



CITY OF PALO ALTO OFFICE OF THE CITY ATTORNEY

January 12, 2015

The Honorable City Council
Palo Alto, California

Request for Authorization to Increase Legal Services Agreement with the law firm of Goldfarb & Lipman LLP by an additional \$150,000 for a total not to exceed amount of \$380,000 and Adoption of a related Residential Housing In-Lieu Fund Budget Amendment Ordinance

The City Attorney's Office requests the Council authorize an increase to the existing legal services agreement with the law firm of Goldfarb & Lipman, LLP, Attorneys at Law by an additional \$150,000 for a total not to exceed amount of \$380,000 for legal services relating to the City's Below Market Rate Housing Program. In addition, in the City Attorney's office requests that Council adopt an Ordinance Amending The Budget For Fiscal Year 2015 To Provide Additional Appropriation Of \$150,000 In The Residential Housing In-Lieu Fee Fund to fund this increase.

The City has an existing agreement with the Law Firm of Goldfarb & Lipman LLP for litigation services relating to the City's Below Market Rate ("BMR") Housing Program (Contract No. S13149272). The City Attorney's Office requests authorization to amend the agreement to increase compensation under the agreement by an additional \$150,000. This amendment would bring the not to exceed amount of the agreement to \$380,000.

Goldfarb & Lipman has defended the City in two litigation matters relating to the City's BMR housing program. Additional funding is necessary to fund documenting the settlement of one matter and continuing defense of the second matter.

Based on the above, staff recommends to appropriate \$150,000 from the Residential Housing In-Lieu Fee Fund to fund this contract amendment amount.

ATTACHMENTS:

- BAO XXXX BMR Legal Services (DOCX)

Department Head: Molly Stump, City Attorney

Ordinance No. XXXX

ORDINANCE OF THE COUNCIL OF THE CITY OF PALO ALTO AMENDING THE BUDGET FOR FISCAL YEAR 2015 TO PROVIDE ADDITIONAL APPROPRIATION OF \$150,000 IN THE RESIDENTIAL HOUSING IN-LIEU FEE FUND FOR LITIGATION SERVICES PROVIDED BY GOLDFARB & LIPMAN LLC.

The Council of the City of Palo Alto does ORDAIN as follows:

SECTION 1. The Council of the City of Palo Alto finds and determines as follows:

A. Pursuant to the provisions of Section 12 of Article III of the Charter of the City of Palo Alto, the Council on June 16, 2014 did adopt a budget for Fiscal Year 2015; and

B. Goldfarb & Lipman LLC has defended the City in two litigation matters relating to the City’s Below Market Rent (BMR) Housing Program since November 2012; and

C. Additional funding is necessary to fund documenting the settlement of one matter and continuing defense of the second matter; and

D. At the time that the 2015 Adopted Budget was being considered by the City Council, the status of the original law suit was being reviewed by the courts; and

SECTION 2. The sum of One Hundred Fifty Thousand Dollars (\$150,000) is hereby appropriated for litigation services contract amendment with Goldfarb & Lipman LLP, for a new not to exceed amount of Three Hundred Eighty Thousand Dollars (\$380,000) and the ending fund balance in the Residential Housing In-Lieu Fund is decreased by One Hundred Fifty Thousand Dollars (\$150,000).

SECTION 3. As provided in Section 2.04.330 of the Palo Alto Municipal Code, this ordinance shall become effective upon adoption.

SECTION 4. The Council of the City of Palo Alto hereby finds that this is not a project under the California Environmental Quality Act and, therefore, no environmental impact assessment is necessary.

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INTRODUCED AND PASSED: Enter Date Here

AYES:

NOES:

ABSENT:

ABSTENTIONS:

NOT PARTICIPATING:

ATTEST:

City Clerk

APPROVED AS TO FORM:

Senior Assistant City Attorney

Mayor

APPROVED:

City Manager

Director of Administrative Services