



**Contra  
Costa  
County**

To: Board of Supervisors  
From: Sharon L. Anderson, County Counsel  
Date: July 24, 2018

Subject: APPROVE AND AUTHORIZE CONFLICT WAIVER WITH GOLDFARB & LIPMAN LLP

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**RECOMMENDATION(S):**

AUTHORIZE the County Counsel, or her designee, to consent to potential conflicts of interest that arise from the County being represented by Goldfarb & Lipman LLP in connection with the following affordable housing transactions: Pinecrest Apartments (in Antioch) and Terrace Glen Apartments (in Antioch).

**FISCAL IMPACT:**

There is no financial impact.

**BACKGROUND:**

The County is an existing client of Goldfarb. Goldfarb represents the County on various legal issues related to the former redevelopment agency, new development financed by the County, and the preparation of legal documents for County-funded housing programs.

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☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY  
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD  
COMMITTEE

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Action of Board On: **07/24/2018** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
Candace Andersen, District II Supervisor  
Diane Burgis, District III Supervisor  
Karen Mitchoff, District IV Supervisor  
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: July 24, 2018

David Twa, County Administrator and Clerk of the Board of Supervisors

Contact: Kate Andrus, Deputy  
County Counsel (335-1824)

By: June McHuen, Deputy

cc:

## BACKGROUND: (CONT'D)

Because Goldfarb's concentration of work is in affordable housing, it is not uncommon for the firm to have an attorney-client relationship with more than one party to a complicated housing transaction.

Attached is a letter from Goldfarb that requests that the County acknowledge and waive the conflicts that exist in a transaction in which Goldfarb will represent both the County and the City of Antioch (City). In this transaction, both the County and the City have lent money to two affordable housing developments in Antioch: Pinecrest Apartments and Terrace Glen Apartments. Both developments are owned by affiliates of Resources for Community Development, a California nonprofit public development corporation (RCD). To raise funds to rehabilitate both developments, RCD plans to refinance certain of the outstanding debt of both developments using tax-exempt bonds and low income housing credits. The existing County loans, with an outstanding balance of approximately \$2.3 million will be combined with a new loan of \$1.3 million, for a total of approximately \$3.6 million. The existing City loans, with an outstanding balance of approximately \$3.5 million, will remain outstanding. It is expected that the County loan and the City loan will be repayable from excess cash flow (if any) from the two developments. An intercreditor agreement will be needed to govern how the excess cash flow is to be shared by the County and the City and the priority of liens that secure the loans. The intercreditor agreement would be the only negotiated agreement between the County and the City and would be reviewed by the County Counsel's office before being finalized.

The attached letter sets forth the attorney-client relationships that could affect the firm's representation of both the County and the City and states that different attorneys within Goldfarb will represent the County and the City.

Staff for the Department of Conservation and Development advise that they do not object to the potential conflict.

## CONSEQUENCE OF NEGATIVE ACTION:

If the County does not consent to the potential conflicts that arise as a result of Goldfarb representing the County and the City in this refinancing, Goldfarb would not be able to represent the County, or anyone else, in connection with this transaction. The result would likely be increased costs for the County and a delay in the completion of the transaction.

## CHILDREN'S IMPACT STATEMENT:

## ATTACHMENTS

Pinecrest and Terrace Glen Apartments