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## Project Specialists

The partners at San Francisco-based Downs Pham & Kuei LLP launched their small public finance firm this spring, in which they help real estate developers get municipal tax credits and housing subsidies.

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**S**AN FRANCISCO — Striking out to form a firm of their own in April was in many ways a natural extension of the close ties and deep experience the founding partners of Downs Pham & Kuei LLP have cultivated together over the past decade.

The trio has managed a range of issues that fall beneath the broad umbrella of transactional real estate law, but their newly minted boutique is designed to amplify their collective strengths in the microcosm of public and tax credit finance.

While it's often a specialized subset of real estate transaction practices, public finance defies narrow characterization. It's a multifaceted line of work requiring an equally versatile set of legal and business skills, most of which revolve around helping real estate developers make full use of financial incentives like tax credits, housing subsidies and bond financing for projects deemed to have some kind of community benefit.

Much of the work at Downs Pham is tied to financing affordable housing projects.

"There aren't a lot of law firms that have this practice group to begin with. You can almost name them with your fingers," said partner Irene C. Kuei.

"We're not looking for the billion-dollar acquisitions — that's not what people look to us for," added partner Tuan A. Pham. "It's certain aspects of that acquisition, the bond finance aspects, the tax credit aspects of it."

The partners hit the ground running after hanging out their own shingle, attending to the clients they brought with them from Nixon Peabody LLP. But the partners have really been amassing a loyal book of business for nearly two decades.

"We kept all of our clients," Pham said. "Some of them are clients I

worked with when I started. We have very loyal clients and a wide spectrum of them, from billion-dollar, institutional [real estate investment trusts] to the mom and pop developers of the world."

A penchant for flexibility in their practice allows the firm to meet seamlessly the variety of needs that come with such a spectrum of clients. Their clients, Downs said, have had no qualms about sticking with a specialized firm to handle their public finance and tax credit work.

In addition to representing Avalon-Bay Communities Inc., one of the largest multi-family REITs in the world, the firm also works with developers like Prometheus Real Estate Group Inc., Forest City Enterprises Inc., Security Properties Inc. and Roem Corp.

The partners have also been doing a majority of the real estate, public finance and affordable housing work for Martin Building Co. for the past five years. Martin was the developer behind the prominent \$80 million, 196-apartment Potrero Launch project in San Francisco, a vastly complex deal some nine years in the making that finished in 2011.

Martin's founder and president, Patrick McNeerney, said that Downs — whom he's worked with the most — has a nationally renowned reputation in affordable housing and bond finance circles, and the robust network of contacts essential to getting deals done.

"It's their relationships that opens so many doors," he said.

After five years at Stradling Yocca Carlson & Rauth PC, Downs moved to Cox, Castle & Nicholson LLP, where he recruited Pham out of law school in 1997. Downs and Pham moved to Pillsbury Winthrop Shaw Pittman LLP's San Francisco office in 2001 along with a group from Cox Castle's public finance practice.

Kuei, the firm's tax specialist, was a Pillsbury associate in San Diego at



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The Downs Pham & Kuei LLP partners, from left : Gary P. Downs, Irene C. Kuei and Tuan A. Pham

the time but soon joined them in San Francisco. After starting off doing more traditional real estate and corporate-oriented work, "It just got to a point where I felt like I really enjoyed affordable housing work more, and I felt like San Francisco had more to offer so I moved here and started working exclusively with Gary on affordable housing work," she said.

In 2006 Pham broke off to help launch Goodwin Procter LLP's San Francisco office. Downs and Kuei moved to Nixon in 2010, and Pham joined them the following year from Goodwin.

While the trio was pleased to be a part of Nixon's well-regarded public finance and housing practice, they quickly saw that both they and their clients would be better served on a smaller platform.

The idea of splitting off into a public finance boutique began in earnest about a year ago, Downs said.

"At the end of the day, we thought we wanted to build something new that was better for our clients. The rates are lower, we're very nimble and we have a lot of flexibility in the type of deals that we can do and a lot less conflicts," Pham said.

Distributing work among three experienced partners is complementary to the specific type of work the firm does. The multitude of issues that can arise in any given real estate transaction means attorneys need to flex an institutional, panoptic understanding of the industry with any given deal.

"There's not a lot of grunt work that you can put a team of associates on," Downs said. "There are tax issues and structuring issues and complicated negotiations where style and experience and demeanor all become important. That lends itself to clients wanting more experienced attorneys."

Orrick, Herrington and Sutcliffe LLP partner Justin S. Cooper worked on a plethora of deals with Downs Pham dating back to the partners' time in larger firms. Attorneys in the public finance world cross paths often, Cooper said, underscoring the importance of establishing a good reputation.

"In this business, you can't sneak something past someone because you're going to be working with them on another deal again in three months time," he said.

Downs, he added, "has for a long time been one of the handful of known first-rate developer's counsel in the state."

Cooper, who often advises on the municipality side of public finance transactions, has been working on a string of deals with the firm in the South Bay. Working with Downs Pham, he said, has been "an easy and effortless" process.

"We have things down to the point where we're able to deliver our legal services efficiently because they're so good at what they do that it all just works," Cooper said. "That's resulting in lower costs for the developer, meaning they can produce a better product for the residents there."