June 12, 2002

Mayor Marty Blum City of Santa Barbara PO Box 1990 Santa Barbara, CA 93102-1990

RE: Annexation of the St. Vincent's-Mercy Housing Project

Dear Mayor Blum:

The County of Santa Barbara strongly supports the City's proposed amendment to its sphere of influence to allow annexation of the St. Vincent's-Mercy Housing project (APNs 059-240-020, 021, and 022). As you know, the County and City have been working together on the planning and financing of this important 100% affordable housing project.

County and City staffs have consulted pursuant to Government code Section 56425(b) and the County is in concurrence with the City's proposed zoning and development standards for the project. The County assumes the sphere amendment will be closely followed by annexation and approval of entitlements for the project. Since this sphere amendment is for a single project, the County intends to amend its general plan to delete the annexed area, rather than conform its general plan to City standards as contemplated by Government code 56425(b).

The County understands that the County and City will follow past practice and share equally the credit for housing units produced for purposes of complying with regional housing needs allocations.

The Board of Supervisors congratulates the City of Santa Barbara for this important contribution to the South Coast's affordable housing stock.

Sincerely,

Gail Marshall, Chair Board of Supervisors RESOLUTION NO.

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA IN THE MATTER OF PROVIDING FOR A NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES PERTAINING TO THE ST. VINCENT REORGANIZATION: AN ANNEXATION TO THE CITY OF SANTA BARBARA, DETACHMENT FROM THE GOLETA WATER DISTRICT, AND DETACHMENT FROM THE COUNTY FIRE PROTECTION DISTRICT

WHEREAS, Section 99 of the Revenue and Taxation Code of the State of California provides that no change of jurisdictional boundaries shall become effective until each city and county whose service areas or service responsibilities would be altered by such change agree by resolution to a negotiated exchange of property tax revenue; and

WHEREAS, the City of Santa Barbara (CITY) and the County of Santa Barbara (COUNTY) have negotiated and reached a mutually acceptable agreement for an exchange of property tax revenue for the proposed reorganization which is commonly referred to as the St. Vincent Reorganization.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Santa Barbara approves and adopts the following formula for the exchange of property tax revenue from the subject property:

1. Definitions:

a. "Reorganization" shall mean the recordation by LAFCO of a certificate of completion and the filing by LAFCO with the State Board of Equalization and the Santa Barbara County Assessor of a statement of boundary change pursuant to Government Code Section 54900 et seq., annexing the area to the City of Santa Barbara.

b. "Property tax revenue" shall include the base property tax revenue and the property tax increment.

2. The Auditor-Controller of Santa Barbara County shall allocate to the CITY a portion of the share of the property tax revenue from the St. Vincent Reorganization area, that otherwise would be allocated to the Santa Barbara County Fire Protection District (12.46328156 percent in fiscal year 2001-2002) and the County General Fund shall retain 1.12897089%.

3. Allocation to CITY will commence the first full fiscal year for which the change in property tax allocation specified by this resolution are effected by the Board of Equalization's corresponding adjustments to the tax rate allocation system. At the time of adoption of this resolution, that is anticipated to be fiscal year 2002-03. 4. After allocation to CITY, the Santa Barbara County Fire Protection District will be detached and receive the difference between its fiscal year 2001-2002 property tax allocation from the area and the portion allocated to CITY in paragraph 2.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California on this ______ day of _____, 2002, by the following vote:

AYES:

NOS:

ABSTAIN:

ABSENT:

CHAIR, BOARD OF SUPERVISORS COUNTY OF SANTA BARBARA

ATTEST: CLERK OF THE BOARD

By:

Deputy Clerk

APPROVED AS TO FORM COUNTY COUNSEL By: APPROVED AS TO FORM AUDITOR-CONTROLLER By: