

ATTACHMENT 3

**COOPERATION AGREEMENT FOR EXPENDITURE OF 2008 BOND PROCEEDS
BETWEEN
THE COUNTY OF SANTA BARBARA
AND
THE SUCCESSOR AGENCY
TO THE FORMER COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY**

THIS COOPERATION AGREEMENT is entered into this _____ day of _____,
2014 by and between THE COUNTY OF SANTA BARBARA (the "County") and THE
SUCCESSOR AGENCY TO THE FORMER COUNTY OF SANTA BARBARA
REDEVELOPMENT AGENCY (the "Successor Agency").

R E C I T A L S

WHEREAS, on June 26, 2008, Certificates of Participation in the amount of \$17,000,000 were issued for use of the proceeds by the former County of Santa Barbara Redevelopment Agency (the "2008 Bonds") for improvements in the Isla Vista Redevelopment Project Area. The bond proceeds have been used to pay the costs of projects that met the goals and objectives of the Redevelopment Plan. Among the projects assisted with the bond proceeds were the purchase of real properties located at 970 and 976 Embarcadero Del Mar, the construction of streetscape improvements on Pardall Road and El Embarcadero, and the construction of a stormwater drainage system in the downtown area of Isla Vista, amongst other projects; and

WHEREAS, on November 27, 1990, the Santa Barbara County Board of Supervisors adopted the redevelopment plan for the Isla Vista Redevelopment Project Area; and

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature enacted and the Governor signed ABX1 26; and

WHEREAS, an action challenging the constitutionality of ABX1 26 was brought on behalf of cities and redevelopment agencies in the case of California Redevelopment Association et al v. Matosantos (S194861) ("Matosantos case"); and

WHEREAS, on December 29, 2011 the California Supreme Court ("Court") rendered a decision in the Matosantos case whereby it upheld most of ABX1 26, including those provisions requiring the dissolution of all redevelopment agencies; and

WHEREAS, California Health and Safety Code Sections 34171(j) and 34173(d)(1) provided that the County is the Successor Agency to the former Redevelopment Agency unless the County adopted a resolution by September 1, 2011 electing not to serve as Successor Agency for the Redevelopment Agency; and

WHEREAS, on August 9, 2011 the County of Santa Barbara Board of Supervisors decided to take no action under California Health and Safety Code Section 34173(d)(1), so as to allow the

County of Santa Barbara to automatically become the Successor Agency to the former Redevelopment Agency; and

WHEREAS, on January 10, 2012, the County of Santa Barbara Board of Supervisors reaffirmed their decision to automatically become Successor Agency to the former Redevelopment Agency by taking no action under California Health and Safety Code Section 34173(d)(1); and

WHEREAS, as of February 1, 2012, the Redevelopment Agency was dissolved and the Successor Agency became operational; and

WHEREAS, the Successor Agency received its finding of completion on April 26, 2013, Pursuant to Health & Safety Code §34179.7. As of April 30, 2014, the Successor Agency has \$235,983 in unspent proceeds from the 2008 Bonds, which amount may change from time to time based on interest (the "Unspent Bond Proceeds"). As permitted by Health & Safety Code §34191.4(c), the Successor Agency wishes to spend the Unspent Bond Proceeds for the purposes under which the 2008 Bonds were issued; and

WHEREAS, the Board of the Successor Agency and the Board of Supervisors of the County of Santa Barbara desire to have the Unspent Bond Proceeds accounted for in the County's general fund in a separate restricted account for authorized expenditures permitted by the bond covenants, and for the County to take charge of the use of the Unspent Bond Proceeds pursuant to this Agreement. Such action allows for the timely expenditure of these monies. In addition, the Unspent Bond Proceeds will continue to be held by the Trustee as required by the Trust Agreement for the 2008 Bonds until reimbursement to the County is made for authorized expenditures; and

WHEREAS, pursuant to Health and Safety Code § 34191.4(c)(1), bond proceeds derived from bonds issued on or before December 31, 2010, shall be used for the purposes for which the bonds were sold. Pursuant to Health & Safety Code § 34191.4(c)(2)(A), notwithstanding § 34177.3 or any other conflicting provision of law, bond proceeds in excess of the amounts needed to satisfy approved enforceable obligations shall thereafter be expended in a manner consistent with the original bond covenants.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. Accounting for Unspent Bond Proceeds. Beginning July 1, 2014, the Unspent Bond Proceeds shall be accounted for in the County's general fund in a separate restricted account for authorized expenditures permitted by the bond documents.

2. Expenditure of Unspent Bond Proceeds. The County shall spend the Unspent Bond Proceeds on behalf of the Successor Agency. All purposes for which the County spends the Unspent Bond Proceeds shall be within the scope of the uses of proceeds of the 2008 Bonds as set forth in the Trust Agreement and the Official Statement for the 2008 Bonds.

3. Termination of Agreement. This Agreement and the obligations of the County and the Successor Agency shall terminate on the expenditure of all of the Unspent Bond Proceeds.

4. Entire Agreement. The Agreement shall constitute the entire agreement of the parties with respect to the subject matter hereof. The Agreement may be modified or amended only by an agreement in writing signed by authorized representatives of the parties after any and all required actions by the parties' respective governing bodies.

5. Non-Liability of Members, Officials, Employees, and Agents; Non-Recourse Obligation. No member, officer, official, employee, agent or representative of the County or the Successor Agency shall be personally liable for performance by the County or Successor Agency hereunder, for breach or default by the County or Successor Agency hereunder, for any amounts which may be payable or become due hereunder, or for any judgment or execution thereon entered in any action.

6. No Third Party Beneficiaries; Binding on Successors and Assigns. There are no third party beneficiaries under this Agreement. No person or entity other than the County and the Successor Agency and their respective successors and assigns shall have any rights or any right of action hereunder. To the maximum extent permitted by law this Agreement is intended to be binding upon the voluntary and involuntary successors and assigns of the County and the Successor Agency.

IN WITNESS WHEREOF, the parties hereto executed this Agreement to be effective as of the date first written above.

ATTEST:

Mona Miyasato
County Executive Officer
Clerk of the Board

By: _____
Deputy Clerk

COUNTY OF SANTA BARBARA:

By: _____
Chair, Board of Supervisors

Date: _____

APPROVED AS TO FORM:

Michael C. Ghizzoni
County Counsel

By: 
Deputy County Counsel


APPROVED AS TO ACCOUNTING FORM:

Robert W. Geis, CPA
Auditor-Controller

By: 
Deputy

APPROVED AS TO FORM:

Risk Management

By: 
Risk Management

