



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE:** JULY 16, 2024

FROM: CITY ATTORNEY'S OFFICE **WARDS:** ALL

SUBJECT: AUTHORIZE A THREE-YEAR LEGAL SERVICES AGREEMENT WITH THE LAW FIRM OF LEIBOLD MCCLENDON & MANN

ISSUE:

To consider approval of a three-year legal services agreement with the law firm of Leibold McClendon & Mann.

RECOMMENDATION:

That the City Council approve a three-year legal services agreement with the law firm of Leibold McClendon & Mann.

BACKGROUND:

In 1976, the California Legislature took action that required that 20 percent of all tax increment generated through redevelopment be set aside to create, preserve, and improve housing for low and moderate income persons. Known as the Low and Moderate Income Housing Fund, this source of funding became arguably the most important tool for the development of affordable housing in California and created tens of thousands of housing opportunities for the State's low and moderate income residents.

In 2011, in an effort to respond to State budget deficits, Governor Jerry Brown proposed and the State Legislature approved legislation that dissolved redevelopment agencies and with that action the Low and Moderate Income Housing Fund. AB 26 1X, signed by the Governor on June 28, 2011, required the creation of Successor Agencies to oversee the dissolution process. For affordable housing, however, the legislation allowed the cities or counties that created the redevelopment agency to choose to retain the housing assets and to continue to enforce the housing covenants and restrictions, and to exercise all other rights, powers, duties and obligations of the former redevelopment agency as it related to the Low and Moderate Income Housing Fund. AB 1484, which was signed in June of 2012, clarified some portions of the original legislation, including providing more detailed language on the assets that could be retained.

The dissolution date was set as February 1, 2012 for all redevelopment agencies throughout the State. On March 30, 2012, the City Council adopted a resolution electing not to retain

responsibility of performing the housing related functions previously performed by the former Redevelopment Agency (Agency) and designated the Housing Authority of the City of Riverside as the Successor Housing Agency to retain the responsibility of performing housing functions. Concurrently, the Housing Authority adopted a resolution agreeing to assume the housing functions of the former Agency including all rights, powers, duties, obligations, liabilities and assets.

DISCUSSION:

City Charter section 702, "Eligibility, powers and duties of City Attorney," provides, in part, that "the City Council shall have control of all legal business and proceedings and may employ other attorneys to take charge of any litigation or matter or to assist the City Attorney therein."

The law firm of Leibold McClendon & Mann provides specialized legal services in affordable housing transactions. The firm's expertise in affordable housing includes projects/programs involving low and moderate income housing set aside funds, federal HOME and CDBG funds, low income housing tax credits, HELP funds, NSP and other public and private financing sources. Leibold McClendon & Mann has assisted cities and former redevelopment agencies in the formulation of a variety of affordable housing programs, including first time homebuyer and other down payment assistance programs, owner-occupied and rental rehabilitation loan/grant programs and rental assistance programs. Leibold McClendon & Mann has negotiated and prepared agreements for affordable single family, multi-family, senior housing, and single room occupancy projects. Their housing law experience also includes preparation and review of affordable housing strategies, housing fund deficit reduction and expenditure plans, replacement housing plans, replacement and inclusionary housing strategies, density bonus ordinances and density bonus agreements, and Housing Element compliance.

As of May 24, 2022, Leibold McClendon & Mann was on the City's approved list of outside counsel. In January of 2023, the City Attorney's Office issued a Request for Proposal for Legal Services to refresh the bench of qualified attorneys on the approved panel for certain areas of specialized practice. Leibold McClendon & Mann did not submit a proposal and their legal services agreement was not renewed.

However, Leibold McClendon & Mann provided legal services to the City since 1999 and provide legal advice for a number of housing related projects over the years. Because of Leibold McClendon & Mann's expertise and their familiarity with the City's housing related projects, the City Attorney's Office wishes to add Leibold McClendon & Mann to the current panel of outside counsel to offer specialized legal advice for affordable housing transactions, including peer review of current agreements for such transactions.

STRATEGIC PLAN ALIGNMENT: The retention of experienced outside counsel to provide legal advice and supports all priorities of the City of Riverside's Envision Riverside 2025 Strategic Plan, as such advice is provided to all departments of the City, the City Council, Boards and Commissions.

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Riverside is transparent and makes decisions based on sound policy, inclusive community engagement, involvement of City Boards & Commissions,

and timely and reliable information. Use of outside counsel that specialize in specific areas of the law supports and aids the making of such decisions.

2. **Equity** – Use of outside counsel that specialize in specific areas of the law benefits the entire community by ensuring that such efforts comply with all aspects of the law.
3. **Fiscal Responsibility** – The City Attorney’s Office is expending funds in a careful and judicious manner balanced against the need for specialized legal counsel when the circumstances warrant.
4. **Innovation** – The retention of specialized legal counsel to provide specialized legal advice supports City innovation efforts by ensuring that such efforts comply with all aspects of the law.
5. **Sustainability & Resiliency** – The retention of specialized legal counsel to provide specialized legal advice supports City goals of sustainability and resiliency by ensuring that such efforts comply with all aspects of the law.

FISCAL IMPACT:

None at this time. The City Attorney’s Office will seek all necessary approvals for legal work performed by Leibold McClendon & Mann for affordable housing transactions.

Prepared by: Phaedra Norton, City Attorney