

**COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE**

**RESOLUTION NO. 95-2014**

**Adopted December 2, 2014**

**AUTHORIZING A FIRST AMENDMENT TO THE LEGAL SERVICES CONTRACT WITH CARR MCCLELLAN P.C., FORMERLY KNOWN AS CARR MCCLELLAN INGERSOLL THOMPSON & HORN A PROFESSIONAL CORPORATION, TO INCREASE THE CONTRACT AMOUNT BY \$25,000 FOR A TOTAL AGGREGATE CONTRACT AMOUNT NOT TO EXCEED \$100,000, TO PROVIDE BANKRUPTCY-RELATED LEGAL SERVICES ON AN AS-NEEDED BASIS**

WHEREAS, Before the former Redevelopment Agency of the City and County of San Francisco (the "SFRA") was dissolved, two bankruptcy cases associated with SFRA tenants and/or borrowers were underway; and,

WHEREAS, On February 1, 2012, the SFRA was dissolved and its successor entity became part of the City and County of San Francisco (the "City") pursuant to California Assembly Bill 26 ("AB 26") and the California Supreme Court's decision and order in the case entitled California Redevelopment Association et al. v. Ana Matosantos. In anticipation of dissolution, the City, acting by and through the City Attorney's Office (the "City Attorney"), hired Carr McClellan P.C. ("Outside Counsel") in January 2012 under the City Attorney's authority granted under the San Francisco Municipal Code, 1996 Charter (the "City Contract"). Because at that time the successor entity to the SFRA and the City were the same entity, the successor entity to the SFRA also used Outside Counsel under the City Contract in both the Rasselas BK and the Carmen's BK; and,

WHEREAS, In June 2012, the California State Legislature passed a follow-up bill to AB 26, commonly called AB 1484 (together with AB 26, and subsequent legislation, "Redevelopment Dissolution Law"). Under AB 1484, the successor entity to the SFRA became a separate legal entity, separate from the City. The successor entity to the SFRA, now known as the Office of Community Investment and Infrastructure ("OCII" or the "Successor Agency"), continued to use Outside Counsel for its bankruptcy-related needs under the City Contract; and,

WHEREAS, In November 2012, another OCII borrower began bankruptcy proceedings. Creditors of Yoshi's San Francisco ("Yoshi's SF") submitted an involuntary bankruptcy filing to the bankruptcy court, stating that Yoshi's SF should be in Chapter 11 bankruptcy (the "Yoshi's BK"). (Due to protracted settlement discussions, the federal bankruptcy judge did not formally put Yoshi's SF into Chapter 11 bankruptcy until January 2014.); and,

WHEREAS, Due to these ongoing bankruptcy matters, OCII entered into a legal services contract with Carr McClellan P.C., formerly known as Carr McClellan Ingersoll Thompson & Horn A Professional Corporation ("Outside Counsel"), on July 1,

2014 to provide bankruptcy-related legal services (the "Contract"). OCII has a need for bankruptcy-related legal services, given the specialized nature of the federal bankruptcy process. The Successor Agency requires bankruptcy expertise for the Successor Agency to have adequate legal representation in these matters. The Contract runs until bankruptcy-related legal services are completed up to an aggregate contract amount of \$75,000; and,

WHEREAS, Outside Counsel was awarded this Contract under the "sole source method" because the firm had been representing the SFRA and the Successor Agency in these bankruptcy-related matters since January 2012 and had "performed satisfactorily and gained specific information and experience" making Outside Counsel "uniquely qualified" to provide the needed bankruptcy-related legal services (See Section IX.D.1.d of the Successor Agency's Purchasing Policy); and,

WHEREAS, To date, Outside Counsel has been paid \$75,000 under the Contract. This money was spent assisting the Successor Agency with the Yoshi's BK, the Rasselas BK, and the Carmen's BK; and,

WHEREAS, Under the proposed First Amendment, the maximum allowable budget under the Contract would be increased by \$25,000, for a total aggregate Contract amount of \$100,000. The increase in budget is needed because Outside Counsel is owed for work related to the Yoshi's BK and OCII may have future expenses related to bankruptcy-related legal services; and,

WHEREAS, During the 2014-15 fiscal year, OCII will pay the cost of this Contract with loan repayment funds approved for non-personnel operating expenses under OCII's Recognized Obligations Payment Schedule (ROPS Line #4), or other eligible funds if necessary; and,

WHEREAS, Outside Counsel complies with OCII's Equal Benefits, Minimum Compensation, and Healthcare Accountability Policies. All other terms of the Contract remain the same; and,

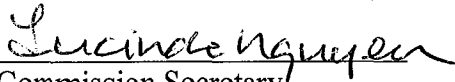
WHEREAS, Authorization of the First Amendment to the Contract will result in bankruptcy-related legal services being provided to OCII. The activities under the proposed First Amendment are categorically exempt from CEQA pursuant to CEQA Guidelines Sections 15301(h) and 15061(b)(3). The services would not directly cause any significant adverse change in the physical environment; and,

WHEREAS, Staff recommends approval of the proposed First Amendment to the Contract with Outside Counsel; now therefore, be it

RESOLVED, that the Executive Director of the Office of Community Investment and Infrastructure is authorized to execute a First Amendment to the Legal Services Contract with Carr McClellan P.C., formerly known as Carr McClellan Ingersoll Thompson & Horn A Professional Corporation, to increase the contract amount

by \$25,000 for a total aggregate contract amount not to exceed \$100,000, to provide bankruptcy-related legal services on an as-needed basis, in substantially the form of the First Amendment on file with the Secretary of the Commission, approved as to form by the Interim General Counsel to OCII.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of December 2, 2014.

  
Commission Secretary