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March 31, 2015

via e-mail and u.s. mail

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Ms. Sharon Anderson  
County Counsel  
County of Contra Costa  
651 Pine Street, 9<sup>th</sup> Floor  
Martinez, CA 94553

Re: *Potential Conflict of Interests Between City of Antioch/Successor Agency to the Antioch Development Agency and Contra Costa County*

Dear Ms. Nerland and Ms. Anderson:

This letter advises the County of Contra Costa (the "County"), the City of Antioch (the "City") and the Successor Agency to the Antioch Development Agency ("Successor Agency") of a potential conflict of interests by Goldfarb & Lipman LLP ("Goldfarb & Lipman") in connection with a dispute tangentially involving the County, but primarily between the City, the Successor Agency and the California Department of Finance ("DOF"). We request your acknowledgment of and consent to our representation of the City and the Successor Agency in its dispute with the DOF and our representation of the County in unrelated matters.

The City and the Successor Agency are filing a lawsuit alleging primarily that DOF is improperly attempting to require the City to return funds transferred to the City by the former Antioch Development Agency prior to dissolution of the former Redevelopment Agency. Goldfarb & Lipman, by this letter, is requesting consent by the County to our representation of the City and the Successor Agency in the lawsuit. The lawsuit names the Contra Costa County Auditor-Controller as a respondent, because the suit seeks an order that would prohibit the Auditor-Controller from exercising certain property tax offsets against the City as allowed in the redevelopment dissolution statutes. The lawsuit also names the County, as well as all of the other taxing entities, as real parties in interest, since the result of the lawsuit could impact funds distributed to the County and other taxing entities.

Goldfarb & Lipman has never advised or represented the Contra Costa County Auditor-Controller. On an ongoing basis, however, Goldfarb & Lipman represents the Successor Agency to the former Contra Costa Redevelopment Agency and the County itself, primarily on issues relating to dissolution of the former County Redevelopment Agency, Contra Costa Centre development issues, and housing loans.

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We do not propose to advise or represent the County or any agency sharing a board or general counsel with the County in the lawsuit between the City, Successor Agency and DOF. Rather, we understand that if the County or any County-related agency elects to participate in this litigation, it will do so through counsel other than Goldfarb & Lipman.

Although this concurrent representation could present conflicts of loyalty, we do not believe such a conflict would exist unless the County elected to participate in the City lawsuit in a manner adverse to the City or the Successor Agency. In addition, we do not believe that our representation of the County in matters relating to housing, Contra Costa Centre development, and the dissolution of its redevelopment agency has given or will give us any confidential information about the County that the City or the Successor Agency might use to the County's disadvantage in the litigation against DOF, or that our representation of the City and the Successor Agency against DOF has given or will give us any confidential information about the City or the Successor Agency that the County might use to the City's or the Successor Agency's disadvantage in the County's housing, Contra Costa Centre, and redevelopment dissolution matters. Given these circumstances, we believe that we can competently represent the City and the Successor Agency in its DOF lawsuit and still maintain our professional duties to the County in the unrelated matters in which we advise and represent the County.

If an actual conflict did arise between the County and the City/Successor Agency, it is likely we would need to withdraw from representing the City and the Successor Agency against DOF and the County. We would consult further with both of you regarding such circumstances if they arose.

As attorneys, we are governed by specific rules relating to our representation of clients where we have a relationship with two potentially adverse parties. Rules 3-310(A), (B), (C), and (E) of the Rules of Professional Conduct of the State Bar of California govern conflicts of interest. Accordingly, we must obtain the informed written consent of the City, the Successor Agency and the County before proceeding with our representation of the City and the Successor Agency.

If, after considering the foregoing information, you are willing to consent to Goldfarb & Lipman's representation of the City and the Successor Agency in its dispute with DOF at the same time as Goldfarb & Lipman represents the County on ongoing housing, Contra Costa Centre development, and redevelopment dissolution matters, please sign and return to us one copy of this letter (i) acknowledging that the City, the Successor Agency and the County have been advised of this potential conflict, and (ii) indicating that the City, the Successor Agency and the County nevertheless each consent to our representing both of them at the same time, although not in the same matter.

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If you have questions regarding these disclosures or analysis, please call us. Thank you very much for your consideration.

Very truly yours,



KAREN M. TIEDEMANN



HEATHER GOULD

CONSENT:

CITY OF ANTIOCH

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SUCCESSOR AGENCY TO THE ANTIOCH  
DEVELOPMENT AGENCY

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COUNTY OF CONTRA COSTA

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Sharon Anderson  
County Counsel