

AGENDA

OVERSIGHT BOARD (TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY) REGULAR MEETING March 29, 2012 2:00 PM

City of Irvine
L-102
One Civic Center Plaza
Irvine, CA 92606

Speaker's Card/Request to Speak: If you would like to address the Board on a scheduled agenda item, please complete the [Request to Speak Form](#). The card is at the table at the entrance to the meeting room. Please identify on the card your name and the item on which you would like to speak and return to the Secretary. The [Request to Speak Form](#) assists the Chair in ensuring that all persons wishing to address the Board are recognized. Your name will be called at the time the matter is heard by the Board. Public testimony is limited to three minutes per speaker (unless extended by the Chair) which includes the presentation of electronic or audio visual information.

CALL TO ORDER

ROLL CALL

| | |
|--------------|---|
| BOARDMEMBER: | Christine Compton, Deputy Chief of Staff, Supervisor Bill Campbell's office, County of Orange |
| BOARDMEMBER: | Veronica Dolleschel, Senior Management Analyst, City of Irvine |
| BOARDMEMBER: | Debra Fitzsimons, Vice Chancellor of Business Services, South OC Community College District |
| BOARDMEMBER: | John Fogarty, Asst. Superintendent of Business Services, CFO, Irvine Unified School District |
| BOARDMEMBER: | Sharon Landers, Assistant City Manager, City of Irvine |
| VICE CHAIR: | Lucy Dunn, President and CEO, Orange County Business Council |
| CHAIR: | Marian Bergeson, Chair, Foundation for the Great Park |

PLEDGE OF ALLEGIANCE

BOARD MEMBER REPORTS

Reports and Announcements are for the purpose of presenting brief comments or reports, and are subject to California Government Code Section 54954.2 of the Brown Act.

ADDITIONS AND DELETIONS

Additions to the agenda are limited by California Government Code Section 54954.2 of the Brown Act and for those items that arise after the posting of the Agenda and must be acted upon prior to the next Board meeting.

PRESENTATIONS

- 1. Relationship of the Oversight Board to Successor Agency and the dissolved Irvine Redevelopment Agency**

CONSENT CALENDAR

All matters listed under Consent Calendar are considered to be routine and enacted by one roll call vote. There will be no discussion of these items unless members of the Board request specific items to be removed from the Consent Calendar for separate discussion. Any member of the public may address the Board on items on the Consent Calendar. Public comments on any item or items on the consent calendar are limited to three minutes per speaker. If you wish to speak to a particular item or items, please complete a Speakers Form and give it to the City Clerk.

2. MINUTES

RECOMMENDED BOARD ACTION:

Approve the minutes of a regular meeting of the Oversight Board to the Successor Agency to the Dissolved Irvine Redevelopment Agency held on March 21, 2012.

BOARD BUSINESS

- 3. REIMBURSEMENT AND OPERATING AGREEMENT BETWEEN THE CITY OF IRVINE AND THE CITY OF IRVINE AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY**

RECOMMENDED BOARD ACTION:

Adopt A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING A REIMBURSEMENT AND OPERATING AGREEMENT BETWEEN THE CITY OF IRVINE AND THE CITY OF IRVINE AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY

4. RECOGNIZED OBLIGATION PAYMENT SCHEDULES OF THE DISSOLVED IRVINE REDEVELOPMENT AGENCY

RECOMMENDED BOARD ACTION:

- 1) Adopt A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JANUARY 1, 2012 THROUGH JUNE 30, 2012
- 2) Adopt A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY 1, 2012 THROUGH DECEMBER 31, 2012

5. SUCCESSOR AGENCY ADMINISTRATIVE BUDGET

RECOMMENDED BOARD ACTION:

- 1) Adopt A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR JANUARY 1, 2012 THROUGH JUNE 30, 2012
- 2) Adopt A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR JULY 1, 2012 THROUGH DECEMBER 31, 2012

PUBLIC COMMENTS (Limited to 3 minutes per speaker)

ADJOURNMENT

NOTICE TO THE PUBLIC

STAFF REPORTS

Copies of staff reports or other written documentation that have been prepared or organized with respect to each item of business listed on the agenda are on file with the Board Secretary and are available for public inspection and copying once the agenda is publicly posted, (at least 72 hours prior to a regular Board meeting). Staff reports can also be downloaded from the City of Irvine website at www.cityofirvine.org.

SUPPLEMENTAL MATERIAL RECEIVED AFTER THE POSTING OF THE AGENDA

Any supplemental writings or documents distributed to a majority of the Board regarding any item on this agenda after the posting of the agenda will be available for public review in the Board Secretary's Office, One Civic Center Plaza, Irvine, California, during normal business hours. In addition, such writings or documents will be made available for public review at the respective public meeting.

If you have any questions regarding any item of business on the agenda for this meeting, or any of the staff reports or other documentation relating to any agenda item, please contact Board Secretary staff at (949)724-7444.

**SUBMITTAL OF INFORMATION BY MEMBERS OF THE PUBLIC FOR
DISSEMINATION OR PRESENTATION AT PUBLIC MEETINGS**

Any member of the public who desires to submit documentation in hard copy form may do so prior to the meeting or at the time he/she addresses the Board. Please provide 15 copies of the information to be submitted and file with the Secretary at the time of arrival to the meeting. This information will be disseminated to the Board at the time testimony is given.

PUBLIC COMMENT

Any member of the public may address the Board on items within the Board's subject matter jurisdiction but which are not listed on this agenda during Public Comment; however, no action may be taken on matters that are not part of the posted agenda. If you would like to address the Board during the Public Comment portion of the Agenda, please complete the Request to Speak Form. The card is at the table at the entrance to the meeting room. Please complete the card with your name and return to the Board Secretary. The Request to Speak Form assists the Chair in ensuring that all persons wishing to address the Board are recognized. Your name will be called at the time Public Comment is taken by the Board.

SERVICES TO FACILITATE ACCESS TO PUBLIC MEETINGS

It is the intention of the Board to comply with the Americans With Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance beyond what is normally provided, the Board will attempt to accommodate you in every reasonable manner. Please contact the Irvine City Clerk's Office at (949)724-6205.

Assisted listening devices are available at the meeting for individuals with hearing impairments. Notification 48 hours prior to the meeting will enable the Board to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35. 102-35. 104 ADA Title II)

CHALLENGING BOARD DECISIONS

If a person wishes to challenge the nature of the above actions in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the Board, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

COMMUNICATION DEVICES

To minimize distractions, please be sure all personal communication devices are turned off or on silent mode.

MEETING SCHEDULE

I hereby certify that the agenda for the Adjourned Regular Board meeting was posted in the posting book located in the Public Safety Lobby of Irvine City Hall, One Civic Center Plaza, Irvine, California on 3-23-12 by 5:00pm as well as on the City of Irvine's web page.

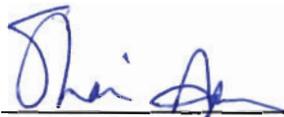

Secretary to the Oversight Board

No Staff Report

REQUEST FOR OVERSIGHT BOARD ACTION

MEETING DATE: MARCH 29, 2012

TITLE: MINUTES



Acting Secretary

RECOMMENDED ACTION

Approve the minutes of a regular meeting of the Oversight Board to the Successor Agency to the Dissolved Irvine Redevelopment Agency held on March 21, 2012.

MINUTES

OVERSIGHT BOARD (TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY) FIRST REGULAR MEETING March 21, 2012

City of Irvine
L-102
One Civic Center Plaza
Irvine, CA 92606

CALL TO ORDER

The first regular meeting of the Oversight Board to the Successor Agency to the dissolved Irvine Redevelopment Agency was called to order at 9:01 a.m. on March 21, 2012 in room L-102, Irvine Civic Center, One Civic Center Plaza, Irvine, California. Acting Secretary Sharie Apodaca presided over the meeting until such time the Oversight Board elected a Chair under Agenda Item No. 3.

ROLL CALL

Present: 7 BOARDMEMBER: Marian Bergeson, Chair, Foundation for the Great Park
BOARDMEMBER: Christine Compton, Deputy Chief of Staff, Supervisor Bill Campbell's office, County of Orange
BOARDMEMBER: Veronica Dolleschel, Senior Management Analyst, City of Irvine
BOARDMEMBER: Lucy Dunn, President and CEO, Orange County Business Council
BOARDMEMBER: Debra Fitzsimons, Vice Chancellor of Business Services, South OC Community College District
BOARDMEMBER: John Fogarty, Asst. Superintendent of Business Services, CFO, Irvine Unified School District
BOARDMEMBER: Sharon Landers, Assistant City Manager, City of Irvine

PLEDGE OF ALLEGIANCE

Acting Secretary Apodaca led the Pledge of Allegiance.

ADDITIONS AND DELETIONS

There were none.

BOARD BUSINESS

1. INTRODUCTIONS AND ADMINISTRATION OF OATH OF OFFICE

Acting Secretary Apodaca introduced each member of the Oversight Board and announced their respective appointing agency. Acting Secretary Apodaca administered the Oath of Office to the Board members.

2. OVERVIEW OF LEGAL STATUS AND ROLE OF OVERSIGHT BOARD

Acting Secretary Apodaca introduced Dan Slater, Counsel to the Successor Agency to the dissolved Irvine Redevelopment Agency, who provided an overview of the legal status and role of the Oversight Board under the Redevelopment Dissolution Act, ABx1 26.

ACTION: Received and filed.

3. ELECTION OF BOARD CHAIR AND VICE CHAIR

Acting Secretary Apodaca opened nominations for the election of Chair of the Oversight Board for a one-year term. Board member Dunn nominated Board member Bergeson. There were no further nominations.

ACTION: Moved by Board member Landers, seconded by Board member Dunn, and unanimously carried (7-0 vote) to close nominations and to elect Board member Marian Bergeson as Chair for a one-year term.

Acting Secretary Apodaca opened nominations for the election of Vice Chair of the Oversight Board for a one-year term. Board member Bergeson nominated Board member Dunn. There were no further nominations.

ACTION: Moved by Board member Fitzsimons, seconded by Board member Fogarty and unanimously carried (7-0 vote) to close nominations and elect Board member Lucy Dunn as Vice Chair for a one-year term.

4. APPROVE REGULAR MEETING SCHEDULE

Chair Bergeson announced the item.

Acting Secretary Apodaca reported the staff recommendation is to establish the second Wednesday of May, and the second Wednesday of November of each year, at 9:00 a.m. as the regular meeting schedule of the Oversight Board. The recommended meeting location is City of Irvine Civic Center, City Hall, 1 Civic Center Plaza, Room L102, Irvine, California.

ACTION: Moved by Vice Chair Dunn, seconded by Board member Compton and unanimously carried (7-0 vote) to adopt:

Resolution No. 2012-01 entitled: A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY ESTABLISHING A REGULAR MEETING SCHEDULE FOR OVERSIGHT BOARD MEETINGS

5. DESIGNATION OF CONTACT PERSON FOR DEPARTMENT OF FINANCE INQUIRIES

Chair Bergeson announced the item.

ACTION: Moved by Board member Fogarty, seconded by Vice Chair Dunn and unanimously carried (7-0 vote) to designate Donna Mullally, Manager of Fiscal Services for the City of Irvine, as the official who shall serve as the contact person for the Department of Finance inquiries regarding Oversight Board actions.

6. ADOPTION OF BOARD RULES OF PARLIAMENTARY PROCEDURE

Chair Bergeson announced the item.

ACTION: Moved by Vice Chair Dunn, seconded by Board member Landers and unanimously carried (7-0 vote) to adopt Robert's Rules of Order as the Oversight Board's rules of parliamentary procedure.

7. ADOPTION OF BOARD CONFLICT OF INTEREST CODE

Chair Bergeson announced the item.

Dan Slater, Counsel to the Successor Agency, commented on the filing requirements for Board members, and noted that their Statements of Economic Interests needed to be filed with the Orange County Clerk of the Board.

ACTION: Moved by Board member Landers, seconded by Board member Fogarty and unanimously carried (7-0 vote) to adopt:

Resolution No. 2012-02 entitled: A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY ADOPTING A CONFLICT OF INTEREST CODE FOR THE OVERSIGHT BOARD

8. PRESENTATION AND DISCUSSION OF ORANGE COUNTY GREAT PARK PROJECT AREA

Chair Bergeson announced the item and introduced Mike Ellzey, Chief Executive Officer of the Orange County Great Park (Great Park), who provided an overview of the history and development of the Great Park. He also described numerous activities, programs and cultural events held at the Great Park.

Board discussion included: clarification of the Great Park project area acreage, and special circumstances affecting the redevelopment of closed military bases.

ACTION: Received and filed.

9. FUTURE AGENDA ITEMS

Chair Bergeson announced the item and introduced Donna Mullally, Manager of Fiscal Services for the City of Irvine, who provided an overview of future agenda items including the Recognized Obligation Payment Schedule.

Board discussion included: clarification of the scope of the Oversight Board, the obligation payment schedules, agreements and administrative budget costs.

ACTION: Received and filed.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

Moved by Vice Chair Dunn, seconded by Boardmember Fitzsimons, and unanimously carried (7-0 vote) to adjourn the meeting at 10:10 a.m. to March 29, 2012 at 2:00 p.m.

OVERSIGHT BOARD CHAIR

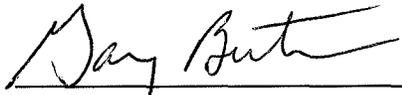
SECRETARY

March 29, 2012

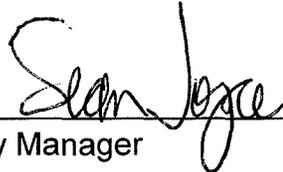
REQUEST FOR OVERSIGHT BOARD ACTION

MEETING DATE: MARCH 29, 2012

TITLE: REIMBURSEMENT AND OPERATING AGREEMENT BETWEEN THE CITY OF IRVINE AND THE CITY OF IRVINE AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY



Director of Administrative Services



City Manager

RECOMMENDED ACTION

Adopt A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING A REIMBURSEMENT AND OPERATING AGREEMENT BETWEEN THE CITY OF IRVINE AND THE CITY OF IRVINE AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY

EXECUTIVE SUMMARY

On December 29, 2011, the California Supreme Court upheld Assembly Bill x1 26 (the Dissolution Act) and directed that all redevelopment agencies in the state be dissolved effective February 1, 2012. On January 10, 2012, the City Council of the City of Irvine elected to become the Successor Agency to the Irvine Redevelopment Agency. As the Successor Agency, the City is responsible for winding down the affairs of the former redevelopment agency, with certain actions subject to the approval of an Oversight Board. The attached Reimbursement and Operating Agreement formalizes the Successor Agency's obligation to reimburse the City for costs of the Successor Agency's operations.

SUCCESSOR AGENCY RECOMMENDATION

The City Council as the Successor Agency to the dissolved Irvine Redevelopment Agency is scheduled to review this item at its March 27, 2012 meeting. The Successor Agency's action will be reported to the Oversight Board in an oral presentation.

ANALYSIS

The Successor Agency, which became operative on February 1, 2012, is responsible for the administrative functions needed to wind down the affairs of the dissolved Irvine Redevelopment Agency. Some of these functions include making payments on and performing obligations related to enforceable obligations, preparing administrative budgets, and preparing Recognized Obligation Payment Schedules every six months.

The responsibilities of implementing and ensuring compliance with the Dissolution Act will be performed by City staff, consultants and attorneys.

The Dissolution Act provides the Successor Agency with an administrative cost allowance for implementation of the Dissolution Act. Property taxes for enforceable obligations and administrative costs will be distributed to successor agencies each January and June. Costs may need to be advanced by the City and reimbursed as property taxes are received. Although the City, and the City in its capacity as Successor Agency, are not separate public agencies, the proposed Reimbursement and Operating Agreement formalizes this financial arrangement and documents the separation between City accounts and Successor Agency accounts, and the Successor Agency's obligation to reimburse the City for costs of the Successor Agency's operations. In accordance with the Dissolution Act, the Oversight Board must approve any request by the Successor Agency to enter into an agreement with the city that formed the redevelopment agency.

ALTERNATIVES CONSIDERED

The law does not require the use of a Reimbursement and Operating Agreement; however, having a written agreement will serve to document that the City will be reimbursed for appropriate Successor Agency administrative costs and further will document the separation between City accounts and Successor Agency accounts.

FINANCIAL IMPACT

The proposed Reimbursement and Operating Agreement will have no direct financial impact on the administrative costs for the implementation of the Dissolution Act or on the administrative cost allowance the Successor Agency is entitled to receive. The Agreement merely helps document the Successor Agency's obligation to reimburse the City for costs of the Successor Agency's operations.

REPORT PREPARED BY Donna Mullally, Manager of Fiscal Services

ATTACHMENT

Attachment: Resolution

OVERSIGHT BOARD RESOLUTION NO. 12-__

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING A REIMBURSEMENT AND OPERATING AGREEMENT BETWEEN THE CITY OF IRVINE AND THE CITY OF IRVINE AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY

WHEREAS, the Oversight Board to the Successor Agency to the dissolved Irvine Redevelopment Agency has been appointed pursuant to the provision of Health and Safety Code Section 34179; and

WHEREAS, Health and Safety Code Section 34180(h) requires Oversight Board approval for any request by the Successor Agency to enter into an agreement with the City; and

WHEREAS, the City Council as Successor Agency to the dissolved Irvine Redevelopment Agency approved a Reimbursement and Operating Agreement between the City of Irvine and the City of Irvine, as Successor Agency to the dissolved Irvine Redevelopment Agency, subject to approval by the Oversight Board; and

WHEREAS, the Reimbursement and Operating Agreement between the City of Irvine and the City of Irvine as Successor Agency to the dissolved Irvine Redevelopment Agency, in the form approved by the City Council, has been presented to the Oversight Board for its consideration at an adjourned regular meeting of the Oversight Board held on March 29, 2012;

NOW, THEREFORE BE IT RESOLVED, by the Oversight Board as follows:

SECTION 1. The Oversight Board, at its adjourned regular meeting of March 29, 2012, reviewed and considered the Reimbursement and Operating Agreement between the City of Irvine and the City of Irvine as Successor Agency to the dissolved Irvine Redevelopment Agency.

SECTION 2. The Reimbursement and Operating Agreement between the City of Irvine and the City of Irvine as Successor Agency to the dissolved Irvine Redevelopment Agency, as set forth in Exhibit "A" attached hereto and by this reference incorporated herein, is hereby approved by the Oversight Board.

PASSED AND ADOPTED by the Oversight Board at an adjourned regular meeting held on the 29th of March, 2012.

MARIAN BERGESON, CHAIR

ATTEST:

TERRI GOGGIN, SECRETARY

STATE OF CALIFORNIA)
COUNTY OF ORANGE)
CITY OF IRVINE)

I, TERRI GOGGIN, Secretary to the Oversight Board, hereby certify that the foregoing resolution was duly adopted at an adjourned regular meeting of the Oversight Board, held on the 29th day of March 2012.

AYES: BOARDMEMBERS:

NOES: BOARDMEMBERS:

ABSENT: BOARDMEMBERS:

TERRI GOGGIN, SECRETARY

REIMBURSEMENT AND OPERATING AGREEMENT

This Reimbursement and Operating Agreement ("Agreement") is made and entered this 27th day of March, 2012, by and between the CITY OF IRVINE, a charter city and municipal corporation ("City"), and the CITY OF IRVINE AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY, a public body, acting under the authority of Part 1.85 of the California Health and Safety Code ("Successor Agency").

RECITALS

- A. The City Council of the City of Irvine, acting pursuant to the provisions of Part 1.85 of the Health and Safety Code (Part 1.85), has declared itself as the Successor Agency within the meaning of Part 1.85. Any capitalized terms that are not specifically defined in this agreement shall have the same meaning as set forth in Part 1.85.
- B. In accordance with Section 34171 of Part 1.85, the Successor Agency is entitled to an Administrative Cost Allowance that is payable from property tax revenues allocated to the Redevelopment Obligation Retirement Fund (RORF) by the County Auditor-Controller.
- C. To ensure the effective implementation of Part 1.85, City and Successor Agency desire to enter into this agreement to allow the Successor Agency's utilization of City staff, facilities, and administrative resources (collectively, "City Services") in consideration for the Successor Agency's timely payment to City of the Administrative Cost Allowance. The Successor Agency's payment for City Services shall not include the City's project management or staff costs associated with specified Enforceable Obligations listed on either the Enforcement Obligation Payment Schedule or Recognized Obligation Payment Schedule (collectively, "Project Costs"), which shall be charged separately to the Successor Agency and reimbursed separately by the Successor Agency from the property taxes deposited into the RORF.
- D. Although the Successor Agency is not a separate public agency from the City, the City As Successor Agency, has established accounts for the Successor Agency separate from City accounts, including accounts separate from the City's General Fund, and therefore this agreement is intended to document the financial relationship between the City and the Successor Agency.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter contained, City and Successor Agency agree as follows:

Section 1. Access to City Personnel and Facilities. Effective February 1, 2012, the Successor Agency shall be authorized to use City Services to implement the Successor Agency's duties under Part 1.85. City shall maintain an accounting of the costs of providing such services to the Successor Agency.

Exhibit A

Section 2. Reimbursement for Use of City Services. In consideration for the Successor Agency's utilization of City Services, Successor Agency shall pay to the City the Administrative Cost Allowance allocated to the Successor Agency under Part 1.85. The Administrative Cost Allowance shall be paid to the City no later than ten (10) business days from the deposit of property taxes into the RORF by the County Auditor-Controller.

Section 3. Project Costs. Project Costs shall be charged separately to the Successor Agency and reimbursed separately by the Successor Agency from the property taxes deposited into the RORF.

Section 4. Notice of Default. If either party defaults with regard to the provisions of this agreement, the non-defaulting party shall serve written notice of such default upon the defaulting party. If the default is not cured by the defaulting party within ninety (90) days after service of the notice of default, or if the default is not commenced to be cured within thirty (30) days after service of the notice of default and is not cured promptly within a reasonable period of time after commencement, the defaulting party shall be liable to the other party in accordance with applicable law; provided, however, that nothing herein shall obligate the City to make any payments or transfer of any assets from the City's General Fund, except in the form of City Services provided to the Successor Agency, and nothing herein shall obligate the Successor Agency to make any payments or transfer of assets from any source other than the RORF.

Section 5. No Waiver of Reservation of Rights or Limitation of Liability. Notwithstanding anything to the contrary herein, nothing herein shall be deemed as a waiver by City or Successor Agency of any reservation of rights to challenge the application or effectiveness of Assembly Bill No. 26 (2011-2012 1st Ex. Sess.), or any portions thereof, or as a waiver of any limitations of liability granted to City and Successor Agency under AB x1 26.

IN WITNESS THEREOF, the parties have executed this agreement as of the date first above written.

CITY OF IRVINE

By: _____
Sukhee Kang, Mayor

ATTEST:

APPROVED AS TO FORM:

City Clerk

City Attorney for the City of Irvine

CITY OF IRVINE, AS SUCCESSOR
AGENCY TO THE DISSOLVED IRVINE
REDEVELOPMENT AGENCY

By: _____
Sukhee Kang, Mayor, for City of Irvine
as Successor Agency

ATTEST:

APPROVED AS TO FORM:

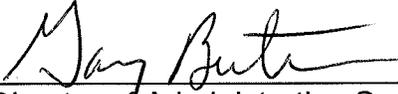
Acting Secretary

General Counsel

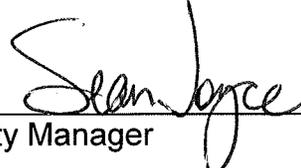
REQUEST FOR OVERSIGHT BOARD ACTION

MEETING DATE: MARCH 29, 2012

TITLE: RECOGNIZED OBLIGATION PAYMENT SCHEDULES OF THE
DISSOLVED IRVINE REDEVELOPMENT AGENCY



Director of Administrative Services



City Manager

RECOMMENDED ACTION

1. Adopt A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JANUARY 1, 2012 THROUGH JUNE 30, 2012
2. Adopt A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY 1, 2012 THROUGH DECEMBER 31, 2012

EXECUTIVE SUMMARY

On December 29, 2011, the California Supreme Court (Court) upheld Assembly Bill x1 26 (the Dissolution Act) and directed that all redevelopment agencies in the state be dissolved effective February 1, 2012. On January 10, 2012, the City Council of the City of Irvine elected to become the Successor Agency to the Irvine Redevelopment Agency. As the Successor Agency, the City will wind down the affairs of the former redevelopment agency, with certain actions subject to the approval of an Oversight Board.

The Successor Agency is responsible for the continued payment of enforceable obligations of the dissolved Irvine Redevelopment Agency. The Successor Agency must prepare a Recognized Obligation Payment Schedule (Payment Schedule), which sets forth the payment amounts and due dates of payments required under enforceable obligations for each six-month fiscal period. The Oversight Board is required to review and approve each Payment Schedule. The State Department of Finance may review an oversight board action. Once the Oversight Board's approval of a Payment Schedule is effective, the County Auditor-Controller will use the Payment Schedule as the basis to provide funds to

the Successor Agency to pay the enforceable obligations of the former Irvine Redevelopment Agency.

Successor agencies are required to submit a projected Payment Schedule every six months. The Oversight Board must approve each Payment Schedule before the County releases any property tax funds to the Successor Agency.

SUCCESSOR AGENCY RECOMMENDATION

The City Council of the City of Irvine as Successor Agency to the dissolved Irvine Redevelopment Agency approved the initial Recognized Obligation Payment Schedule, which covers the period January 1, 2012 through June 30, 2012, at its February 28, 2012 meeting. The Recognized Obligation Payment Schedule for July 1, 2012 through December 31, 2012, is scheduled to be presented to the City Council as Successor Agency at the City Council's March 27, 2012 meeting. Any action taken at that meeting will be reported to the Oversight Board in an oral presentation.

ANALYSIS

As a result of the Court's ruling on the Dissolution Act, all redevelopment agencies in California were dissolved effective February 1, 2012. The Dissolution Act prescribes the procedures to wind down the affairs of former redevelopment agencies. These provisions include the continued payment of enforceable obligations of the dissolved redevelopment agency.

The Successor Agency is responsible for establishing a Payment Schedule, which sets forth the payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period. On February 28, 2012, the City as Successor Agency approved an initial Payment Schedule covering the period January 1, 2012 through June 30, 2012 (Attachment 1). Before the Payment Schedule is considered operative, it must be approved by the Oversight Board and certified by the County Auditor-Controller.

Actions of the Oversight Board are not effective for three business days to allow the State Department of Finance to determine whether it would like to review an Oversight Board action. If the Department of Finance requests a review of an action, it has ten calendar days from the date of its request to either approve the Oversight Board action or return it to the Oversight Board for reconsideration.

Once approved and certified, the County Auditor-Controller will use the Payment Schedule as the basis for distributing property taxes to the Successor Agency for the payment of enforceable obligations. The initial Payment Schedule that was approved by the Successor Agency was submitted to the County at its request. The County plans to have the certification complete by its statutory deadline of July 1, 2012. Due to inconsistent dates in the law resulting from the Court's ruling, the initial Payment Schedule must be submitted to the State Department of Finance and State Controller by April 15, 2012.

The Dissolution Act calls for the County Auditor-Controller to distribute funds for the payments on the approved initial Payment Schedule to Successor Agencies on May 16, 2012. Property taxes for the payment of July through December 2012 enforceable obligations are to be distributed to the Successor Agency on June 1, 2012. To meet these timeframes, the Department of Finance has requested the Payment Schedule covering July – December 2012 (Attachment 2) be submitted by May 11, 2012. The July through December Payment Schedule is similar to the initial Payment Schedule, with only the monthly cash flows updated.

The enforceable obligations included on the Payment Schedules are:

Amended and Restated Development Agreement – This agreement with the owner/developer of the privately owned land at the former Marine Corps Air Station, El Toro requires the City of Irvine and the Irvine Redevelopment Agency to build the Orange County Great Park in accordance with the Great Park Master Plan in exchange for Heritage Fields building the backbone infrastructure needed for the Orange County Great Park and Heritage Fields' private development. The estimated cost to build the Great Park in accordance with the Master Plan is approximately \$1.43 billion.

Affordable Housing Grant Agreement – This agreement contractually committed the Irvine Redevelopment Agency to provide all future Low and Moderate Income Housing Funds to the Irvine Community Land Trust, a private nonprofit 501c3 corporation (Land Trust). The agreement obligated the Irvine Redevelopment Agency to transfer funds twice per year to the Land Trust with an estimate of the funds to be provided of approximately \$731 million. The Land Trust was incorporated in 2006 and its Articles of Incorporation were endorsed and filed with the California Secretary of State on March 17, 2006 (Attachment 3). Since that time, the Land Trust board has continuously worked to implement the Land Trust's mission to develop affordable ownership and rental housing projects in the City of Irvine. After incorporation, the Internal Revenue Service, on March 5, 2007, approved the Land Trust as a 501c3 non-profit corporation (Attachment 4). The State of California also issued an Organizational Clearance Certificate recognizing the Land Trust as a charitable organization (Attachment 5) after it completed its first affordable rental housing project.

Housing Enabled by Local Partnerships Loan – The California Housing Finance Agency loaned the Irvine Redevelopment Agency \$1.35 million to provide construction funding for an affordable housing project.

County Implementation Agreement No. 1 – Prior to the City of Irvine's annexation of the former Marine Corps Air Station, El Toro (Base), the City and the County of Orange conceptually agreed that the County would be made whole in terms of property tax if the Base were placed in a redevelopment project area. This conceptual agreement was documented in the 2003 Property Tax Transfer and Pre-Annexation Agreement among the City of Irvine, the Irvine Redevelopment Agency, and the County of Orange, regarding the

Annexation and Reuse of Former MCAS, El Toro (Attachment 6). In 2005, the Base was placed in a redevelopment project area and the details of the conceptual agreement were documented in County Implementation Agreement No. 1. The most recent estimate of this obligation totals \$368.22 million.

County Implementation Agreement No. 2 – The 2003 agreement referenced above also required the City to convey 100 acres of the Base to the County of Orange. Part of the County land crosses the Bee Canyon Channel, which is being improved with a reinforced concrete box by Heritage Fields as part of the backbone infrastructure. This agreement requires the Irvine Redevelopment Agency to fund the future reconstruction, repair, or replacement of the reinforced concrete box up to \$650,000, if and when necessary, so long as the County owns the land.

Cooperation Agreement – This agreement established the operational arrangement for the City of Irvine to provide staffing, financial support and other assistance as needed to the Irvine Redevelopment Agency. Amounts identified on the Payment Schedule for this agreement are estimated costs for the administration of the Successor Agency. To the extent property taxes are not disbursed to the Successor Agency for this enforceable obligation, the costs would be required to be paid from the administrative cost allowance provided by the Dissolution Act.

Agreement for Legal Services – This agreement provides for City Attorney and General Counsel services for the City and the Irvine Redevelopment Agency, respectively. With the dissolution of the Irvine Redevelopment Agency, General Counsel services are now being provided to the City as the Successor Agency to the dissolved Irvine Redevelopment Agency. To the extent property taxes are not disbursed to the Successor Agency for this enforceable obligation, the costs would be required to be paid from the administrative cost allowance provided by the Dissolution Act.

Agreement for Auditing Services – This agreement provides for an independent audit of the Redevelopment Agency financial records. With the dissolution of the Irvine Redevelopment Agency, it is anticipated there will be a final close-out audit of the Agency's records. There also likely will be auditing services required for the Successor Agency records and accounts. These costs pertaining to the Redevelopment Agency and Successor Agency, to the extent property taxes are not disbursed to the Successor Agency for this enforceable obligation, would be required to be paid from the administrative cost allowance provided by the Dissolution Act.

Tax Collector Fee – Although not technically an agreement, the County of Orange Tax Collector is allowed to charge a property tax administration fee under Revenue and Taxation Code Section 95.3. This cost is typically withheld from the revenue received by the entity, but is shown in the accounting records as an expenditure, and is therefore included as an enforceable obligation.

City Loan dated June 14, 2005 – The City of Irvine provided the Irvine Redevelopment Agency a startup loan shortly after the creation of the first and only redevelopment project area to enable the Agency to undertake redevelopment activities prior to the receipt of tax increment revenues. The principal amount of the loan was approximately \$4.47 million and is accruing interest at the City's rate of return plus 3%.

City Loan dated January 24, 2006 – The City of Irvine provided the Irvine Redevelopment Agency an additional startup loan shortly after the creation of the first and only redevelopment project area to enable the Agency to undertake redevelopment activities prior to the receipt of tax increment revenues. The principal amount of the loan was \$2.1 million and is accruing interest at the City's rate of return plus 3%.

City Loan dated August 14, 2007 – The City's Great Park Special Fund loaned the Irvine Redevelopment Agency \$134 million, as determined by an independent appraisal, for the purchase of three parcels of land to help meet Agency objectives identified in the Orange County Great Park Redevelopment Plan. The repayment of the loan was intended to flow back to the Great Park Special Fund to support the Park's long-term operations, maintenance, and rehabilitation. The three parcels were subsequently sold back to the City, again pursuant to an independent appraisal, to satisfy an Agency obligation to fund public improvements within the Orange County Great Park Redevelopment Project Area.

FINANCIAL IMPACT

Approving the Payment Schedules allows the Successor Agency to receive property tax revenues as needed to pay enforceable obligations.

REPORT PREPARED BY Donna Mullally, Manager of Fiscal Services, City of Irvine

ATTACHMENTS

- Attachment 1: Required Obligation Payment Schedule, January – June 2012
- Attachment 2: Required Obligation Payment Schedule, July – December 2012
- Attachment 3: Land Trust Articles of Incorporation
- Attachment 4: Internal Revenue Service Land Trust Determination Letter
- Attachment 5: State Board of Equalization – Organization Clearance Certificate for Land Trust
- Attachment 6: Property Tax Transfer and Pre-Annexation Agreement among the City of Irvine, the Irvine Redevelopment Agency, and the County of Orange, Regarding the Annexation and Reuse of Former MCAS, El Toro

OVERSIGHT BOARD RESOLUTION NO. 12-__

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JANUARY 1, 2012 THROUGH JUNE 30, 2012

WHEREAS, the Oversight Board to the Successor Agency to the dissolved Irvine Redevelopment Agency has been appointed pursuant to the provisions of Health and Safety Code Section 34179; and

WHEREAS, Health and Safety Code Sections 34177(l)(2)(B) and 34180(g) require the approval of the Recognized Obligation Payment Schedule by the Oversight Board; and

WHEREAS, a Recognized Obligation Payment Schedule for the period January 1, 2012 through June 30, 2012, has been prepared; and

WHEREAS, the City Council As Successor Agency to the dissolved Irvine Redevelopment Agency approved the Recognized Obligation Payment Schedule for the period January 1, 2012 through June 30, 2012; and

WHEREAS, the Recognized Obligation Payment Schedule, in the form approved by the City Council As Successor Agency to the dissolved Irvine Redevelopment Agency, has been presented to the Oversight Board for its consideration at an adjourned regular meeting of the Oversight Board held on March 29, 2012;

NOW, THEREFORE BE IT RESOLVED, by the Oversight Board as follows:

SECTION 1. The Oversight Board, at its adjourned regular meeting of March 29, 2012, reviewed and considered the Recognized Obligation Payment Schedule presented by the Successor Agency.

SECTION 2. The Recognized Obligation Payment Schedule for the period January 1, 2012 through June 30, 2012, as set forth in Exhibit "A" attached hereto and by this reference incorporated herein, is hereby approved by the Oversight Board.

PASSED AND ADOPTED by the Oversight Board at an adjourned regular meeting held on the 29th of March, 2012.

MARIAN BERGESON, CHAIR

ATTEST:

ATTACHMENT 1

TERRI GOGGIN, SECRETARY

STATE OF CALIFORNIA)
COUNTY OF ORANGE)
CITY OF IRVINE)

I, TERRI GOGGIN, Secretary to the Oversight Board, hereby certify that the foregoing resolution was duly adopted at an adjourned regular meeting of the Oversight Board, held on the 29th day of March 2012.

AYES: BOARDMEMBERS:

NOES: BOARDMEMBERS:

ABSENT: BOARDMEMBERS:

TERRI GOGGIN, SECRETARY

IRVINE REDEVELOPMENT AGENCY
 Required Obligation Payment Schedule
 Long-term Schedule
 As of February 28, 2012

| Tax Increment Collection Year | | Line 1, 1a | Line 2 | Line 3 | Lines 4 | Line 5 |
|-------------------------------|---------|-------------------------------|------------------------------|--|-----------------------------------|-----------------------------------|
| | | Amended Development Agreement | Affordable Housing Agreement | Housing Enabled by Local Partnerships Loan | County Implementation Payment # 1 | County Implementation Payment # 2 |
| 6 | 2011-12 | 6,000,000 | 1,499,006 | | 673,863 | |
| 7 | 2012-13 | 26,828,068 | 1,797,191 | | 1,154,639 | |
| 8 | 2013-14 | 6,814,039 | 2,590,092 | | 1,664,053 | |
| 9 | 2014-15 | 9,251,294 | 3,516,519 | | 2,259,254 | |
| 10 | 2015-16 | 12,271,455 | 4,664,516 | | 2,996,806 | |
| 11 | 2016-17 | 14,441,073 | 5,815,164 | 1,822,500 | 3,546,333 | |
| 12 | 2017-18 | 16,355,275 | 6,830,353 | | 4,031,167 | |
| 13 | 2018-19 | 18,924,405 | 8,192,880 | | 4,681,883 | |
| 14 | 2019-20 | 21,391,412 | 9,501,247 | | 5,306,733 | |
| 15 | 2020-21 | 24,984,521 | 11,406,838 | | 6,216,806 | |
| 16 | 2021-22 | 29,188,089 | 13,636,182 | | 7,281,497 | |
| 17 | 2022-23 | 29,702,307 | 13,908,896 | | 7,411,739 | |
| 18 | 2023-24 | 30,489,061 | 14,326,148 | | 7,611,010 | |
| 19 | 2024-25 | 31,299,417 | 14,755,917 | | 7,816,260 | |
| 20 | 2025-26 | 32,134,084 | 15,198,579 | | 8,027,666 | |
| 21 | 2026-27 | 32,993,791 | 15,654,521 | | 8,245,415 | |
| 22 | 2027-28 | 33,879,290 | 16,124,142 | | 8,469,697 | |
| 23 | 2028-29 | 34,791,353 | 16,607,851 | | 8,700,707 | |
| 24 | 2029-30 | 35,730,778 | 17,106,071 | | 8,938,647 | |
| 25 | 2030-31 | 36,698,386 | 17,619,238 | | 9,183,725 | |
| 26 | 2031-32 | 37,695,022 | 18,147,800 | | 9,436,156 | |
| 27 | 2032-33 | 38,721,558 | 18,692,218 | | 9,696,159 | |
| 28 | 2033-34 | 39,778,889 | 19,252,970 | | 9,963,963 | |
| 29 | 2034-35 | 40,867,940 | 19,830,543 | | 10,239,801 | |
| 30 | 2035-36 | 41,989,663 | 20,425,445 | | 10,523,914 | |
| 31 | 2036-37 | 42,840,605 | 21,038,193 | | 10,749,194 | |
| 32 | 2037-38 | 43,717,075 | 21,669,323 | | 10,981,232 | |
| 33 | 2038-39 | 44,619,839 | 22,319,388 | | 11,220,231 | |
| 34 | 2039-40 | 45,549,686 | 22,988,954 | | 11,466,400 | |
| 35 | 2040-41 | 46,507,428 | 23,678,607 | | 11,719,954 | |
| 36 | 2041-42 | 47,493,903 | 24,388,950 | | 11,981,115 | |
| 37 | 2042-43 | 48,509,972 | 25,120,604 | | 12,250,111 | |
| 38 | 2043-44 | 49,556,522 | 25,874,207 | | 12,527,176 | |
| 39 | 2044-45 | 50,634,470 | 26,650,417 | | 12,812,554 | |
| 40 | 2045-46 | 51,744,756 | 27,449,915 | | 13,106,492 | |
| 41 | 2046-47 | 52,888,350 | 28,273,397 | | 13,409,249 | |
| 42 | 2047-48 | 54,066,252 | 29,121,584 | | 13,721,089 | |
| 43 | 2048-49 | 55,279,492 | 29,995,216 | | 14,042,284 | |
| 44 | 2049-50 | 56,529,128 | 30,895,057 | | 14,373,115 | |
| 45 | 2050-51 | 50,850,069 | 31,821,894 | | 14,713,870 | |
| 46* | 2051-52 | | 32,613,967 | | 15,064,848 | 650,000 |
| Last Pmt. D2052-53 | | | | | | |
| | | 1,424,008,717 | 731,000,000 | 1,822,500 | 368,216,807 | 650,000 |

IRVINE REDEVELOPMENT AGENCY
 Required Obligation Payment Schedule
 Long-term Schedule
 As of February 28, 2012

| | | Line 6 | Line 7 | Line 10 | Line 11 | Line 12 |
|-------------------------------|-------------|-----------------------|----------------|---------------------|---------------------|---------------------|
| Tax Increment Collection Year | Fiscal Year | Cooperation Agreement | Legal Services | City Loan 6/14/2005 | City Loan 1/24/2006 | City Loan 8/14/2007 |
| | 6 2011-12 | 186,012 | 100,000 | | | 2,900,000 |
| | 7 2012-13 | 315,072 | 200,000 | | | 4,700,000 |
| | 8 2013-14 | 157,536 | 180,000 | | | 6,700,000 |
| | 9 2014-15 | 141,782 | 162,000 | | | 6,800,000 |
| | 10 2015-16 | 127,604 | 145,800 | 1,061,500 | 481,872 | 8,700,000 |
| | 11 2016-17 | 114,844 | 131,220 | 1,061,500 | 481,872 | 9,500,000 |
| | 12 2017-18 | 103,360 | 104,976 | 1,061,500 | 481,872 | 11,100,000 |
| | 13 2018-19 | 93,024 | 83,981 | 1,061,500 | 481,872 | 12,700,000 |
| | 14 2019-20 | 83,722 | 67,185 | 1,061,500 | 481,872 | 18,100,000 |
| | 15 2020-21 | 75,350 | 53,748 | 1,061,500 | 481,872 | 25,900,000 |
| | 16 2021-22 | 67,815 | 42,998 | 1,061,500 | 481,872 | 30,700,000 |
| | 17 2022-23 | 61,034 | 30,099 | 1,061,500 | 481,872 | 31,800,000 |
| | 18 2023-24 | 54,931 | 21,069 | 1,061,500 | 481,872 | 29,900,000 |
| | 19 2024-25 | 49,438 | 14,748 | 1,061,498 | 481,871 | 32,900,000 |
| | 20 2025-26 | 44,494 | 10,324 | | | 30,100,000 |
| | 21 2026-27 | 40,045 | 7,227 | | | 30,800,000 |
| | 22 2027-28 | 36,041 | 7,000 | | | 31,700,000 |
| | 23 2028-29 | 32,437 | 7,000 | | | 32,500,000 |
| | 24 2029-30 | 29,193 | 7,000 | | | 33,300,000 |
| | 25 2030-31 | 26,274 | 7,000 | | | 34,200,000 |
| | 26 2031-32 | 23,647 | 7,000 | | | 35,100,000 |
| | 27 2032-33 | 21,282 | 7,000 | | | 36,100,000 |
| | 28 2033-34 | 19,154 | 7,000 | | | 37,000,000 |
| | 29 2034-35 | 17,239 | 7,000 | | | 38,000,000 |
| | 30 2035-36 | 15,515 | 7,000 | | | 39,100,000 |
| | 31 2036-37 | 13,964 | 7,000 | | | 39,800,000 |
| | 32 2037-38 | 12,568 | 7,000 | | | 40,600,000 |
| | 33 2038-39 | 11,311 | 7,000 | | | 41,400,000 |
| | 34 2039-40 | 10,180 | 7,000 | | | 42,200,000 |
| | 35 2040-41 | 10,000 | 7,000 | | | 38,676,300 |
| | 36 2041-42 | 10,000 | 7,000 | | | |
| | 37 2042-43 | 10,000 | 7,000 | | | |
| | 38 2043-44 | 10,000 | 7,000 | | | |
| | 39 2044-45 | 10,000 | 7,000 | | | |
| | 40 2045-46 | 10,000 | 7,000 | | | |
| | 41 2046-47 | 10,000 | 7,000 | | | |
| | 42 2047-48 | 10,000 | 7,000 | | | |
| | 43 2048-49 | 10,000 | 7,000 | | | |
| | 44 2049-50 | 10,000 | 7,000 | | | |
| | 45 2050-51 | 10,000 | 7,000 | | | |
| | 46* 2051-52 | 10,000 | 7,000 | | | |
| Last Pmt. D 2052-53 | | 2,104,868 | 1,530,375 | 10,614,998 | 4,818,719 | 812,976,300 |

OVERSIGHT BOARD RESOLUTION NO. 12-__

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY 1, 2012 THROUGH DECEMBER 31, 2012

WHEREAS, the Oversight Board to the Successor Agency to the dissolved Irvine Redevelopment Agency has been appointed pursuant to the provisions of Health and Safety Code Section 34179; and

WHEREAS, Health and Safety Code Sections 34177(l)(2)(B) and 34180(g) require the approval of the Recognized Obligation Payment Schedule by the Oversight Board; and

WHEREAS, a Recognized Obligation Payment Schedule for the period July 1, 2012 through December 31, 2012, has been prepared; and

WHEREAS, the City Council As Successor Agency to the dissolved Irvine Redevelopment Agency approved the Recognized Obligation Payment Schedule for the period July 1, 2012 through December 31, 2012; and

WHEREAS, the Recognized Obligation Payment Schedule, in the form approved by the City Council As Successor Agency to the dissolved Irvine Redevelopment Agency, has been presented to the Oversight Board for its consideration at an adjourned regular meeting of the Oversight Board held on March 29, 2012;

NOW, THEREFORE BE IT RESOLVED, by the Oversight Board as follows:

SECTION 1. The Oversight Board, at its adjourned regular meeting of March 29, 2012, reviewed and considered the Recognized Obligation Payment Schedule presented by the Successor Agency.

SECTION 2. The Recognized Obligation Payment Schedule for the period July 1, 2012 through December 31, 2012, as set forth in Exhibit "A" attached hereto and by this reference incorporated herein, is hereby approved by the Oversight Board.

PASSED AND ADOPTED by the Oversight Board at an adjourned regular meeting held on the 29th of March, 2012.

MARIAN BERGESON, CHAIR

ATTEST:

ATTACHMENT 2

TERRI GOGGIN, SECRETARY

STATE OF CALIFORNIA)
COUNTY OF ORANGE)
CITY OF IRVINE)

I, TERRI GOGGIN, Secretary to the Oversight Board, hereby certify that the foregoing resolution was duly adopted at an adjourned regular meeting of the Oversight Board, held on the 29th day of March 2012.

AYES: BOARDMEMBERS:

NOES: BOARDMEMBERS:

ABSENT: BOARDMEMBERS:

TERRI GOGGIN, SECRETARY

State of California
Secretary of State



I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of 2 page(s) has been compared with the record on file in this office; of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

MAR 24 2006

BRUCE McPHERSON
Secretary of State

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

MAR 17 2006

ARTICLES OF INCORPORATION

OF

IRVINE COMMUNITY LAND TRUST

I.

The name of this corporation is: IRVINE COMMUNITY LAND TRUST.

II.

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for charitable purposes.

B. The specific purpose of this corporation is to lessen the burdens of government by assisting the City of Irvine, California (the "City") to ensure that its residents are able to secure housing by, among other things, developing, constructing, financing, managing, selling, renting, subsidizing, and monitoring single- and multi-family housing, and to conduct or perform any ancillary or related activity in furtherance of the foregoing. Subject to Article IV.B of these articles, this corporation shall be permitted to conduct other lawful activities permitted under the California Nonprofit Public Benefit Corporation Law.

C. This corporation is formed for the benefit of, and to carry out the purposes of, the City by helping the City ensure that its residents are able to secure decent and affordable housing and thereby lessen the burdens of government within the meaning of Section 1.501(c)(3)-1(d)(2) of the Treasury Regulations.

III.

The name in the State of California of this corporation's initial agent for service of process is:

CT Corporation System

IV.

A. This corporation is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

B. Notwithstanding any other provision of these articles, this corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from

federal income tax under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

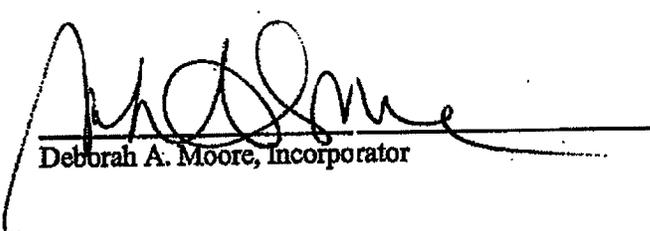
C. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of or in opposition to any candidate for public office.

V.

A. The property of this corporation is irrevocably dedicated to charitable purposes and no part of the net earnings or assets of this corporation shall inure to the benefit of (or be distributable to) any director or officer of this corporation or other private person, except that this corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its charitable purposes.

B. Upon the dissolution or winding up of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to the City for public purposes. In the alternative, the City may designate a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, to receive such assets. In the event that the City does not accept any asset of this corporation on dissolution or designate a recipient, then any such asset shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Dated: March, 2006.


Deborah A. Moore, Incorporator

DOCSNY1:1187895.1



INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **MAR 05 2007**

IRVINE COMMUNITY LAND TRUST
C/O STEVEN C MALVEY
ORRICK HERRINGTON & SUTCLIFFE LLP
405 HOWARD ST
SAN FRANCISCO, CA 94105-2669

Employer Identification Number:
20-4773159
DLN:
17053138009016
Contact Person:
STEPHEN D SEOK ID# 31125
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
509(a)(3)
Form 990 Required:
Yes
Effective Date of Exemption:
March 17, 2006
Contribution Deductibility:
Yes

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

We have determined that you are a Type 1 supporting organization under section 509(a)(3). A Type 1 is operated, supervised, or controlled by, a Type 2 is supervised or controlled in connection with, and a Type 3 is operated in connection with one or more publicly supported organizations.

Letter 947 (DO/CG)

ATTACHMENT 4

IRVINE COMMUNITY LAND TRUST

Sincerely,

A handwritten signature in cursive script, appearing to read "Lois G. Lerner".

Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Information for Organizations Exempt Under Section 501(c)(3)



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064
916 274-3350 • FAX 916 285-0134
www.boe.ca.gov

BETTY T. YEE
First District, San Francisco

SEN. GEORGE RUNNER (RET.)
Second District, Lancaster

MICHELLE STEEL
Third District, Rolling Hills Estates

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

KRISTINE CAZADD
Interim Executive Director

ORGANIZATIONAL CLEARANCE CERTIFICATE
ATTACHMENT TO FINDING SHEET
BEEN MET

In response to your claim for *Organizational Clearance Certificate* (Form BOE-277 or BOE-279), enclosed is a *Welfare or Veterans' Organization Exemption Organizational Clearance Certificate Finding Sheet* (Form BOE-277-F) indicating that the requirements for the certificate have "Been Met." Also enclosed is an *Organizational Clearance Certificate* which indicates that your organization is currently eligible for the welfare or veterans' organization exemption.

Please **retain** this certificate as it is needed for future filings of welfare or veterans' exemption claims filed with the county assessor in any of the 58 California counties. If you have already submitted claim form BOE-267, *Claim for Welfare Exemption (First Filing)*, or BOE-269, *Claim for Veterans' Organization Exemption*, to a county assessor, please forward a copy of this certificate to that county.

Sincerely,

James Anderson
Supervising Property Appraiser
County-Assessed Properties Division

JA:ad 1-11
Enclosure

ATTACHMENT 5

STATE BOARD OF EQUALIZATION, PROPERTY AND SPECIAL TAXES DEPARTMENT
 COUNTY-ASSESSED PROPERTIES DIVISION
 PO BOX 942879, MIC:64, Sacramento, CA 94279-0064
 Exemptions Section: 916-274-3430; Division: 916-274-3350

**WELFARE OR VETERANS' ORGANIZATION EXEMPTION
 ORGANIZATIONAL CLEARANCE CERTIFICATE FINDING SHEET**

DATE: 10/26/2011

Organization Name and Mailing Address:

Organization Information:

Irvine Community Land Trust
 P.O. Box 19575
 Attn: Mark Asturias, Executive Director
 Irvine CA 92623

BOE Ex. No.: 20917 Status: Active
 Purpose: Charitable
 Corporate I.D. No.: 2859784
 Fiscal Year: 08-09

Under the provisions of section 254.6 of the Revenue and Taxation Code, we have reviewed the Claim for Organizational Clearance Certificate together with other material submitted for the above organization. Our finding is that the requirements of section 214 or section 215.1 and following of the Revenue and Taxation Code, which provide for the welfare or veterans' organization exemption, have "Been Met," "Not Been Met," or your claim was determined to be "Incomplete" as indicated below:

- | | | |
|--|-------------------------------------|---------------------------------------|
| <input checked="" type="checkbox"/> BEEN MET | <input type="checkbox"/> INCOMPLETE | <input type="checkbox"/> NOT BEEN MET |
| PURPOSE: | <input type="checkbox"/> A.I. | <input type="checkbox"/> R.N.A. |
| <input type="checkbox"/> Religious | <input type="checkbox"/> A.A.I. | <input type="checkbox"/> H.N.A. |
| <input type="checkbox"/> Hospital | <input type="checkbox"/> I.D. | <input type="checkbox"/> S.N.A. |
| <input type="checkbox"/> Scientific | <input type="checkbox"/> D.C. | <input type="checkbox"/> C.N.A. |
| <input checked="" type="checkbox"/> Charitable | <input type="checkbox"/> N.T.L. | |
| | <input type="checkbox"/> N.F.S. | |
| | <input type="checkbox"/> N.O.S. | |

If this finding sheet indicates an Incomplete or Not Been Met finding, you may submit additional information and/or documents in support of your claim. Please submit such documents, along with this finding sheet, to the address listed on the top of this form.

SEE REVERSE FOR DESCRIPTION OF CODES AND BELOW FOR ADDITIONAL COMMENTS REGARDING THE ORGANIZATION'S FINDING:

You have described your activities, in part, to include the development of multi-family and single-family properties for rent to low-income individuals and/or families. Assessors' Handbook Section 267 (AH 267), Welfare, Church, and Religious Exemptions, Chapter 5, pages 68 to 82 provides information on the criteria for the eligibility of low-income housing property for the welfare exemption. AH 267 is available on Board's web-site at: <http://www.boe.ca.gov/proptaxes/pdf/ah267.pdf>.

Additionally, see annotated letter 880.0403 for an opinion on activities that appear similar to some of the activities conducted by your organization. This opinion describes the eligibility of an organization that owns a mobilehome park that leases spaces to low-income owners of manufactured homes. Annotated letters are available on the Board's website at: <http://www.boe.ca.gov/lawguides/property/current/ptlg/ann/property-tax-annotations.html>

Further review of your claim, including review of all of the information you submitted that fully described the activities of the organization, indicates that your organization qualifies for an Organizational Clearance Certificate.

Please provide a copy of your Organizational Clearance Certificate to the county assessor.

(Please note that the Assessor may not grant a Welfare or Veterans' Organization tax exemption on a claimant's property until the claimant has been issued a valid organizational clearance certificate according to section 254.6 of the Revenue and Taxation Code.)

The claimant may appeal the Board of Equalization staff's finding of ineligibility with the Board within 60 days of the date of mailing of the final notice of ineligibility (form BOE-277-F2). The appeal shall be in writing and shall state specific grounds upon which the appeal is founded. The Board shall conduct a hearing and shall provide written findings to support its decision.

CALIFORNIA STATE BOARD OF EQUALIZATION
**ORGANIZATIONAL CLEARANCE CERTIFICATE
FOR WELFARE OR VETERANS' ORGANIZATION EXEMPTION**



Organization Name and Mailing Address:

Irvine Community Land Trust
P.O. Box 19575
Attn: Mark Asturias, Executive Director
Irvine

CA 92623

THIS CERTIFICATE NUMBER MUST BE
SUBMITTED TO A COUNTY WHEN FILING
A CLAIM FOR WELFARE OR VETERANS'
ORGANIZATION EXEMPTION

Organizational Information:

Date of Certificate: 10/26/2011
BOE Ex. No.: 20917
Purpose: Charitable
Corporate I.D. No.: 2859784
Fiscal Year First Qualified: 08-09

In accordance with section 254.6
of the Revenue and Taxation
Code, the Board has determined
that this organization meets the
organizational requirements of
section 214.

BOE-277-OC REV.2 (4-09)

**NOTICE TO ORGANIZATIONS
GENERAL INFORMATION REGARDING
WELFARE OR VETERANS' ORGANIZATION EXEMPTION**

Your claim for an Organizational Clearance Certificate has been reviewed and a determination has been made that your organization meets the organizational requirements for exemption under section 214. A claim for the organizational clearance certificate will be mailed to the organization periodically to verify and update information. The claim form must be completed, signed, and filed with the Board, along with supporting documents, in order to maintain eligibility for the certificate. The Board may institute an audit or verification of the organization to determine whether the organization meets the organizational requirements of Revenue and Taxation Code section 214, as required by section 15618 of the Government Code. If you have any questions concerning the organizational requirements, you may contact the State Board of Equalization, Property and Special Taxes Department, County-Assessed Properties Division, Exemptions Section, at 916-274-3430.

The Assessor may not approve a property tax exemption claim on any property until the claimant has been issued a valid Organizational Clearance Certificate under section 254.6. The Assessor may deny a claim for the exemption, notwithstanding that the claimant has been granted an organizational clearance certificate. Claim forms for the welfare or veterans' organization exemption for property newly acquired by an organization may be obtained from the Assessor in the county where the property is located.

Annually, claims for the welfare and veterans' organization exemptions and supplemental affidavits, if required, must be filed on or before February 15 with the application to the applicable Assessor to avoid a late filing penalty under section 270. (A separate claim must be filed for each property location.) The Assessor will review all claims to determine that the organization continues to use its property for qualifying purposes and activities, as specified in section 214. Any questions relating to section 214 requirements regarding qualifying purposes and uses of the property may be directed to the Assessor.

CALIFORNIA STATE BOARD OF EQUALIZATION
**ORGANIZATIONAL CLEARANCE CERTIFICATE
FOR WELFARE OR VETERANS' ORGANIZATION EXEMPTION**



Organization Name and Mailing Address:

Irvine Community Land Trust
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**PROPERTY TAX TRANSFER AND PRE-ANNEXATION
AGREEMENT
AMONG THE CITY OF IRVINE, THE IRVINE
REDEVELOPMENT AGENCY, AND
THE COUNTY OF ORANGE,
REGARDING THE ANNEXATION AND REUSE OF
FORMER MCAS EL TORO**

This Property Tax Transfer and Pre-Annexation Agreement (Agreement) is entered into this 4th day of March, 2003, among the City of Irvine and the Irvine Redevelopment Agency (collectively "Irvine"), and the County of Orange ("County"), collectively referred to herein as "the parties", and documents the mutual understanding and agreement of the parties on specific issues relating to the annexation and reuse of the former Marine Corps Air Station, El Toro (sometimes referred to as El Toro or Base).

RECITALS

Section 1 This Agreement is based on the following facts:

- 1.1 Prior to March 5, 2002, the County was processing an aviation reuse plan for the closed MCAS El Toro, in accordance with the then effective, voter approved Measure A
- 1.2 On March 5, 2002, the voters of Orange County approved Measure W which amended the County's General Plan, changing the allowed reuse of MCAS El Toro to a non-aviation plan, consisting of educational, recreational, open space, cultural and other public uses.
- 1.3 The Local Agency Formation Commission (LAFCO,) which has jurisdiction to determine which unincorporated areas fall within a city's sphere of influence, has determined that El Toro falls exclusively within Irvine's sphere of influence, and therefore should be annexed to Irvine.
- 1.4 According to the County's External Restructuring policy for unincorporated County islands, the County encourages cities to annex unincorporated County territory within their spheres of influence, excluding those parcels that are necessary for County regional facilities which should remain unincorporated. However, in the case of the property which County is to receive on the Base, and as a result of Irvine's agreements hereinafter contained, the County will not object to the annexation of the County parcels to Irvine. This Agreement to allow the

Base property which County is to receive to be annexed to Irvine shall not be construed to include the Musick Jail Facility which is not a part of the Base and will not be a part of Irvine's annexation application.

- 1.5 Irvine, in accordance with County's External Restructuring policy, desires to annex El Toro, and to that end has filed an application to commence annexation proceedings with LAFCO.
- 1.6 The parties, through this Agreement, desire to establish and demonstrate their mutual desire and commitment to cooperate in accomplishing those things that are set forth below.

ANNEXATION

Section 2 With respect to Irvine annexing El Toro, the parties agree as follows:

- 2.1 That Irvine should annex El Toro, including those parcels of Base property that are necessary for County regional facilities which are identified in subparagraph 2.2.3 of this Agreement (the exact legal description to be determined at the time of transfer to County), because El Toro is within Irvine's adopted Sphere of Influence and the annexation is consistent with the County's External Restructuring Policy. Furthermore, the parties agree to cooperate with the Department of the Navy (DoN) to facilitate the annexation.
- 2.2 To accomplish the annexation of El Toro to Irvine, and to specify those things each of the parties is obligated to perform, and in consideration of the mutual agreements contained in this Agreement, the County and Irvine have entered into this Agreement which will be submitted to LAFCO prior to Irvine's submittal of the final documentation required to complete the annexation process with LAFCO (estimated to be by April 1, 2003), which obligations the parties agree are as follows:
 - 2.2.1 Irvine will prepare and pay for California Environmental Quality Act (CEQA) documentation that is consistent with the spirit of Measure W and will submit the CEQA documentation to LAFCO in support of its annexation application. The City shall indemnify and hold the County harmless from any costs and attorney's fees incurred by the County in the event that the County is named in a lawsuit challenging the annexation of the Base to the City, or the validity of any environmental documentation prepared by the City in connection with such annexation.

2.2.2 [Intentionally left blank]

2.2.3 Irvine will incorporate County's regional facilities into the City's planning for the annexed area, including Parcels No's 1 (approximately 18 acres), 2 (approximately 22 acres), 3A (approximately 13 acres), 3B (approximately 34 acres), 4 (approximately 39 acres including channel and 50-foot right-of-way), and 7 (approximately 5 acres), the general location of which is shown on the attached Exhibit titled MCAS El Toro: Proposed County Acquisitions (Exhibit). The City will also provide for land use designations that will allow for the intended uses indicated on the attached Exhibit. The City will also provide County with an additional 100 contiguous acres of Base property located, in the southwesterly corner of the Base and identified as parcel 23, in Figures 3-2, 3-3 and 3-4 in the Project Description portion of City's Draft Environmental Impact Report for the Great Park, said 100 contiguous acres is conceptually shown in the area designated as County Facility 5 on the attached Exhibit, and shall:

2.2.3.1 Be for the exclusive use of the County or its designees, lessees, or concessionaires, including but not limited to joint ventures with private or public agencies to construct and operate permitted uses and facilities.

2.2.3.2 Be in addition to any other lands which County or its departments may be entitled to receive under this Agreement, or through a Public Benefit Conveyance from a Federal Agency.

2.2.3.3 Include adequate vehicular access to the Marine Way and Trabuco Road.

2.2.3.4 Be free of liens, leases, easements and restrictions inconsistent with the County's proposed uses. The City shall include, in its Development Agreement, with the purchaser(s) of the Base property a requirement that the purchaser(s) shall deliver to the County the real property identified in Section 2.2.3 above, free and clear of any liens, financial encumbrances, and non-utility easements.

In addition, Irvine agrees that it will provide, through a Development Agreement between Irvine and the purchaser(s) of El Toro property which includes any of the parcels which

County is to receive under paragraph 2.2.3 above, for the dedication/conveyance of said parcels by the purchaser(s) to the County, at no cost to the County, within 120 days from the date on which the purchaser(s) execute said Development Agreement.

2.2.4 Irvine agrees that while the parcels of Base property that County is to receive will be annexed to Irvine, that notwithstanding said fact, Irvine will zone County's parcels and designate them in Irvine's General Plan, in accordance with County's direction. In addition, County shall retain exclusive land use control over said parcels, and shall be entitled to place any development upon said parcels that County shall determine to be desirable for County's needs, as though said property remained unincorporated, without the obligation for payment to Irvine of any permit fees or other mitigation/impact fees, other than in Section 2.2.5, including but not limited to the following uses, all of which Irvine agrees with:

2.2.4.1 Animal shelter

2.2.4.2 Environmental Health facilities

2.2.4.3 Automotive/equipment repair facilities

2.2.4.4 Childcare facilities

2.2.4.5 Youth and Family Resource Center

2.2.4.6 Law Enforcement training facilities

2.2.4.7 Emergency Shelter

2.2.4.8 Transitional Shelter Care Facility

2.2.4.9 Children & Family Services Center

2.2.4.10 Business offices

2.2.4.11 Warehouses

2.2.4.12 Storage facilities

2.2.4.13 Vehicle parking and storage facilities

2.2.4.14 Heavy equipment maintenance and storage

2.2.4.15 Field operations and maintenance facility

2.2.5 The parties acknowledge that the City seeks to create a funding mechanism whereby all Base users pay their fair share of the costs of developing the necessary infrastructure and related improvements. The County agrees to participate in such a funding mechanism and pay its fair share of costs that are limited to infrastructure improvements directly related to servicing the properties County is to receive referenced in 2.2.3 above. Infrastructure improvements shall refer to utilities, roadways, sewer lines and other types of infrastructure needs that are necessary to service each County parcel, if any. The County will not be required to contribute, through assessments or other funding or financing methods, to the development or maintenance costs or expenses for any park or open space that will be developed and maintained on the Base under the Irvine "Great Park Plan". Furthermore, to the extent they qualify, County shall have the option to pay any portion of its share of infrastructure costs and expenses with Road Funds or other non-General Fund revenues.

2.2.6 That Irvine and County will share property taxes from the annexed area in the same ratio as is specified in that Master Property Tax Transfer Agreement 80-2035 dated October 28, 1980, to wit: 0.18123825104% to the City of Irvine, and 0.81876174896% to the County of Orange.

2.2.7 Irvine shall remove the Musick Jail facility from its annexation application with LAFCO as referenced in 2.2.3 above, and further, Irvine shall not file or support lawsuits challenging changes to the layout of the Musick Jail Facility that result from realignment of the Alton Parkway extension, provided, that said changes shall not increase the total number of beds approved for said Jail facility.

2.2.8 Irvine agrees, in its capacities as both the City of Irvine ("City") and the Irvine Redevelopment Agency ("Redevelopment Agency"), that in the event the City and the Redevelopment Agency decide to place the Base, or any part thereof, into a redevelopment "Project Area", that Irvine will provide in the manner set forth in this section for the payment from Redevelopment Agency sources, to County of an amount equal to 100% of the property tax revenues that County would have received if the Base, or any part thereof, was not within a

redevelopment Project Area. The City and the Redevelopment Agency shall not adopt a redevelopment plan that places the Base, or any part thereof, in a redevelopment Project Area unless the City and the Redevelopment Agency have provided for the payment to the County as follows: either: (i) legislation has been enacted that authorizes the Redevelopment Agency to annually pay to the County an amount equal to 100% of the County's share of the tax increment paid to the Redevelopment Agency from the Base, or part thereof, included within a redevelopment Project Area, and the County and the Redevelopment Agency have entered into an agreement reasonably satisfactory to the County providing for such payments by the Redevelopment Agency to the County; or (ii) the County and the Redevelopment Agency have entered into an agreement reasonably satisfactory to the County providing for the Redevelopment Agency to annually pay to the County an amount equal to 100% of the County's share of the tax increment paid to the Redevelopment Agency from the Base or portion thereof included within a redevelopment Project Area for use by the County for legally allowable County infrastructure, facilities and development needs on or related to the Base (including those uses identified in paragraph 2.2.3 above), as determined by the County, and also providing for a payment structure that would permit the County to issue bonds that are secured by and paid from such Redevelopment Agency payments to the County.

LOCAL REDEVELOPMENT AUTHORITY (LRA)

Section 3 County and Irvine acknowledge that it is premature to consider a re-composition of the LRA in light of the passage of Measure W, and subsequent announcements and determinations by the Department of Navy regarding the ultimate reuse and disposition of El Toro, not to mention the additional delay that such re-composition would take. The parties therefore, agree to continue to monitor the need for a re-composition of the LRA in the future.

EXPEDITIOUS DISPOSITION OF EL TORO BY THE DEPARTMENT OF THE NAVY

Section 4 County and Irvine agree to cooperate and work together with the Navy to cause the expeditious transfer of the El Toro property.

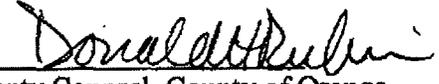
BINDING EFFECT

Section 5 The parties agree that the provisions of this Agreement are dependent upon each other, and failure of any party to comply with any provision of this Agreement shall render the entire Agreement void. In particular, the provisions of this Agreement relating to a property tax transfer under subparagraph 2.2.6 above shall be void and shall be of no force and effect, unless the parties fully comply with all other provisions of this Agreement.

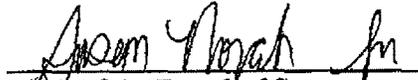
COUNTY OF ORANGE


Chairman, Board of Supervisors

APPROVED AS TO FORM:

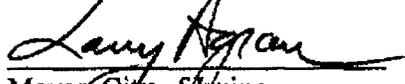

County Counsel, County of Orange

ATTEST:

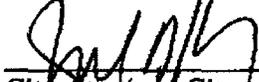

Clerk of the Board of Supervisors



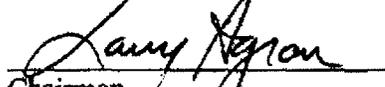
CITY OF IRVINE


Mayor, City of Irvine

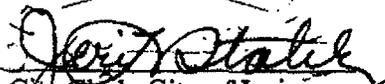
APPROVED AS TO FORM:


City Attorney, City of Irvine

IRVINE REDEVELOPMENT AGENCY

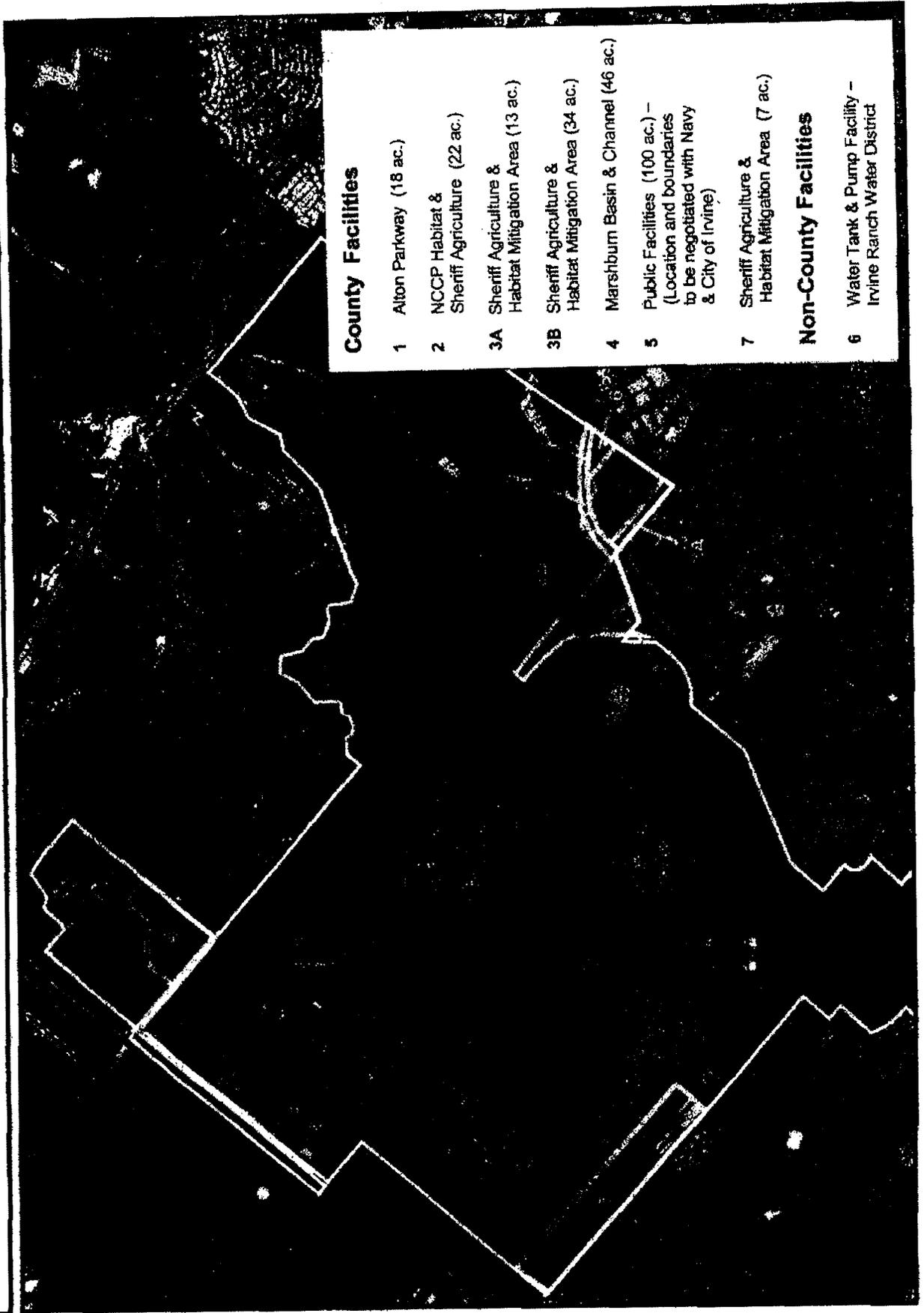

Chairman

ATTEST:


City Clerk, City of Irvine



MCAS El Toro: Proposed County Acquisitions



County Facilities

- 1 Alton Parkway (18 ac.)
- 2 NCCP Habitat & Sheriff Agriculture (22 ac.)
- 3A Sheriff Agriculture & Habitat Mitigation Area (13 ac.)
- 3B Sheriff Agriculture & Habitat Mitigation Area (34 ac.)
- 4 Marshburn Basin & Channel (46 ac.)
- 5 Public Facilities (100 ac.) – (Location and boundaries to be negotiated with Navy & City of Irvine)
- 7 Sheriff Agriculture & Habitat Mitigation Area (7 ac.)

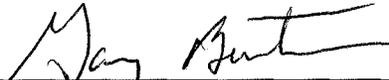
Non-County Facilities

- 6 Water Tank & Pump Facility – Irvine Ranch Water District

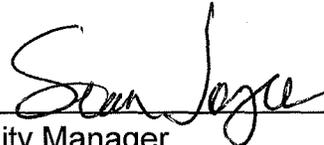
REQUEST FOR OVERSIGHT BOARD ACTION

MEETING DATE: MARCH 29, 2012

TITLE: SUCCESSOR AGENCY ADMINISTRATIVE BUDGET



Director of Administrative Services



City Manager

RECOMMENDED ACTION

1. Adopt A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR JANUARY 1, 2012 THROUGH JUNE 30, 2012
2. Adopt A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR JULY 1, 2012 THROUGH DECEMBER 31, 2012

EXECUTIVE SUMMARY

On December 29, 2011, the California Supreme Court upheld Assembly Bill x1 26 (the Dissolution Act) and directed that all redevelopment agencies in the state be dissolved effective February 1, 2012. On January 10, 2012, the City Council of the City of Irvine elected to become the Successor Agency to the Irvine Redevelopment Agency. As the Successor Agency, the City is responsible for winding down the affairs of the former redevelopment agency, with certain actions subject to the approval of an Oversight Board. The Successor Agency is entitled to an Administrative Cost Allowance to compensate it for the costs of winding down the former redevelopment agency.

SUCCESSOR AGENCY RECOMMENDATION

The City Council as the Successor Agency to the dissolved Irvine Redevelopment Agency approved the Administrative Budget for January through June 2012 at its February 28, 2012 meeting. The Administrative Budget for July through December 2012 is scheduled to be reviewed by the Successor Agency at the City Council's March 27, 2012 meeting. The Successor Agency's action will be reported to the Oversight Board in an oral presentation.

ANALYSIS

The Successor Agency, which became operative on February 1, 2012, is responsible for the administrative functions needed to wind down the affairs of the former Irvine

Redevelopment Agency. These functions include making payments on and performing obligations related to enforceable obligations, preparing administrative budgets, and preparing Recognized Obligation Payment Schedules every six months. The Successor Agency's responsibilities of implementing and ensuring compliance with the Dissolution Act will be performed by City staff, consultants and legal counsel, who combined, provide support to the Successor Agency.

The Dissolution Act provides the Successor Agency with an Administrative Cost Allowance to reimburse its costs to wind down the affairs of the dissolved redevelopment agency. Reimbursement will be made from property tax revenues, not to exceed 5% of the property tax allocated to the Successor Agency for fiscal year 2011-12. In future years, the allowance will be up to 3% of the property taxes allocated to the Successor Agency. In any fiscal year, the minimum Allowance will not be less than \$250,000, provided sufficient property tax revenues are available. It should be noted that it is not clear if the Allowance for fiscal year 2011-12 will be prorated for the five months of the year the Successor Agency will be in operation.

The Successor Agency is required to submit a proposed administrative budget to the Oversight Board for approval for each upcoming six-month fiscal period. The proposed budgets for January through June and July through December presented for Oversight Board approval include staffing costs for City employees carrying out the dissolution functions, and estimated costs for legal services, independent audit fees, and operations supplies and business expenses. All administrative costs are being initially funded by the City of Irvine General Fund, but are being accounted for separately from other City functions. It is anticipated the administrative costs will be reimbursed by the Administrative Cost Allowance. A Reimbursement and Operating Agreement formally documenting this arrangement is also being presented to the Oversight Board for approval.

FINANCIAL IMPACT

Approval of the proposed administrative budgets by the Oversight Board allows the County Auditor-Controller to distribute property tax revenues to the Successor Agency for the administrative costs of winding down the dissolved Irvine Redevelopment Agency. Estimated administrative costs for January through June are \$286,012, and for July through December, \$258,036.

REPORT PREPARED BY Donna Mullally, Manager of Fiscal Services

ATTACHMENTS

- Attachment 1: Resolution approving the Successor Agency Administrative Budget for January 1, 2012 through June 30, 2012
- Attachment 2: Resolution approving the Successor Agency Administrative Budget for July 1, 2012 through December 31, 2012.

OVERSIGHT BOARD RESOLUTION NO. 12-__

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR JANUARY 1, 2012 THROUGH JUNE 30, 2012

WHEREAS, the Oversight Board to the Successor Agency to the dissolved Irvine Redevelopment Agency has been appointed pursuant to the provision of Health and Safety Code Section 34179; and

WHEREAS, Health and Safety Code Section 34177(j)(1) requires Oversight Board approval for the Successor Agency Administrative Cost Budget for each six-month fiscal period; and

WHEREAS, the City Council of the City of Irvine as Successor Agency to the dissolved Irvine Redevelopment Agency approved an Administrative Cost Budget for January 1, 2012 through June 30, 2012; and

WHEREAS, the Administrative Cost Budget, in the form approved by the City Council as Successor Agency to the dissolved Irvine Redevelopment Agency, has been presented to the Oversight Board for its consideration at an adjourned regular meeting of the Oversight Board held on March 29, 2012;

NOW, THEREFORE BE IT RESOLVED, by the Oversight Board as follows:

SECTION 1. The Oversight Board, at its adjourned regular meeting of March 29, 2012, reviewed and considered the Administrative Cost Budget for January 1, 2012 through June 30, 2012 presented by the Successor Agency.

SECTION 2. The Administrative Cost Budget, as set forth in Exhibit "A" attached hereto and by this reference incorporated herein, is hereby approved by the Oversight Board.

PASSED AND ADOPTED by the Oversight Board at an adjourned regular meeting held on the 29th of March, 2012.

MARIAN BERGESON, CHAIR

ATTEST:

TERRI GOGGIN, SECRETARY

STATE OF CALIFORNIA)
COUNTY OF ORANGE)
CITY OF IRVINE)

I, TERRI GOGGIN, Secretary to the Oversight Board, hereby certify that the foregoing resolution was duly adopted at an adjourned regular meeting of the Oversight Board, held on the 29th day of March 2012.

AYES: BOARDMEMBERS:
NOES: BOARDMEMBERS:
ABSENT: BOARDMEMBERS:

TERRI GOGGIN, SECRETARY

CITY OF IRVINE, AS SUCCESSOR AGENCY
TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY

Administrative Budget
January 1, 2012 – June 30, 2012

Estimated Administrative Costs:

| | |
|---|------------------|
| Administrative Expenses – staff personnel costs for City employees carrying out the dissolution functions; legal and audit fees and expenses. | \$283,622 |
| Training, publishing, supplies | <u>\$2,390</u> |
| <u>Total Proposed Administrative Budget</u> | <u>\$286,012</u> |

Proposed Source(s) of Payment:

| | |
|--|------------------|
| Administrative cost allowance | \$286,012 |
| <u>Total Proposed Sources of Payment</u> | <u>\$286,012</u> |

Proposed arrangement for administrative and operations services provided by the City:

City employees formerly assigned to redevelopment functions will continue to staff the administrative functions associated with the dissolution of the redevelopment agency. Dissolution costs will be recorded within the General Fund, but separately from other City functions. The Successor Agency shall reimburse the General Fund for administrative costs up to the 5% administrative cost cap for fiscal year 2011-12. In future years, the Successor Agency shall reimburse the General Fund up to the allowable 3% administrative cost cap.

OVERSIGHT BOARD RESOLUTION NO. 12-__

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET FOR JULY 1, 2012 THROUGH DECEMBER 31, 2012

WHEREAS, the Oversight Board to the Successor Agency to the dissolved Irvine Redevelopment Agency has been appointed pursuant to the provision of Health and Safety Code Section 34179; and

WHEREAS, Health and Safety Code Section 34177(j)(1) requires Oversight Board approval for the Successor Agency Administrative Cost Budget for each six-month fiscal period; and

WHEREAS, the City Council of the City of Irvine as Successor Agency to the dissolved Irvine Redevelopment Agency approved an Administrative Cost Budget for July 1, 2012 through December 31, 2012; and

WHEREAS, the Administrative Cost Budget, in the form approved by the City Council as Successor Agency to the dissolved Irvine Redevelopment Agency, has been presented to the Oversight Board for its consideration at an adjourned regular meeting of the Oversight Board held on March 29, 2012;

NOW, THEREFORE BE IT RESOLVED, by the Oversight Board as follows:

SECTION 1. The Oversight Board, at its adjourned regular meeting of March 29, 2012, reviewed and considered the Administrative Cost Budget for July 1, 2012 through December 31, 2012 presented by the Successor Agency.

SECTION 2. The Administrative Cost Budget, as set forth in Exhibit "A" attached hereto and by this reference incorporated herein, is hereby approved by the Oversight Board.

PASSED AND ADOPTED by the Oversight Board at an adjourned regular meeting held on the 29th of March, 2012.

MARIAN BERGESON, CHAIR

ATTEST:

TERRI GOGGIN, SECRETARY

Attachment 2

STATE OF CALIFORNIA)
COUNTY OF ORANGE)
CITY OF IRVINE)

I, TERRI GOGGIN, Secretary to the Oversight Board, hereby certify that the foregoing resolution was duly adopted at an adjourned regular meeting of the Oversight Board, held on the 29th day of March 2012.

AYES: BOARDMEMBERS:

NOES: BOARDMEMBERS:

ABSENT: BOARDMEMBERS:

TERRI GOGGIN, SECRETARY

CITY OF IRVINE, AS SUCCESSOR AGENCY
TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY

Administrative Budget
July 1, 2012 – December 31, 2012

Estimated Administrative Costs:

| | |
|---|------------------|
| Administrative Expenses – staff personnel costs for City employees carrying out the dissolution functions; legal and audit fees and expenses. | \$257,536 |
| Training, publishing, supplies | \$500 |
| <u>Total Proposed Administrative Budget</u> | <u>\$258,036</u> |

Proposed Source(s) of Payment:

| | |
|--|------------------|
| Administrative cost allowance | \$258,036 |
| <u>Total Proposed Sources of Payment</u> | <u>\$258,036</u> |

Proposed arrangement for administrative and operations services provided by the City:

City employees formerly assigned to redevelopment functions will continue to staff the administrative functions associated with the dissolution of the redevelopment agency. Dissolution costs will be recorded within the General Fund, but separately from other City functions. The Successor Agency shall reimburse the General Fund for administrative costs up to the 5% administrative cost cap for fiscal year 2011-12. In future years, the Successor Agency shall reimburse the General Fund up to the allowable 3% administrative cost cap.