

AGENCY TRANSFER PAYMENT AGREEMENT

This agency transfer payment agreement (“Agreement”), is dated September 20, 2011, and is between the Contra Costa County Redevelopment Agency, a public body, corporate and politic (the “Agency”) and the County of Contra Costa, a political subdivision of the State of California (the “County”).

RECITALS

- A. Pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.; the "Redevelopment Law"), on December 6, 1983, the Board of Supervisors of Contra Costa County (the "Board of Supervisors") adopted Ordinance No. 83-67, declaring the need for the Agency to function in Contra Costa County.
- B. Pursuant to the Redevelopment Law, the Board of Supervisors adopted, and the Agency is responsible for implementing, the following Redevelopment Plans, among others:
 - 1. The Contra Costa Centre Redevelopment Project Area (formerly the Pleasant Hill Bart Project Area), established by Ordinance No. 84-30, adopted on July 10, 1984 (as amended by Ordinance No. 94-62, adopted on December 6, 1994; Ordinance No. 99-04, adopted on February 23, 1999; Ordinance No. 2005-16, adopted on May 24, 2005; and Ordinance No. 2006-36, adopted on July 18, 2006).
 - 2. The North Richmond Redevelopment Project Area, established by Ordinance No. 87-50 adopted on July 14, 1987, (as amended by Ordinance No. 94-63, adopted on December 6, 1994; Ordinance No. 99-06, adopted on February 23, 1999; Ordinance No. 99-31, adopted on June 8, 1999; and Ordinance No. 2006-35, adopted on July 18, 2006).
 - 3. The Bay Point Redevelopment Project Area, established by Ordinance No. 87-102 adopted on December 29, 1987 (as amended by Ordinance No. 94-64, adopted on December 6, 1994; Ordinance No. 99-05, adopted on February 23, 1999; Ordinance No. 99-54, adopted on October 19, 1999; and Ordinance No. 2006-33, adopted on July 18, 2006).
 - 4. The Rodeo Redevelopment Project Area, established by Ordinance No. 90-50 adopted on July 10, 1990 (as amended by Ordinance No. 94-66, adopted on December 6, 1994; Ordinance No. 99-08, adopted on February 23, 1999; and Ordinance No. 2002-16, adopted on May 21, 2002).
 - 5. The Montalvin Manor Redevelopment Project area, established by Ordinance No. 2003-23 adopted on July 8, 2003 (as amended by Ordinance No. 2006-34 adopted on July 18, 2006).

- C. ABx1 26 (the “Dissolution Act”) and ABx1 27 (the “Voluntary Program Act”) were enacted by the Legislature and signed by the Governor of the State of California on June 29, 2011. In general, the Dissolution Act suspends all new redevelopment activities and incurrence of indebtedness, and dissolves redevelopment agencies effective October 1, 2011. The Voluntary Program Act, through the addition of Part 1.9 to the Redevelopment Law (the “Alternative Voluntary Redevelopment Program”), allows a redevelopment agency to avoid dissolution under the Dissolution Act by opting into an alternative voluntary redevelopment program requiring specified annual contributions to local school and special districts. The Dissolution Act and the Voluntary Program Act are collectively referred to as the “Redevelopment Restructuring Acts.”
- D. Section 34193(a) of the Redevelopment Law (as added to the Redevelopment Law by the Voluntary Program Act) authorizes the Board of Supervisors to enact an ordinance to comply with Part 1.9 of the Redevelopment Law. Enactment of an ordinance under 34193(a) of the Redevelopment Law exempts the Agency from the provisions of the Dissolution Act, and enables the Agency to continue to exist and function under the Redevelopment Law, so long as the County and the Agency comply with the Alternative Voluntary Redevelopment Program.
- E. On August 11, 2011, the California Supreme Court (the “Court”) agreed to review a petition by the California Redevelopment Association and the League of California Cities’ that challenges the constitutionality of the Redevelopment Restructuring Acts and issued an order granting a partial stay on specified portions of the Redevelopment Restructuring Acts, as modified on August 17, 2011, including a stay of the provisions of the Voluntary Program Act (together, the “Stay”).
- F. With the adoption of Ordinance No. 2011-17 by the Board of Supervisors on behalf of the County and the Agency on September 20, 2011, the County and the Agency elected to participate in the Alternative Voluntary Redevelopment Program, conditioned on the lifting of the Stay and the Court’s determination that the Voluntary Program Act is constitutional.
- G. Under Section 34194 of the Redevelopment Law, participation in the Alternative Voluntary Redevelopment Program requires remittance of certain payments to the County Auditor-Controller.
- H. The County and the Agency desire that the Agency transfer a portion of its tax increment to the County in an amount equal to the annual remittance required under Chapter 3 of Part 1.9 of the Redevelopment Law, including the community remittance payments called for in Section 34194 of the Redevelopment Law, for the purpose of financing activities within the redevelopment area that relate to accomplishing the Agency’s project goals.

- I. In executing this Agreement, the Board of Supervisors does not intend to waive any rights of appeal regarding the amount of any remittance payments established by the California Department of Finance, as provided in the Voluntary Program Act.
- J. Under Title 14 of the California Code of Regulations, Section 15378(b)(4), this Agreement is exempt from the requirements of the California Environmental Quality Act ("CEQA"), in that it is not a project, but instead consists of the creation and continuation of a governmental funding mechanism for potential future projects and programs, and does not commit funds to any specific project or program.

The Agency and the County therefore agree as follows:

ARTICLE 1.
OBLIGATIONS OF THE PARTIES

1.1 Transfers to County. To the extent required by law to maintain the existence and powers of the Agency under the Redevelopment Law, and subject to the conditions set forth herein, the Agency shall transfer to the County in a timely manner that portion of the Agency's tax increment that is equal to the annual remittances required under Chapter 3 of Part 1.9 of the Redevelopment Law for the purpose of financing activities within the redevelopment area that relate to accomplishing the Agency's project goals (such payments, the "Agency Transfer Payments").

1.2 Source of Agency Transfer Payments. Any combination of the following constitutes eligible sources for the Agency Transfer Payments:

a. Any tax increment funds allocated to the Agency pursuant to Section 33670 of the Redevelopment Law, net of existing debt service payments and existing third-party contractual obligations, and excluding: (1) amounts required to be allocated to the Low and Moderate Income Housing Fund, pursuant to Sections 33334.2, 33334.3, and 33334.6 of the Redevelopment Law; and (2) any funds on deposit in the Agency's Low and Moderate Income Housing Fund.

b. Any other funds previously or subsequently made available to the County by the Agency, including any unencumbered funds previously pledged to the County by the Agency under an agreement for payment of public improvements and other redevelopment activities.

c. For fiscal year 2011-2012, any portion of the Agency's tax increment that would otherwise be allocated to the Low and Moderate Income Housing Fund pursuant to Sections 33334.2, 33334.3, and 33334.6 of the Redevelopment Law, to the extent the Agency makes the finding that there are insufficient other funds to meet its debt and other obligations, current priority program needs, and its obligation to pay the Agency Transfer Payments.

1.3 Payment of Remittances by County. Subject to the receipt of sufficient Agency Transfer Payments pursuant to Section 1.1 above, the County shall remit to the County Auditor-

Controller the payments required under Chapter 3 of Part 1.9 of the Redevelopment Law on or before the dates prescribed in Section 34194(d)(1).

1.4 Limitations on County Obligation. The County shall make such remittances exclusively from the Agency Transfer Payments or from other funds that become available as a result of the County's receipt of the Agency Transfer Payments. Nothing in this Agreement may be deemed to be a pledge of the County's general fund revenues or other assets for the purposes of funding the remittances required by Chapter 3 of Part 1.9 of the Redevelopment Law.

ARTICLE 2. GENERAL PROVISIONS

2.1 No Third Party Beneficiaries. No person or entity other than the Agency, the County, and their permitted successors and assigns, has any right of action under this Agreement.

2.2 State Law. The laws of the State of California govern all matters arising out of this Agreement.

2.3 Additional Acts. Each party shall take such other and additional actions and execute and deliver such other and additional documents as may be reasonably requested by the other party for the purpose of implementing the actions contemplated by this Agreement.

2.4 Entire Agreement; Modification and Amendment. This Agreement contains all of the agreements and understandings of the parties pertaining to its subject matter and supersedes all prior or contemporaneous agreements, representations, and understandings of the parties. This Agreement cannot be amended or modified except by written agreement of the parties.

2.5 Binding Upon Successors. This Agreement binds and inures to the benefit of the heirs, administrators, executors, successors in interest and assigns of each of the parties to this Agreement, whether by agreement or operation of law, including, without limitation, any successor to the Agency. Any reference in this Agreement to a specifically named party is to be deemed to apply to any successor, heir, administrator, executor or assign of such party who has acquired an interest in compliance with the terms of this Agreement, or under law.

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2.6 Operation of Agreement. The operation of the terms of this Agreement is conditioned on the lifting of the Stay and the Court's determination that the Voluntary Program Act is constitutional.

The parties are signing this Agreement as of the date stated in the introductory paragraph.

COUNTY OF CONTRA COSTA, a political
subdivision of the State of California

CONTRA COSTA COUNTY
REDEVELOPMENT AGENCY, a public body,
corporate and politic

By: _____
Name:
Title:

By: _____
Name:
Title:

APPROVED AS TO FORM:

APPROVED AS TO FORM:

County Counsel

Agency Counsel

ATTEST

ATTEST

Clerk of the Board of Supervisors

Agency Secretary