx1 26 (the redevelopment agency elimination bill), agencies are prohibited from modifying existing or entering into new contracts, agreement, obligations, or commitments. ABx1 26 does recognize that certain contracts and agreements may be pertinent to the operation of agencies and does allow for their modification, as needed.

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AGENDA ITEM NO. 4

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LMM is currently working on documents related to projects that were previously approved by the Board and ongoing at the time that the Governor signed ABx1 26 into law. To preserve LBHDC's financial investments and developer partnerships in these projects, continuation of LMM's services is essential. Subsequently, Deputy City Attorney Heather Mahood has opined that LMM's services are operation related and that an amendment to extend the term of their existing contract is allowable under ABx1 26.

From October 1, 2011 through September 30, 2012, staff anticipates needing legal services for the following ongoing projects:

1. Coronado – Loan close out;
2. Palace Hotel – Conversion to permanent financing;
3. The Courtyards – Conversion to permanent financing;
4. Pine Avenue Apartments - Implementation of DDA and close of financing for construction;
5. Evergreen Apartments - Preparation of Affordable Housing Loan Documents and close of financing for construction;
6. Belwood Apartments - Preparation of Affordable Housing Loan Documents and close of financing for construction;
7. Ramona Park Senior Apartments - Preparation of Affordable Housing Loan Documents and close of financing for construction.

Based on previous experience, it is anticipated that the balance of the contract will be sufficient to cover legal services for these projects through September 30, 2012.