



**Contra
Costa
County**

To: Board of Supervisors
From: Sharon L. Anderson, County Counsel
Date: November 12, 2019

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

RECOMMENDATION(S):

APPROVE and AUTHORIZE County Counsel or her designee to execute on behalf of the County a form consenting to joint representation of the County and Housing Consortium of the East Bay (HCEB) by Goldfarb and Lipman LLP in connection with a grant by the County of approximately \$1.2 million of Local Government Special Needs Housing Program (SNHP) funds to pay for HCEB's acquisition of real property in Richmond for use as affordable rental housing.

FISCAL IMPACT:

There is no General Fund impact. SNHP funds were provided to the County by the State through the California Housing Finance Agency.

BACKGROUND:

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

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **11/12/2019** ☒ 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: November 12, 2019

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

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

By: June McHuen, Deputy

transaction.

BACKGROUND: (CONT'D)

Attached is a letter from Goldfarb requesting that the County acknowledge and waive the conflicts that exist in a transaction in which Goldfarb will represent the County and the Housing Consortium of the East Bay (HCEB), both of which are parties to a revocable grant agreement, a regulatory agreement and various ancillary documents as part of a revocable grant from the County to HCEB, as described in the attached letter from Goldfarb. The letter sets forth the attorney-client relationships that could affect the firm's representation of both the County and HCEB and states that different attorneys within Goldfarb will represent the County and HCEB. The proposed consent to Goldfarb's dual role is attached to Goldfarb's letter.

In the proposed transaction, the County will grant approximately \$1.2 million of Local Government Special Needs Housing Program (SNHP) (formerly a component under the Mental Health Services Act known as the MHSA Housing Program) funds to HCEB. The revocable grant will be used to pay for HCEB's acquisition of real property in Richmond for use as affordable rental housing to individuals with a serious mental disorder. The grant may be revoked if HCEB fails to make the ten units on the two sites being acquired available for rent in accordance with the terms of a Regulatory Agreement. The Regulatory Agreement will have a 55-year term and will be secured by a deed of trust.

Staff for the Health Services Department have advised the County Counsel's office that it is critical that the SNHP funds be used this year and that Goldfarb's assistance will facilitate achieving that goal.

CONSEQUENCE OF NEGATIVE ACTION:

Goldfarb would not be able to continue to represent the County in connection with the revocable grant. The result would likely be a delay in HCEB's acquisition of the property and the potential loss of these SNHP funds.

ATTACHMENTS

Goldfarb Letter