

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: May 15, 2012

CAO File No. 0130-01756-1541

Council File No. 12-0014-S2

Council District:

To: The City Council

From: Miguel A. Santana, City Administrative Officer

*MAS*

Reference: Attorney Conflicts Panel

Subject: **CONFLICT REPRESENTATION OF MATTERS RELATED TO THE DESIGNATED LOCAL AGENCY (DLA), FORMERLY THE COMMUNITY REDEVELOPMENT AGENCY OF LOS ANGELES**

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### SUMMARY

On May 11, 2012, a representative from the City Attorney's Office appeared before the City Council and provided a summary of its role as legal counsel to both the City of Los Angeles (City) and the Designated Local Agency (DLA), the governing board of the former Community Redevelopment Agency of Los Angeles (CRA/LA). While serving in this capacity, the City Attorney's Office reports that a divergence of interest has grown between the parties on several matters. As a result, the City Attorney's Office has withdrawn as legal counsel to both the City and the DLA to avoid any existing or potential conflicts that may arise.

The City Attorney's Office has already provided written notification to the City Administrative Officer (CAO) for retention of conflict counsel to represent the City in legal matters related to the DLA, including a request for conflict counsel for four separate issues, consisting of two assignments for advice relating to complex transactional matters, and two assignments for legal representation relating to litigation involving Americans with Disabilities Act (ADA) issues.

Pursuant to the May 11, 2012 presentation by the City Attorney's Office, the CAO and the Chief Legislative Analyst were instructed to report relative to the actions necessary to hire outside counsel to represent the City. Currently the CAO is working with legal counsel from the Mayor's Office on the pre-selection of law firms for consideration of these assignments, based upon the unique specialization needed, relevant expertise, knowledge and experience as applicable to the depth and complexity of each assignment.

Due to the nature of circumstances and complexities with these case assignments, the CAO has determined that the usual format for retention of conflict counsel from the pre-qualified Attorney Conflicts Panel (ACP) list would not be adequate. Rather, ACP law firms and non-ACP law firms are being considered. Further, it has been determined that more than one law firm will be needed since each assignment has distinctive complexities and circumstances which require specializations and related expertise, knowledge and experience, not exclusive of one law firm. In addition, it may be necessary to utilize the compensation rates outside the ACP pre-determined rate structure, but

inclusive of the governmental hourly compensation rate category.

Therefore, Council authority is requested to retain conflict counsel utilizing both ACP and non-ACP law firms and to provide a compensation rate, as needed, that may be outside the ACP pre-determined rate structure, but based upon the governmental hourly rate structure.

## **RECOMMENDATIONS**

That the Council, subject to the approval of the Mayor, authorize the City Administrative Officer (CAO) to hire outside legal counsel, utilizing both ACP law firms and non-ACP law firms; and to provide a compensation rate, as needed, that may be outside the ACP pre-determined rate structure, but based upon the governmental hourly rate structure, to provide conflict representation for the City of Los Angeles.

## **FISCAL IMPACT STATEMENT**

The recommendations contained in this report will have no additional impact on the General Fund. Sufficient funding is available in the 2011-12 Adopted Budget for the Attorney Conflicts Panel under ACP Fund No. 46T, to fund necessary expenses incurred during the balance of this fiscal year.