

BEFORE THE SANTA CRUZ COUNTY
REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD
RESOLUTION NO. _____

On the motion of _____ duly seconded by _____ the following resolution is adopted:

RESOLUTION APPROVING MEETING MINUTES OF THE
OVERSIGHT BOARD

WHEREAS, the Santa Cruz County Redevelopment Successor Agency Oversight Board ("Oversight Board") has been established to direct the Santa Cruz County Redevelopment Successor Agency ("Successor Agency") to take certain actions to wind down the affairs of the former Santa Cruz County Redevelopment Agency ("Agency") in accordance with the requirements of Assembly Bill 26 ("ABx1 26"), also known as chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 and Part 1.85 of Division 24 of the California Health and Safety Code, and Assembly Bill 1484, also known as chapter 26, Statutes of 2012, which made certain revisions to the statutes added by ABx1 26; and

WHEREAS, Health and Safety Code Section 34179 (e) requires that all actions taken by the Oversight Board shall be adopted by resolution; and

WHEREAS, the Oversight Board conducted a public meeting on January 20, 2015, the minutes of which are attached as Exhibit 1; and

WHEREAS, these meeting minutes reflect the actions of the Oversight Board;

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED by the Santa Cruz County Redevelopment Successor Agency Oversight Board as follows:

SECTION 1. The above Recitals are true and correct.

SECTION 2. The meeting minutes of the Oversight Board meeting on January 20, 2015 are hereby approved.

PASSED, APPROVED and ADOPTED by the Santa Cruz County Redevelopment Successor Agency Oversight Board, this ___ day of _____, 2015 by the following vote:

- AYES:
- NOES:
- ABSENT:

Chairperson of the Santa Cruz County Redevelopment
Successor Agency Oversight Board

ATTEST:

Clerk of the Oversight Board

Approved as to form:



County Counsel

Distribution:

- Auditor-Controller
- CAO
- County Counsel
- Successor Agency
- State Department of Finance

**PROCEEDINGS OF THE
SANTA CRUZ COUNTY
REDEVELOPMENT SUCCESSOR AGENCY
OVERSIGHT BOARD**

**VOLUME 2015, NUMBER 1
January 20, 2015**

ACTION SUMMARY MINUTES

VOTING KEY:

C = Cirillo
G = Geisreiter
H = Hart
L = Leopold
M = Maxwell
Ro = Rozario
Re = Reece

First Initial indicates maker of motion, second initial indicates the "second"; upper case letter = "yes" vote; lower case letter = "no" vote; () = abstain; // = absent

1. **Call to Order/Roll Call** - Meeting called to order at 9:03 a.m. Members present: Cirillo, Rozario, Hart, Geisreiter, Maxwell, Reece, Leopold.
2. **Consideration of Late Additions to the Agenda; additions and deletions to Consent and Regular Agendas**-none
3. **Oral Communications** – no one addressed the Board.
4. **ADOPTED RESOLUTION NO. 1-2015OB** approving the meeting minutes of September 23, 2014

ReGHRoLM(C)
5. **ADOPTED RESOLUTIONS NO. 2-2015OB and 3-2015OB** approving the issuance of the Santa Cruz County Redevelopment Successor Agency’s 2015 Tax Allocation Refunding Bonds, Series A and Series B

MRoReGCHL
6. **ADOPTED RESOLUTIONs NO. 4-2015OB, 5-2015OB, 6-2015OB, 7-2015OB, and 8-2015OB** directing the Redevelopment Successor Agency to transfer title for five affordable housing properties to the County of Santa Cruz as the Housing Successor Entity

CGRoHLMRe

Approved: _____
Chair, Oversight Board

Attest: _____
Secretary of the Oversight Board

NOTE: This set of Santa Cruz County Redevelopment Successor Agency Oversight Board minutes is scheduled to be approved February 17, 2015.



County of Santa Cruz

SANTA CRUZ COUNTY REDEVELOPMENT SUCCESSOR AGENCY

701 OCEAN STREET, ROOM 510, SANTA CRUZ, CA 95060-4073

(831) 454-2280 FAX: (831) 454-3420 TDD: (831) 454-2123

February 4, 2015

Agenda: February 17, 2015

Oversight Board
 Santa Cruz County Redevelopment Successor Agency
 701 Ocean Street
 Santa Cruz, CA 95060

APPROVAL OF THE ADMINISTRATIVE BUDGET FOR JULY 1, 2015 THROUGH DECEMBER 31, 2015

Dear Members of the Board:

California Health & Safety Code Section 34177(j) requires that the Administrative Budget be prepared for each six month period by the Successor Agency for approval by the Oversight Board.

The Board of Supervisors, acting as the Santa Cruz County Redevelopment Successor Agency, approved the Administrative Budget (Exhibit 1) on February 10, 2015. As detailed in Attachment 2, it includes appropriations for services and supplies, including services provided by other County departments. Services from other departments include the staff time to wind down the former Redevelopment Agency, and the administrative costs of the Oversight Board.

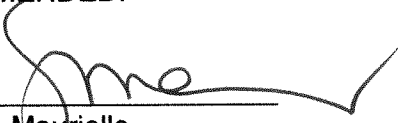
AB x1 26 provides for a minimum Administrative Cost Allowance of \$250,000, and maximum of up to 3% of the property tax allocated to the successor agency per fiscal year. In the past, we have requested the maximum allowance based upon estimated taxes to be received for each fiscal year. As the wind-down of the former redevelopment agency has progressed, we have spent less than the maximum allowance in recent years, and had our subsequent requests adjusted downward by the unspent amounts. At this point in time, the \$250,000 minimum Administrative Cost Allowance is sufficient for the anticipated 2015-16 cost of services, with \$125,000 budgeted for the first six months.

It is therefore **RECOMMENDED** that your Board adopt the attached resolution approving the Administrative Budget for the period July 1, 2015 through December 31, 2015.

Very truly yours,

Betsy Lynberg
 Director of Capital Projects

RECOMMENDED:



Susan A. Mauriello
County Administrative Officer

BL:kn

Attachments

cc: CAO, Auditor-Controller, County Counsel, Successor Agency, DOF

BEFORE THE OVERSIGHT BOARD OF THE SANTA CRUZ COUNTY
REDEVELOPMENT SUCCESSOR AGENCY
RESOLUTION NO. _____

On the motion of Oversight Board Member _____ duly seconded by Oversight Board Member _____ the following resolution is adopted:

RESOLUTION APPROVING THE ADMINISTRATIVE BUDGET
OF THE SANTA CRUZ COUNTY REDEVELOPMENT
SUCCESSOR AGENCY FOR JULY 2015 THROUGH
DECEMBER 2015

WHEREAS, the Oversight Board of the Santa Cruz County Redevelopment Successor Agency ("Oversight Board") has been established to direct the Santa Cruz County Redevelopment Successor Agency ("Successor Agency") to take certain actions to wind down the affairs of the former Santa Cruz County Redevelopment Agency ("Agency") in accordance with the requirements of Assembly Bill 26 ("ABx1 26"), also known as chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 and Part 1.85 of Division 24 of the California Health and Safety Code, and Assembly Bill 1484, also known as chapter 26, Statutes of 2012, which made certain revisions to the statutes added by ABx1 26; and

WHEREAS, Health and Safety Code Section 34179 (e) requires that all actions taken by the Oversight Board shall be adopted by resolution; and

WHEREAS, Health and Safety Code Section 34177(j) requires the Oversight Board to approve the Administrative Budget of the Santa Cruz County Redevelopment Successor Agency for the period July 2015 through December 2015;

WHEREAS, the Administrative Budget of the Santa Cruz County Redevelopment Successor Agency for the period July 2015 through December 2015 is attached as Exhibit 1; and

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency as follows:

SECTION 1. The above Recitals are true and correct.

SECTION 2. The Administrative Budget of the Santa Cruz County Redevelopment Successor Agency for the period July 2015 through December 2015 is approved.

PASSED, APPROVED and ADOPTED by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency, this ___ day of _____, 2015 by the following vote:

AYES:

NOES:

ABSENT:

Chairperson of the Oversight Board of the Santa Cruz
County Redevelopment Successor Agency

ATTEST:

Clerk of the Oversight Board

Approved as to form:



County Counsel

Distribution:
County Counsel
Successor Agency
CAO
State Department of Finance
Auditor-Controller

Santa Cruz County Redevelopment Successor Agency
 Administrative Budget for the period July 1, 2015 - December 31, 2015

| Account # | Account Title | RSA 2014-15 Budget | RSA 2014-15 Estimated Actual Expenditures | RSA 2015-16 Proposed Budget | RSA Admin. Budget July-Dec 2015 | RSA Admin. Budget Jan-Jun 2016 |
|---------------------|---|--------------------------|--|-----------------------------------|---------------------------------------|--------------------------------------|
| REVENUES | | | | | | |
| | Revenue (Interest & Operating Transfers In) | 592,763 | 494,629 | 250,000 | 125,000 | 125,000 |
| | TOTAL REVENUES | 592,763 | 494,629 | 250,000 | 125,000 | 125,000 |
| EXPENDITURES | | | | | | |
| | Salaries and Employee Benefits | 0 | 0 | 0 | 0 | 0 |
| | Total | 0 | 0 | 0 | 0 | 0 |
| | Services and Supplies | 642,202 | 276,391 | 230,000 | 115,000 | 115,000 |
| | Total | 642,202 | 276,391 | 230,000 | 115,000 | 115,000 |
| | Other Charges | 0 | 0 | 0 | 0 | 0 |
| | County Overhead A87/CP EFF 0809 | (26,391) | (26,391) * | 20,000 | 10,000 | 10,000 |
| | Total | (26,391) | (26,391) | 20,000 | 10,000 | 10,000 |
| | TOTAL EXPENDITURES | 615,811 | 250,000 | 250,000 | 125,000 | 125,000 |

Narrative:

Revenues are funded by Property Taxes, as approved on the ROPS, and interest. The administrative budget includes costs for administrative expenses from other County departments, including Parks, Auditor-Controller, Clerk of the Board, Planning, Public Works, County Administrative Office, and County Counsel. Other indirect County costs related to activities of the Successor Agency are paid through County overhead charges. Costs for the Oversight Board, such as notices and meetings, are included in the administrative budget.

* Note: Successor Agency Overhead charges are offset by Overhead credit from the former Redevelopment Agency for fiscal years 2011-12 and 2012-13.



County of Santa Cruz

SANTA CRUZ COUNTY REDEVELOPMENT SUCCESSOR AGENCY

701 OCEAN STREET, ROOM 510, SANTA CRUZ, CA 95060-4073

(831) 454-2280 FAX: (831) 454-3420 TDD: (831) 454-2123

February 4, 2015

Agenda: February 17, 2015

Oversight Board
Santa Cruz County Redevelopment Successor Agency
701 Ocean Street
Santa Cruz, CA 95060

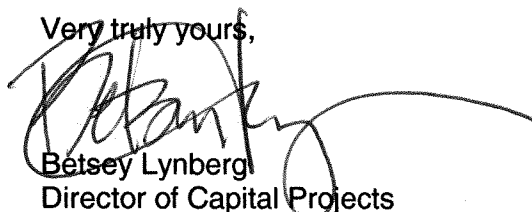
APPROVAL OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JULY 1, 2015 THROUGH DECEMBER 31, 2015 (ROPS 15-16A)

Dear Members of the Board:

California Health & Safety Code Sections 34177(l) & (m) and 34180(g) require that the establishment of a Recognized Obligation Payment Schedule (ROPS) be approved by the Oversight Board. AB 1484, which became effective June 28, 2012, modifies Section 34177(l) & (m), requiring earlier deadlines for the ROPS and a \$10,000/day penalty for each day it is late. The next ROPS, covering the period July 1, 2015 through December 31, 2015 (ROPS 15-16A), is due to the Department of Finance by March 3, 2015. This ROPS has been prepared using the form issued by the Department of Finance. The Board of Supervisors, acting as the Santa Cruz County Redevelopment Successor Agency, approved the ROPS (Exhibit 1 to the resolution) on February 10, 2015. The Department of Finance letter approving the previous ROPS covering the period January 1, 2015 through June 30, 2015 (ROPS 14-15B) is attached (Attachment 2).

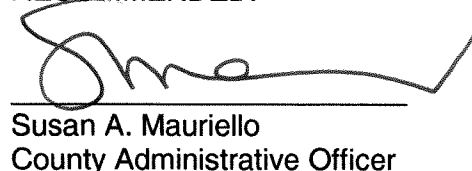
It is therefore **RECOMMENDED** that your Board adopt the attached resolution approving the Recognized Obligation Payment Schedule 15-16A for the period July 1, 2015 through December 31, 2015.

Very truly yours,



Betsy Lynberg
Director of Capital Projects

RECOMMENDED:



Susan A. Mauriello
County Administrative Officer

BL:kn

Attachment

cc: CAO, Auditor-Controller, County Counsel, Successor Agency, DOF, SCO

BEFORE THE OVERSIGHT BOARD OF THE SANTA CRUZ COUNTY
REDEVELOPMENT SUCCESSOR AGENCY
RESOLUTION NO. _____

On the motion of Oversight Board Member _____ duly seconded by Oversight Board Member _____ the following resolution is adopted:

RESOLUTION APPROVING THE RECOGNIZED OBLIGATION
PAYMENT SCHEDULE OF THE SANTA CRUZ COUNTY
REDEVELOPMENT SUCCESSOR AGENCY FOR JULY 2015
THROUGH DECEMBER 2015 (ROPS 15-16A)

WHEREAS, the Oversight Board of the Santa Cruz County Redevelopment Successor Agency ("Oversight Board") has been established to direct the Santa Cruz County Redevelopment Successor Agency ("Successor Agency") to take certain actions to wind down the affairs of the former Santa Cruz County Redevelopment Agency ("Agency") in accordance with the requirements of Assembly Bill 26 ("ABx1 26"), also known as chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 and Part 1.85 of Division 24 of the California Health and Safety Code, and Assembly Bill 1484, also known as chapter 26, Statutes of 2012, which made certain revisions to the statutes added by ABx1 26; and

WHEREAS, Health and Safety Code Section 34179 (e) requires that all actions taken by the Oversight Board shall be adopted by resolution; and

WHEREAS, Health and Safety Code Section 34177(l) & (m) and 34180(g) requires the Oversight Board to approve the Recognized Obligation Payment Schedule of the Santa Cruz County Redevelopment Successor Agency for the period July 2015 through December 2015 (ROPS 15-16A);

WHEREAS, the Recognized Obligation Payment Schedule of the Santa Cruz County Redevelopment Successor Agency for the period July 2015 through December 2015 (ROPS 15-16A) is attached as Exhibit 1; and

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency as follows:

SECTION 1. The above Recitals are true and correct.

SECTION 2. The Recognized Obligation Payment Schedule of the Santa Cruz County Redevelopment Successor Agency for the period July 2015 through December 2015 (ROPS 15-16A) is approved.

PASSED, APPROVED and ADOPTED by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency, this ___ day of _____, 2015 by the following vote, to wit:

AYES:
NOES:
ABSENT:

Chairperson of the Oversight Board of the Santa Cruz
County Redevelopment Successor Agency

ATTEST:

Clerk of the Oversight Board

Approved as to form:



County Counsel

Distribution:

- Auditor-Controller
- CAO
- County Counsel
- Successor Agency
- State Department of Finance
- State Controller's Office

Recognized Obligation Payment Schedule (ROPS 15-16A) - Summary

Filed for the July 1, 2015 through December 31, 2015 Period

Name of Successor Agency: Santa Cruz County
Name of County: Santa Cruz

| Current Period Requested Funding for Outstanding Debt or Obligation | | Six-Month Total |
|--|---|----------------------|
| Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding | | |
| A | Sources (B+C+D): | \$ 128,026 |
| B | Bond Proceeds Funding (ROPS Detail) | 62,560 |
| C | Reserve Balance Funding (ROPS Detail) | - |
| D | Other Funding (ROPS Detail) | 65,466 |
| E | Enforceable Obligations Funded with RPTTF Funding (F+G): | \$ 12,616,513 |
| F | Non-Administrative Costs (ROPS Detail) | 12,491,513 |
| G | Administrative Costs (ROPS Detail) | 125,000 |
| H | Current Period Enforceable Obligations (A+E): | \$ 12,744,539 |

| Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding | | |
|--|--|----------------------|
| I | Enforceable Obligations funded with RPTTF (E): | 12,616,513 |
| J | Less Prior Period Adjustment (Report of Prior Period Adjustments Column S) | (257,418) |
| K | Adjusted Current Period RPTTF Requested Funding (I-J) | \$ 12,359,095 |

| County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding | | |
|--|---|-------------------|
| L | Enforceable Obligations funded with RPTTF (E): | 12,616,513 |
| M | Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA) | - |
| N | Adjusted Current Period RPTTF Requested Funding (L-M) | 12,616,513 |

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (m) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

Name
/s/
Signature

Title
Date

Recognized Obligation Payment Schedule (ROPS 15-16A) - ROPS Detail
July 1, 2015 through December 31, 2015
 (Report Amounts in Whole Dollars)

| A Item # | B Project Name / Debt Obligation | C Obligation Type | D Contract/Agreement Execution Date | E Contract/Agreement Termination Date | F Payee | G Description/Project Scope | H Project Area | I Total Outstanding Debt or Obligation | J Retired | K Bond Proceeds | L Reserve Balance (Non-RPTTF) | M Funding Source | | | N Non-Admin | O Admin | P Six-Month Total |
|-------------|--|------------------------------------|--|--|-----------------------------------|--|-------------------|---|--------------|--------------------|----------------------------------|---|---------------|------------|----------------|------------|----------------------|
| | | | | | | | | | | | | Non-Redevelopment Property Tax Trust Fund (Non-RPTTF) | | | | | |
| | | | | | | | | | | | | Other Funds | Non-Admin | Admin | | | |
| 3 | 2000 TAB, Series A / Bonds | Bonds Issued On or Before 12/31/10 | 11/25/2000 | 9/1/2030 | BNY Mellon Trust Co | Bonds for non-housing projects | Live Oak/Soquel | \$ 7,779,398 | N | \$ 62,560 | \$ 1,173,328 | \$ 65,466 | \$ 12,481,513 | \$ 125,000 | \$ 12,444,533 | | |
| 6 | 2005 TAB, Series A / Bonds | Bonds Issued On or Before 12/31/10 | 11/17/2005 | 9/1/2035 | BNY Mellon Trust Co | Bonds for non-housing projects | Live Oak/Soquel | \$ 8,874,378 | N | | \$ 1,173,328 | | \$ 1,173,328 | | \$ 1,173,328 | | |
| 7 | 2005 TAB, Series B / Bonds | Bonds Issued On or Before 12/31/10 | 11/17/2005 | 9/1/2035 | BNY Mellon Trust Co | Bonds for housing projects | Live Oak/Soquel | \$ 34,139,948 | N | | \$ 827,923 | | \$ 827,923 | | \$ 827,923 | | |
| 8 | 2007 Taxable Housing Ref TAB / Bonds | Bonds Issued On or Before 12/31/10 | 5/8/2007 | 9/1/2030 | BNY Mellon Trust Co | Refunding bonds for housing projects | Live Oak/Soquel | \$ 16,140,594 | N | | \$ 374,284 | | \$ 374,284 | | \$ 374,284 | | |
| 9 | 2007 Refunding TAB, Series A / Bonds | Bonds Issued On or Before 12/31/10 | 11/17/2007 | 9/1/2022 | BNY Mellon Trust Co | Refunding Bonds - Housing portion | Live Oak/Soquel | \$ 1,376,005 | N | | \$ 149,848 | | \$ 149,848 | | \$ 149,848 | | |
| 10 | 2007 Refunding TAB, Series A / Bonds | Bonds Issued On or Before 12/31/10 | 11/17/2007 | 9/1/2022 | BNY Mellon Trust Co | Refunding Bonds - Non-housing portion | Live Oak/Soquel | \$ 3,863,126 | N | | \$ 420,696 | | \$ 420,696 | | \$ 420,696 | | |
| 11 | 2009 TAB, Series A / Bonds | Bonds Issued On or Before 12/31/10 | 2/12/2009 | 9/1/2036 | BNY Mellon Trust Co | Bonds for non-housing projects | Live Oak/Soquel | \$ 115,545,113 | N | | \$ 2,305,131 | | \$ 2,305,131 | | \$ 2,305,131 | | |
| 12 | 2010 Taxable Housing TAB / Bonds | Bonds Issued On or Before 12/31/10 | 7/22/2010 | 9/1/2036 | BNY Mellon Trust Co | Bonds for housing projects | Live Oak/Soquel | \$ 39,962,835 | N | | \$ 825,725 | | \$ 825,725 | | \$ 825,725 | | |
| 13 | 2011 Taxable TAB, Series A / Bonds | Bonds Issued After 12/31/10 | 3/9/2011 | 9/1/2027 | BNY Mellon Trust Co | Bonds for non-housing projects | Live Oak/Soquel | \$ 16,562,813 | N | | \$ 882,588 | | \$ 882,588 | | \$ 882,588 | | |
| 14 | 2011 Taxable Hsg TAB, Series B / Bonds | Bonds Issued After 12/31/10 | 3/9/2011 | 9/1/2036 | BNY Mellon Trust Co | Bonds for housing projects | Live Oak/Soquel | \$ 12,202,169 | N | | \$ 330,544 | | \$ 330,544 | | \$ 330,544 | | |
| 17 | 2000 TAB, Series A / Bonds | Reserves | 12/5/2000 | 9/1/2030 | BNY Mellon Trust Co | Bonds for non-housing projects | Live Oak/Soquel | \$ 34,520,056 | N | | | | | | \$ 7,000 | | |
| 20 | 2005 TAB, Series A / Bonds | Reserves | 11/17/2005 | 9/1/2035 | BNY Mellon Trust Co | Bonds for non-housing projects | Live Oak/Soquel | \$ 87,874,378 | N | | | | | | \$ 18,000 | | |
| 21 | 2005 TAB, Series B / Bonds | Reserves | 11/17/2005 | 9/1/2035 | BNY Mellon Trust Co | Bonds for housing projects | Live Oak/Soquel | \$ 34,139,948 | N | | | | | | \$ 6,366 | | |
| 22 | 2007 Taxable Hsg Ref TAB / Bonds | Reserves | 5/8/2007 | 9/1/2030 | BNY Mellon Trust Co | Refunding Bonds for housing projects | Live Oak/Soquel | \$ 16,140,594 | N | | | | | | \$ 6,054 | | |
| 23 | 2007 Ref TAB, Series A / Bonds | Reserves | 11/17/2007 | 9/1/2022 | BNY Mellon Trust Co | Refunding Bonds - Housing portion | Live Oak/Soquel | \$ 3,863,126 | N | | | | | | \$ 6,054 | | |
| 24 | 2007 Ref TAB, Series A / Bonds | Reserves | 11/17/2007 | 9/1/2022 | BNY Mellon Trust Co | Refunding Bonds - Non-housing portion | Live Oak/Soquel | \$ 3,863,126 | N | | | | | | \$ 6,054 | | |
| 25 | 2009 TAB, Series A / Bonds | Reserves | 2/12/2009 | 9/1/2036 | BNY Mellon Trust Co | Bonds for non-housing projects | Live Oak/Soquel | \$ 115,545,113 | N | | | | | | \$ 165,466 | | |
| 26 | 2010 Taxable Hsg TAB / Bonds | Reserves | 7/22/2010 | 9/1/2036 | BNY Mellon Trust Co | Bonds for housing projects | Live Oak/Soquel | \$ 39,962,835 | N | | | | | | \$ 125,000 | | |
| 27 | 2011 Taxable TAB, Series A / Bonds | Reserves | 3/9/2011 | 9/1/2027 | BNY Mellon Trust Co | Bonds for non-housing projects | Live Oak/Soquel | \$ 16,562,813 | N | | | | | | \$ 445,586 | | |
| 28 | 2011 Taxable Hsg TAB, Series B / Bonds | Reserves | 3/9/2011 | 9/1/2036 | BNY Mellon Trust Co | Bonds for housing projects | Live Oak/Soquel | \$ 12,202,169 | N | | | | | | \$ 6,054 | | |
| 29 | Fiscal agent fees / Bonds | Fees | 8/29/2000 | 9/1/2036 | BNY Mellon Trust Co | Annual bond account administration fees | Live Oak/Soquel | \$ 464,700 | N | | | | \$ 18,300 | | \$ 18,300 | | |
| 30 | Annual Continuing Disclosure / Bonds | Fees | 8/29/2000 | 4/1/2037 | Harrell and Company | Continuing Disclosure fees | Live Oak/Soquel | \$ 110,000 | N | | | | | | \$ 7,000 | | |
| 31 | Annual Audit / Bonds | Fees | 8/29/2000 | 12/1/2037 | Capricci & Larson, Inc. | audit services | Live Oak/Soquel | \$ 154,000 | N | | | | | | \$ 18,000 | | |
| 32 | Periodic Arbitrage Services / Bonds | Fees | 8/29/2000 | 1/1/2036 | BLX Group, LLC | Arbitrage services | Live Oak/Soquel | \$ 138,000 | N | | | | | | \$ 6,366 | | |
| 37 | Farm Park Project / Contract | Professional Services | 3/18/2008 | 6/30/2016 | Davis Langdon, an AECOM Company | Contract for professional services | Live Oak/Soquel | \$ 6,388 | N | | | | | | \$ 6,054 | | |
| 40 | East Cliff Bluff Stabilization Project / Contract | Professional Services | 5/3/2011 | 6/30/2016 | ESA PWA | Contract for professional services | Live Oak/Soquel | \$ 6,054 | N | | | | | | \$ 6,054 | | |
| 44 | Contract for the Provision of Property Management and Disposition Services | Dispositions | 7/1/2013 | 6/30/2016 | County of Santa Cruz | Property Management Maintenance and Disposition services | Live Oak/Soquel | \$ 239,098 | N | | | | \$ 100,000 | | \$ 165,466 | | |
| 45 | Administrative Budget / Contracts for OPEX | Admin Costs | 1/1/2015 | 6/30/2016 | Various County Employees, Vendors | Salaries/Benefits and Services/Supplies | Live Oak/Soquel | \$ 5,500,000 | N | | | | | \$ 125,000 | \$ 125,000 | | |
| 70 | 2010-11 SERAF Loan | SERAF/ERAF | 3/8/2011 | 6/30/2018 | County of Santa Cruz | Loan for 2010-11 SERAF Payment from the LMHI Fund | Live Oak/Soquel | \$ 1,487,929 | N | | | | \$ 445,586 | | \$ 445,586 | | |
| 72 | 2000 TAB, Series A / Bonds | Bonds Issued On or Before 12/31/10 | 12/5/2000 | 9/1/2035 | BNY Mellon Trust Co | Fully fund reserve requirement for the bond issue | Live Oak/Soquel | | N | | | | | | \$ 6,054 | | |
| 73 | Hearst of Soquel, Upper Porter Sheer, and Twin Lakes Beachfront Projects | Improvements/Infrast | 3/5/2013 | 6/30/2016 | County of Santa Cruz | Contract for capital improvements services | Live Oak/Soquel | | N | | | | | | \$ 6,054 | | |
| 74 | 2014 Refunding TAB / Bonds | Bonds Issued After 12/31/10 | 12/8/2014 | 9/1/2024 | BNY Mellon Trust Co | Refunding Bonds - Housing portion | Live Oak/Soquel | \$ 8,089,772 | N | | | | \$ 725,109 | | \$ 725,109 | | |
| 75 | 2014 Refunding TAB / Bonds | Bonds Issued After 12/31/10 | 12/8/2014 | 9/1/2024 | BNY Mellon Trust Co | Refunding Bonds - Non-housing portion | Live Oak/Soquel | \$ 37,079,253 | N | | | | \$ 3,323,516 | | \$ 3,323,516 | | |
| 76 | Homeless Action Partnership program | Professional Services | 9/16/2014 | 6/30/2016 | County of Santa Cruz | Contract for housing services | Live Oak/Soquel | \$ 50,118 | N | | | | \$ 50,118 | | \$ 50,118 | | |

Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Cash Balances

(Report Amounts in Whole Dollars)

| A | B | C | D | E | F | G | H | I | Fund Sources | | | | Comments | | | |
|---|---|-------------|------|------|------------|-----------|-------------|---|------------------------------------|-----------------------------------|--|--|----------|--|---------------------|-------|
| | | | | | | | | | Bond Proceeds | | Reserve Balance | | | Other | | RPTTF |
| | | | | | | | | | Bonds Issued on or before 12/31/10 | Bonds Issued on or after 01/01/11 | Prior ROPS period balances and DDR RPTTF balances retained | Prior ROPS RPTTF distributed as reserve for future period(s) | | Rent, Grants, Interest, Etc. | Non-Admin and Admin | |
| Cash Balance Information by ROPS Period | | | | | | | | | | | | | | | | |
| ROPS 14-15A Actuals (07/01/14 - 12/31/14) | | | | | | | | | | | | | | | | |
| 1 | Beginning Available Cash Balance (Actual 07/01/14) | 315,498 | - | - | 5,381,592 | 36,836 | - | | | | | | | Per Medy Lamorena instructions for ROPS 14-15B regarding including all unused RPTTF from prior periods in Column F, transferred \$17 from Column H to Column F | | |
| 2 | Revenue/Income (Actual 12/31/14) RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014 | 1,356 | - | - | - | 48,275 | 7,713,457 | | | | | | | | | |
| 3 | Expenditures for ROPS 14-15A Enforceable Obligations (Actual 12/31/14) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q | 7,828 | - | - | 4,980,154 | 19,539 | 7,552,200 | | | | | | | | | |
| 4 | Retention of Available Cash Balance (Actual 12/31/14) RPTTF amount retained should only include the amounts distributed as reserve for future period(s) | 348,082 | - | - | 55,161 | - | - | | | | | | | | | |
| 5 | ROPS 14-15A RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15A PPA in the Report of PPA, Column S | - | - | - | - | - | 257,418 | | | | | | | | | |
| 6 | Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4); H = (1 + 2 - 3 - 4 - 5) | \$ (39,056) | \$ - | \$ - | \$ 346,277 | \$ 64,572 | \$ (96,161) | | | | | | | | | |
| ROPS 14-15B Estimate (01/01/15 - 06/30/15) | | | | | | | | | | | | | | | | |
| 7 | Beginning Available Cash Balance (Actual 01/01/15) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6) | \$ 309,026 | \$ - | \$ - | \$ 401,438 | \$ 64,572 | \$ 161,257 | | | | | | | | | |
| 8 | Revenue/Income (Estimate 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015 | 96,841 | - | - | - | 32,944 | 12,528,728 | | | | | | | | | |
| 9 | Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 06/30/15) | 348,082 | - | - | 175,502 | 32,050 | 12,528,728 | | | | | | | | | |
| 10 | Retention of Available Cash Balance (Estimate 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s) | 50,118 | - | - | - | - | - | | | | | | | | | |
| 11 | Ending Estimated Available Cash Balance (7 + 8 - 9 - 10) | \$ 7,667 | \$ - | \$ - | \$ 225,936 | \$ 65,466 | \$ 161,257 | | | | | | | | | |



EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

November 14, 2014

Ms. Kim Namba, Administrative Services Manager
 Santa Cruz County
 979 17th Avenue
 Santa Cruz, CA 95062

Dear Ms. Namba:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the Santa Cruz County Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15B) to the California Department of Finance (Finance) on October 2, 2014 for the period of January 1 through June 30, 2015. Finance has completed its review of your ROPS 14-15B, which may have included obtaining clarification for various items.

Based on our review, we are approving all of the items listed on your ROPS 14-15B at this time. However, Finance notes the following:

- Item Nos. 17 through 25 – Reserve Balances for September 2015 Debt Service Obligations Authorized for Redevelopment Property Tax Trust Fund (RPTTF) Funding totaling \$5,534,699. Finance notes that pursuant to HSC section 34183 (a) (2) (A), debt service payments have first priority for payment from distributed RPTTF funding. As such, the \$5,534,699 requested to be held in reserve balances should be transferred upon receipt to the bond trustee. The amount of ROPS 14-15B RPTTF approved for Reserve Balances for September 2015 debt service payments is restricted for such purpose and is not authorized to be used for other ROPS items. Any debt service requests in the ROPS 15-16A that were previously funded as Reserve Balances in ROPS 14-15B will be denied unless insufficient RPTTF was received to satisfy the requested Reserve Balances.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 14-15B form the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2014 period. HSC section 34186 (a) also specifies prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. The amount of RPTTF approved in the table below includes the prior period adjustment resulting from the CAC's review of the Agency's self-reported prior period adjustment.

The Agency's maximum approved RPTTF distribution for the reporting period is \$12,528,728 as summarized in the Approved RPTTF Distribution table below:

| Approved RPTTF Distribution | |
|---|----------------------|
| For the period of January through June 2015 | |
| Total RPTTF requested for non-administrative obligations | 12,164,320 |
| Total RPTTF requested for administrative obligations | 364,425 |
| Total RPTTF requested for obligations on ROPS | \$ 12,528,745 |
| Total RPTTF authorized for non-administrative obligations | 12,164,320 |
| Total RPTTF authorized for administrative obligations | 364,425 |
| Total RPTTF authorized for obligations | \$ 12,528,745 |
| ROPS 13-14B prior period adjustment | (17) |
| Total RPTTF approved for distribution | \$ 12,528,728 |

Please refer to the ROPS 14-15B schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS>

Absent a Meet and Confer, this is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2015. This determination only applies to items where funding was requested for the six-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment that was available prior to the enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the agency in the RPTTF.

Pursuant to HSC section 34177 (a) (3), only those payments listed on an approved ROPS may be made by the successor agency from the funds specified in the ROPS. However, if for whatever reason the Agency needs to make payments for approved obligations from another funding source, HSC section 34177 (a) (4) requires the Agency to first obtain oversight board approval.

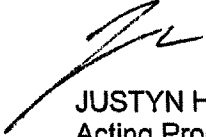
To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section 34191.4 (c) (2) (B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Ms. Kim Namba
November 14, 2014
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Please direct inquiries to Wendy Griffe, Supervisor or Medy Lamorena, Lead Analyst at
(916) 445-1546.

Sincerely,



JUSTYN HOWARD
Acting Program Budget Manager

cc: Ms. Carol Kelly, Assistant CAO, Santa Cruz County
Ms. Mary Jo Walker, Auditor-Controller, County of Santa Cruz
California State Controller's Office



COUNTY OF SANTA CRUZ

OFFICE OF THE COUNTY COUNSEL

701 OCEAN STREET, SUITE 505, SANTA CRUZ, CA 95060-4068 (831) 454-2040 FAX: (831) 454-2115

DANA McRAE, COUNTY COUNSEL

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Jordan Sheinbaum

Shannon M. Sullivan

T. Brooke Miller

Betsy L. Allen

J. Omar Rodriguez

February 11, 2015

Agenda: February 17, 2015

Oversight Board
 Santa Cruz County Redevelopment Successor Agency
 701 Ocean Street
 Santa Cruz, CA 95060

APPROVAL OF THE SETTLEMENT AGREEMENT IN CITY OF
 SCOTTS VALLEY v. COUNTY OF SANTA CRUZ *et al.*, SAN MATEO
 COUNTY SUPERIOR COURT CASE NUMBER CIV 467230 (the "Lawsuit")

Dear Members of the Board:

As you may be aware, the County of Santa Cruz and the County's Auditor-Controller were sued in 2007 by the City of Scotts Valley over the property tax allocation method the County was using to determine the distribution of the property taxes under the RDA laws in effect at the time. The County and the County's then Redevelopment Agency filed a cross-claim against the City of Scotts Valley and the City's former Community Development Agency as part of an effort to defend those entities in the lawsuit.

After years of litigation, the parties have agreed on a proposed settlement. The settlement includes the dismissal of the cross-claims asserted by the former Redevelopment Agency which require this Oversight Board's approval. Attached to this letter is a resolution approving the settlement along with the proposed settlement agreement. Staff will be prepared to respond to any questions your Board may have at your upcoming meeting.

It is therefore RECOMMENDED that your Board adopt the attached resolution

Page 2

approving the settlement agreement in *City of Scotts Valley v. County of Santa Cruz et al.*, San Mateo County Superior Court, case number CIV 467230.

Very truly yours,

A handwritten signature in black ink, appearing to read "D. McRae". The signature is fluid and cursive, with a large initial "D" and "M".

Dana McRae
County Counsel

Attachment

cc: CAO, Auditor-Controller, County Counsel, Successor Agency, DFO

BEFORE THE OVERSIGHT BOARD OF THE SANTA CRUZ COUNTY
REDEVELOPMENT SUCCESSOR AGENCY
RESOLUTION NO. _____

On the motion of Oversight Board Member _____ duly seconded by Oversight Board Member _____ the following resolution is adopted:

RESOLUTION APPROVING THE SETTLEMENT AGREEMENT
IN *CITY OF SCOTTS VALLEY v. COUNTY OF SANTA CRUZ et al.*, SAN MATEO COUNTY SUPERIOR COURT CASE NUMBER CIV 467230 (the "Lawsuit")

WHEREAS, the Oversight Board of the Santa Cruz County Redevelopment Successor Agency ("Oversight Board") has been established to direct the Santa Cruz County Redevelopment Successor Agency ("Successor Agency") to take certain actions to wind down the affairs of the former Santa Cruz County Redevelopment Agency ("Agency") in accordance with the requirements of Assembly Bill 26 ("ABx1 26"), also known as chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 and Part 1.85 of Division 24 of the California Health and Safety Code, and Assembly Bill 1484, also known as chapter 26, Statutes of 2012, which made certain revisions to the statutes added by ABx1 26; and

WHEREAS, Health and Safety Code Section 34179 (e) requires that all actions taken by the Oversight Board shall be adopted by resolution; and

WHEREAS, the County of Santa Cruz and the Santa Cruz County Redevelopment Agency, after being sued by the City of Scotts Valley, filed a cross-complaint against the City of Scotts Valley and the Community Development Agency of the City of Scotts Valley in the Lawsuit regarding an agreement entitled "Agreement between the Community Development Agency of the City of Scotts Valley and the County of Santa Cruz pursuant to Community Redevelopment Law and Health and Safety Code Section 33000, *et seq.* and the City of Scotts Valley and the County of Santa Cruz", dated as of November 14, 1990 ("Pass-Through Agreement"); and

WHEREAS, the Santa Cruz County Board of Supervisors has approved a settlement of the Lawsuit that resolves the disputes regarding the Pass-Through Agreement, among other things, on behalf of the County of Santa Cruz and Mary Jo Walker in her capacity as the Santa Cruz County Auditor-Controller; and

WHEREAS, because the former Santa Cruz County Redevelopment Agency is a cross-complainant in the Lawsuit, settlement of the lawsuit requires approval of the Oversight Board; and

WHEREAS, the settlement agreement is attached hereto as Exhibit 1; and

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency as follows:

SECTION 1. The above Recitals are true and correct.

SECTION 2. The settlement agreement attached hereto as Exhibit A is approved.

PASSED, APPROVED and ADOPTED by the Oversight Board of the Santa Cruz County Redevelopment Successor Agency, this ___ day of _____, 2015 by the following vote, to wit:

AYES:

NOES:

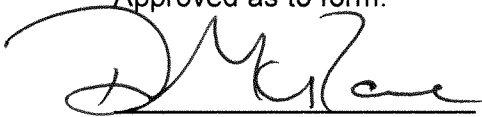
ABSENT:

Chairperson of the Oversight Board of the Santa Cruz
County Redevelopment Successor Agency

ATTEST:

Clerk of the Oversight Board

Approved as to form:



County Counsel

Distribution:

- Auditor-Controller
- CAO
- County Counsel
- Successor Agency
- State Department of Finance

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is executed on the dates set forth below by and among the CITY OF SCOTTS VALLEY ("City"), the SUCCESSOR AGENCY TO THE FORMER COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF SCOTTS VALLEY ("City RDA"), the COUNTY OF SANTA CRUZ ("County"), the SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE COUNTY OF SANTA CRUZ ("County RDA"), and MARY JO WALKER in her official capacity as the COUNTY AUDITOR-CONTROLLER ("Auditor"), collectively referred to herein as "the Parties". By way of this Agreement, the Parties intend to resolve all disputes among them as referenced below.

RECITALS

- A. In or about June of 2007, the City filed a Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief ("Complaint") against the County and Mary Jo Walker in her official capacity as the County Auditor-Controller ("Auditor") regarding the computation and issuance of Tax Equity Allocation funds (referred to herein as "the TEA Case"). The City's Complaint alleged four causes of action: (1) traditional mandamus against the County and the Auditor for reimbursement of TEA funds; (2) declaratory relief against the County and the Auditor; (3) unjust enrichment against the County and the Auditor; and (4) money had and received against the County.
- B. In the TEA Case, the County and the County RDA filed a cross-complaint against the City, the City RDA, and John Chiang, in his official capacity as State Controller ("State Controller"). After a series of law and motion proceedings, in or about

August 2008 the County and the County RDA filed their Second Amended Cross-Complaint, which is the County and the County RDA's operative pleading in the TEA Case.

- C. The Second Amended Cross-Complaint alleged six causes of action: (1) breach of contract-failure to eliminate financial harm-against the City; (2) breach of contract-failure to develop park-against the City RDA; (3) breach of contract-failure to provide affordable housing-against the City; (4) declaratory relief-against the City and the City RDA; (5) declaratory relief-against the City, the City RDA and the State Controller; and (6) traditional mandamus-against the State Controller.
- D. The Parties agreed to bifurcate two causes of action from the Complaint and Second Amended Cross-Complaint and address them at trial before proceeding with the remainder of the action: 1) the City's first cause of action against the County and the Auditor for a writ of traditional mandamus and 2) the County and the County RDA's sixth cause of action against the State Controller for a writ of traditional mandamus.
- E. The two bifurcated causes of action proceeded to trial on May 18, 2009. At the conclusion of the bifurcated trial, the trial court granted the City's petition, and issued an order requiring the County to pay TEA reimbursements to the City ("Court-Ordered TEA Reimbursements"). The trial court denied the County's petition. An appeal followed. On or about October 26, 2011, the Court of Appeal partially affirmed the trial court's decision. The TEA Case was then remanded to the trial court for further proceedings.

- F. The City contends that there has been no adjudication of the City's second, third or fourth causes of action in the TEA Case. The County and the County RDA contend that there has been no adjudication of the County/County RDA's first, second, third, fourth or fifth causes of action in the TEA Case. The Parties agree that two causes of action have been litigated in the TEA Case but disagree on what remains to be litigated.
- G. The Parties sought clarification from the trial court regarding the remaining causes of action in the TEA Case. The trial court concluded that there are at least two causes of action left to be tried but there could be as many as four. A second trial was scheduled in San Mateo County Superior Court for January 12, 2015 to resolve whatever remaining causes of action exist. That date was taken off calendar by the Court pending completion of this Agreement.

DEFINITIONS

The following definitions apply to this Agreement:

- A. "Annual TEA" means the Tax Equity Allocation that the San Mateo County Superior Court ordered the County and the Auditor to pay to the City for fiscal years 2012-13 and forward pursuant to the Order Directing Issuance of Writ of Mandate dated June 25, 2012 in the TEA Case;
- B. "Annual TEA Reimbursement" means reimbursement to the County for the Annual TEA that the County has paid and will pay to the City;
- C. "Court-ordered TEA" means the Tax Equity Allocation that the San Mateo County Superior Court ordered the County and the Auditor to pay to the City totaling

\$2,175,220 for fiscal years 2003-04 through 2011-12 pursuant to the Order Directing Issuance of Writ of Mandate dated June 25, 2012 in the TEA Case;

- D. "Court-ordered TEA Reimbursement" means reimbursement from the City RDA to the County for the Court-ordered TEA that the County has paid and will pay to the City;
- E. "ROPS" means Recognized Obligation Payment Schedule as defined in California Health and Safety Code section 34171(h). This schedule is the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period as provided in Health and Safety Code section 34177(m);
- F. "ROPS cycle" means the Recognized Obligation Payment Schedule for the six month periods of January 1 through June 30 and July 1 through December 31 as defined in Health and Safety Code sections 34177(1)(3) and 34177(m);
- G. "RPTTF" means Redevelopment Property Tax Trust Fund. Per Health and Safety Code section 34170.5(b), this fund is created and administered by the county auditor-controller to hold property tax revenues related to each former redevelopment agency for the benefit of the holders of former redevelopment agency enforceable obligations, as outlined in Health and Safety Code sections 34172(d) and 34182(c)(2).

TERMS OF AGREEMENT

Accordingly, in consideration of the mutual promises contained herein, the Parties agree as follows:

1. The City and the County will work cooperatively to obtain a stipulated judgment from the San Mateo County Superior Court that includes all the terms of this Settlement Agreement regarding the TEA case (“TEA Judgment”).
2. The City RDA agrees to include the following enforceable obligations on the ROPS:
 - a) Attorney fees related to the TEA Case for both the City and the County;
 - b) The Annual TEA Reimbursement for fiscal years 2015-16 and forward, for the portion of the TEA applicable to the City RDA, to reimburse the County for the Annual TEA payments made by the County to the City; and
 - c) The Court-ordered TEA Reimbursement to reimburse the County for TEA payments made by the County to the City.
3. After issuance of the TEA Judgment, the City will claim \$477,000 in TEA Case-related attorney fees incurred by the City on the City RDA ROPS.
4. After issuance of the TEA Judgment, the County will claim \$630,000 in TEA Case-related attorney fees incurred by the County and/or the County RDA on the City RDA ROPS.
5. The City RDA will place the City’s attorney fees claim and the County/County RDA’s attorney fees claim (hereinafter “Attorney Fees”) on the first available City RDA ROPS after the TEA Judgment is entered to the extent that RPTTF funds are available. The City will continue to place the Attorney Fees on every subsequent City RDA ROPS until the Attorney Fees are paid in full. The Parties agree that the Attorney Fees will be reimbursed by the City RDA to the City and the County/County RDA during the first month of each ROPS cycle (January and July). At any time the

City RDA distributes Attorney Fees to the City and the County/County RDA, the Attorney Fees shall be distributed in equal shares, until the Attorney Fees are paid in full. The party with the greater amount of Attorney Fees will, therefore, be paid in full last.

6. The TEA Judgment will specify the amount of the Attorney Fees and specifically state that the Attorney Fees shall not be considered interagency loans by the Department of Finance of the State of California.
7. The Parties agree that the Attorney Fees will be paid in full before the Court-ordered TEA Reimbursements are paid. However, Annual TEA Reimbursements shall be paid concurrently with the Attorney Fees.
8. The Annual TEA Reimbursement will be included on the City RDA ROPS for only that portion of the TEA applicable to the City RDA. The City RDA will place the Annual TEA Reimbursement on its first available ROPS after entry of the TEA Judgment and will continue to place the Annual TEA Reimbursement on all future City RDA ROPS until the last Annual TEA Reimbursement has been paid to the County. Each Annual TEA Reimbursement will be paid by the City RDA to the County during the first month of each ROPS cycle (January and July). The portion of the Annual TEA applicable to the City RDA will be calculated by the County during the fiscal year in which the Annual TEA payment is made to the City, by computing the difference between the actual Annual TEA payment made and what the Annual TEA payment would have been if the RDA did not exist. Every ROPS beginning with the ROPS immediately after entry of the TEA Judgment will include

reimbursement to the County for the amount of the Annual TEA payment applicable to the City RDA which has been paid to the City but not yet reimbursed to the County, and will continue, reimbursing the County for one Annual TEA payment on each ROPS, until such time that the Annual TEA Reimbursement is caught up to the point that reimbursement will occur no later than sixteen months after the associated TEA payment to the City was made by the County. The Annual TEA reimbursement will have top funding priority over all other reimbursements including Attorney Fees, the prior year Court-ordered TEA, and the City's interagency loans. These other reimbursements can run concurrent with the Annual TEA Reimbursements, but they cannot displace the Annual TEA Reimbursement, other than possibly delaying the Annual TEA reimbursement by no more than one ROPS cycle to allow the City to maximize its interagency loan reimbursements.

9. Beginning with the ROPS cycle during which all the Attorney Fees have been reimbursed if RPTTF funds are available, or the next ROPS cycle if RPTTF funds were not available on the previous ROPS, the City RDA will place the Court-ordered TEA Reimbursements totaling \$2,175,220 on the City RDA ROPS to the extent that RPTTF funds are available. The City will continue to place the Court-ordered TEA Reimbursements on every subsequent ROPS until the \$2,175,220 is paid in full. The Parties agree that the Court-ordered TEA Reimbursements will be paid by the City RDA to the County during the first month of each ROPS cycle (January and July).
10. The Parties recognize that the Department of Finance ("DOF") may review every City RDA ROPS cycle in which an action is performed pursuant to this Agreement,

and that the DOF may challenge an action taken pursuant to this Agreement. The parties will undertake reasonable efforts to defend the validity and enforceability of this Agreement if challenged or if the DOF disallows any payment hereunder. If the DOF successfully challenges any action taken pursuant to this Agreement or successfully disallows any payment hereunder, and that challenge or decision to disallow results in a negative financial consequence to any party to this Agreement, the Parties agree that they will, in good faith, engage in further negotiations to amend this Agreement as appropriate to resolve any issues between them that are created as a result of the successful DOF challenge or decision to disallow payment.

General Provisions

11. The City and the City RDA hereby release, dispose, and forever discharge the County, the County RDA, and the Auditor, including their respective officers, directors, board of supervisors, trustees, agents, employees, representatives, attorneys, insurers, departments, divisions, subdivisions, sections, offices, successors and assigns, and each of them, from any and all claims, complaints, demands, causes of action, obligations, damages, costs, expenses, liens, attorney fees, warranties, rights and liabilities of any nature whatsoever, whether known or unknown, suspected or not suspected to exist, claimed or not claimed, which have arisen in connection with the TEA Case. This release applies to all of the events and/or incidents alleged to have occurred in the TEA Case and to any cause of action or claim in any forum based on such allegations. However, the Parties reserve as an express exception to this release any claim associated with the TEA Case that could result from a DOF challenge to an

action by one of the Parties in performance of this Agreement that results in a negative financial consequence to a Party, as outlined in Paragraph 10 of this Agreement. Once all of the obligations and duties of the Parties called for in this Agreement have been successfully performed without successful challenge by the DOF, this exception will terminate, and this paragraph shall operate as a full and complete release of any and all claims associated with the TEA Case.

12. The City and the City RDA also expressly waive all "unknown claims" against those persons and entities mentioned in the previous paragraph as to the facts and circumstances concerning the allegations set forth in the TEA Case. The City and the City RDA are represented by their own attorneys at the time of executing this release. The City and the City RDA and their attorneys have spent considerable time examining the occurrences and transactions that are the subject of this release, and based upon that examination the City and the City RDA expressly waive and relinquish their rights under Civil Code section 1542 as to all claims arising out of the operative facts which form the basis for the allegations against the County, the County RDA, and the Auditor related to the TEA Case. Section 1542 reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The City and the City RDA hereby completely and unequivocally waive the provisions of Civil Code section 1542 as it applies to the facts set forth in the TEA Case. However, the City and the City RDA reserve as an express exception to this release any “unknown claims” associated with the TEA Case that could result from a DOF challenge to an action by one of the parties in performance of this Agreement that results in a negative financial consequence to the City and the City RDA, as outlined in Paragraph 10 of this Agreement. Once all of the obligations and duties of the Parties called for in this Agreement have been successfully performed without successful challenge by the DOF, this exception will terminate, and this paragraph shall operate as a full and complete release of any and all “unknown claims” by the City and the City RDA associated with the TEA Case.

13. The County, the County RDA and the Auditor hereby release, dispose, and forever discharge the City and the City RDA, including their respective officers, directors, board of supervisors, trustees, agents, employees, representatives, attorneys, insurers, departments, divisions, subdivisions, sections, offices, successors and assigns, and each of them, from any and all claims, complaints, demands, causes of action, obligations, damages, costs, expenses, liens, attorney fees, warranties, rights and liabilities of any nature whatsoever, whether known or unknown, suspected or not suspected to exist, claimed or not claimed, which have arisen in connection with the TEA Case. This release applies to all of the events and/or incidents alleged to have occurred in the TEA Case and to any cause of action or claim in any forum based on such allegations. However, the County, the County RDA and the Auditor reserve as

an express exception to this release any claim associated with the TEA Case that could result from a DOF challenge to an action by one of the parties in performance of this Agreement that results in a negative financial consequence to the City and the City RDA, as outlined in Paragraph 10 of this Agreement. Once all of the obligations and duties of the Parties called for in this Agreement have been successfully performed without successful challenge by the DOF, this exception will terminate, and this paragraph shall operate as a full and complete release of any and all claims associated with the TEA Case.

14. The County, the County RDA and the Auditor also expressly waive all "unknown claims" against those persons and entities mentioned in the previous paragraph as to the facts and circumstances concerning the allegations set forth in the TEA Case. The County, the County RDA and the Auditor are represented by their own attorneys at the time of executing this release. The County, the County RDA, the Auditor and their attorneys have spent considerable time examining the occurrences and transactions that are the subject of this release, and based upon that examination the County, the County RDA and the Auditor expressly waive and relinquish their rights under Civil Code section 1542 as to all claims arising out of the operative facts which form the basis for the allegations against the City and the City RDA related to the TEA Case. Section 1542 reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time

**of executing the release, which if known by him or her must
have materially affected his or her settlement with the debtor.**

The County, the County RDA and the Auditor hereby completely and unequivocally waive the provisions of Civil Code section 1542 as it applies to the facts set forth in the TEA Case. However, the County, the County RDA and the Auditor reserve as an express exception to this release any “unknown claims” associated with the TEA Case that could result from a DOF challenge to an action by one of the parties in performance of this Agreement that results in a negative financial consequence to the City and the City RDA, as outlined in Paragraph 10 of this Agreement. Once all of the obligations and duties of the Parties called for in this Agreement have been successfully performed without successful challenge by the DOF, this exception will terminate, and this paragraph shall operate as a full and complete release of any and all “unknown claims” by the County, the County RDA and the Auditor associated with the TEA Case.

15. This Agreement is a compromise settlement of disputed claims and by executing this Agreement the Parties do not admit any wrongdoing, liability or fault in relation to the matters alleged in the TEA Case, or identified in the Recitals herein, and each party does not concede that any opposing party is entitled to any recovery arising from the allegations in the TEA Case.
16. In entering into this Agreement, the Parties represent that they have read all of the terms of this Agreement and that the terms of this Agreement are fully understood and voluntarily accepted by them. The City and the City RDA acknowledge that they

have reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

17. The effective date of this Agreement shall be the date by which it is signed by all Parties.
18. This Agreement sets forth the entire understanding of the Parties in connection with the subject matter herein. None of the Parties have made any statement, representation or warranty in connection with this Agreement that has been an inducement for the others to enter into this Agreement, except as is expressly set forth in this Agreement. It is expressly understood and agreed that this Agreement may not be altered, amended, modified or otherwise changed in any respect whatsoever except by a writing duly executed by authorized representatives of the Parties hereto. The Parties agree that they will make no claim at any time or place that this Agreement has been orally altered or modified or otherwise changed by oral communication of any kind or character.
19. The Parties each represent and warrant that they fully understand that if the facts with respect to which this Agreement is executed should be found hereafter to be different from the facts now believed to be true by any party, each of them expressly accepts and assumes the risk of such possible differences in facts and agrees that this Agreement shall be and remain effective notwithstanding such differences in facts.
20. The Parties pledge to execute all documents necessary to carry out the terms of this Agreement.

21. Except for the Attorney Fees declared above in paragraphs 3 and 4 of this Agreement, the Parties agree that they will each bear their own attorney fees and costs arising from the TEA Case, including the negotiation of this Agreement.
22. This Agreement shall be governed by the laws of the State of California.
23. In the event any portion of this Agreement is deemed to be unenforceable, or is in conflict with applicable law, the remainder of this Agreement shall be enforced and shall remain in full force and effect.
24. Any party to this Agreement may enforce the Agreement by filing a motion under any procedure permitted by law, including but not limited to a motion under Code of Civil Procedure section 664.6. The prevailing party in any such enforcement action, or in any action that results from a breach of this Agreement, shall be entitled to attorney fees and costs.
25. All Parties agree to cooperate fully and to execute any and all supplementary documents, and to take all additional actions that may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement, and which are not inconsistent with its terms.
26. In the event changes in the law regarding former redevelopment agencies are enacted, they will be followed by the Parties in effectuating the terms of this Agreement as long as doing so does not result in material financial changes to any Party to this Agreement.
27. By their signatures below, the Parties herein acknowledge that they have read the terms of this Agreement, understand the terms thereof, and are fully agreed thereto.

DATED: CITY OF SCOTTS VALLEY

By: STEPHEN ANDO
Its: City Manager

DATED: SUCCESSOR AGENCY TO THE FORMER CITY
OF SCOTTS VALLEY COMMUNITY
DEVELOPMENT AGENCY

By:
Its:
DATED: COUNTY OF SANTA CRUZ

DATED: COUNTY OF SANTA CRUZ

By: GREG CAPUT
Its: Chairperson, Board of Supervisors
COUNTY OF SANTA CRUZ

DATED: COUNTY OF SANTA CRUZ

By: MARY JO WALKER
Its: Auditor-Controller

DATED: SUCCESSOR AGENCY TO THE FORMER
REDEVELOPMENT AGENCY OF THE
COUNTY OF SANTA CRUZ

By:
Its:

Approved as to form:

DATED:

OFFICE OF THE CITY ATTORNEY

KIRSTEN POWELL

Attorney for the City of Scotts Valley and the
Successor Agency to the Former City of Scotts
Valley Community Development Agency

DATED:

OFFICE OF THE COUNTY COUNSEL,
SANTA CRUZ COUNTY



DANA McRAE

County Counsel, Attorney for the County of Santa
Cruz, the Successor Agency to the Former
Redevelopment Agency of the County of Santa
Cruz and Mary Jo Walker, the Auditor-Controller of
the County of Santa Cruz