



MEMORANDUM

CSFRA, Community Development Department

DATE: March 26, 2018

TO: Members of the Rental Housing Committee

FROM: Anky van Deursen, Associate Planner

SUBJECT: **Agreement with Goldfarb & Lipman for Legal Services for Fiscal Year 2017-18**

RECOMMENDATION

That the Rental Housing Committee authorize the Program Manager or other designee to execute an agreement with Goldfarb & Lipman LLP for legal services related to the Community Stabilization and Fair Rent Act for Fiscal Year 2017-18 in an amount not to exceed \$200,000.

BACKGROUND

At the beginning of Fiscal Year 2017-18, Goldfarb & Lipman LLP (Goldfarb & Lipman) was enlisted to provide legal services for the Rental Housing Committee (RHC) to provide subject matter expertise to assist the Committee in implementing and administering the Community Stabilization and Fair Rent Act (CSFRA). On October 23, 2017, the RHC discussed and approved outside legal services by Goldfarb & Lipman, in an amount not to exceed \$200,000 as part of the Fiscal Year 2017-18 budget. Services would be charged at Goldfarb & Lipman's hourly rates based on the estimated work as reflected in their scope of services of October 9, 2017, including:

- a. Attendance at RHC Meetings, including review of staff reports, minutes, and agenda review prior to meeting once a month at 8 to 10 hours per month. If the RHC meets more often than once per month, this amount would need to be adjusted. \$2,500 per meeting.
- b. Review hearing officer decisions on appeal and prepare recommendations for RHC. Each appeal would take approximately 10 hours to review, draft recommendations, and revise decision, if necessary, after RHC makes a determination. The cost per appeal would be estimated to be \$2,500. Assuming

two to three appeal petitions per month, costs would be \$5,000 to \$7,500 per month.

- c. Respond to Rental Housing Committee members, staff and hearing officer inquiries regarding implementation of CSFRA and Regulations. Depending on the volume of questions, this portion may need to be adjusted. Initially estimated at 10 hours per month. \$2,500 per month.
- d. Updating and revising regulations. As the CSFRA is implemented, it is likely that the RHC will want to adopt further regulations and make adjustments and additions to adopted regulations. In this initial year, estimated to take on average 10 hours per month. \$2,500 per month.

Monthly total estimated costs were \$12,500 to \$17,500 per month, and \$150,000 to \$210,000 for the fiscal year.

The scope of services did not include in-depth research projects or the drafting of regulations regarding mobile home parks.

ANALYSIS

As approved in the budget for this fiscal year, Goldfarb & Lipman has provided legal services to the RHC since the start of the program. Their services have included in-depth research; drafted CSFRA regulations Chapters 3 (Rules of Conduct), 4 (Petition Process), 5 (Hearing Process), and 6 (Fair Return Standard and Vega Adjustments Standard), which were adopted by the RHC; and provided reports and presentations to the RHC, such as Determination of the Annual General Adjustment of Rent, the Ellis Act, Rental Housing Fees, and Applicability of the CSFRA to Mobile Homes and drafted regulations regarding mobile homes and provided counsel and training to the RHC at its meetings. They have also responded to questions and provided legal opinions on a variety of inquiries from RHC members and staff as well as on applicability of the CSFRA for certain properties. This firm is also representing the RHC in a recent lawsuit. The firm has responded in a timely manner and has been available to assist upon request.

An agreement is necessary to pay Goldfarb & Lipman for the services rendered and also for future services. As a new body, the RHC has been adopting policies and procedures for the administration of the CSFRA and recently approved a policy for the execution of agreements. In accordance with the policy, staff seeks authorization from the RHC for the Program Manager or other designee to execute an agreement with Goldfarb & Lipman for legal services because the amount of the contract exceeds \$50,000.

FISCAL IMPACT

The RHC adopted a budget for the CSFRA for Fiscal Year 2017-18, including up to \$200,000 for legal services as described above. At the end of January 2018, \$102,326.73 of the \$200,000 has been billed, leaving a balance of \$97,673.27 for the remainder of this fiscal year. This amounts to an average of around 60 hours per month spent on legal CSFRA matters. Approximately \$21,000 of the billed amount was spent on legal research regarding the applicability of the CSFRA to mobile home parks and the drafting of regulations. Neither of these tasks were included in the scope of services as budgeted by the RHC. It is currently foreseen that the budgeted amount for outside legal services will be sufficient for this fiscal year. Staff will return to the RHC if additional services beyond the budgeted amount in the recommendation are needed.

PUBLIC NOTICING – Agenda posting.

AvD/AK/5/CDD/RHC

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Attachments: 1. Fiscal Year 2017-18 Legal Fee Budget Proposal for Goldfarb & Lipman, LLP