

AGENDA

OVERSIGHT BOARD (TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY) SPECIAL MEETING June 14, 2012 1:30 PM

City of Irvine
Conference and Training Center
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.

BOARD BUSINESS

1. MINUTES

RECOMMENDED BOARD ACTION:

Approve the minutes of a special meeting of the Oversight Board to the Successor Agency to the dissolved Irvine Redevelopment Agency held on May 10, 2012.

2. APPROVAL OF RE-ENTERED AGREEMENTS BETWEEN THE CITY OF IRVINE AND THE CITY OF IRVINE AS SUCCESSOR AGENCY TO 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 A RE-ENTERED 2007 PURCHASE AND SALE AND FINANCING AGREEMENT BY AND BETWEEN THE CITY OF IRVINE AND THE CITY OF IRVINE AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY
- 2) Adopt – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING A RE-ENTERED 2005 FINANCING AGREEMENT BY AND BETWEEN THE CITY OF IRVINE AND THE CITY OF IRVINE AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY
- 3) Adopt – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING A RE-ENTERED 2006 FINANCING AGREEMENT BY AND BETWEEN THE CITY OF IRVINE AND THE CITY OF IRVINE AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY

3. REVISED RECOGNIZED OBLIGATION PAYMENT SCHEDULES OF 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 REVISED RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD 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)724-6205.

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

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

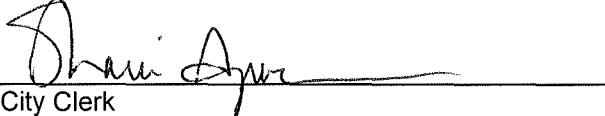
If a person wishes to challenge the nature of the above actions in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the Board, at or prior to the meeting. In addition, judicial challenge 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 Special 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 JUNE 13, 2012 by 1:30 p.m. as well as on the City of Irvine's web page.

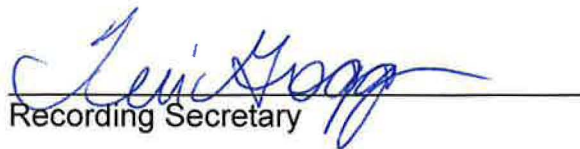

City Clerk

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REQUEST FOR OVERSIGHT BOARD ACTION

MEETING DATE: JUNE 14, 2012

TITLE: MINUTES


Recording Secretary

RECOMMENDED ACTION

Approve the minutes of the special meeting of the Oversight Board to the Successor Agency to the dissolved Irvine Redevelopment Agency held on May 10, 2012.

MINUTES

OVERSIGHT BOARD (TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY) SPECIAL MEETING May 10, 2012

City of Irvine
Conference & Training Center
1 Civic Center Plaza
Irvine, CA 92606

CALL TO ORDER

The Special meeting of the Oversight Board to the Successor Agency to the dissolved Irvine Redevelopment Agency was called to order at 1:35 PM on May 10, 2012 in the Conference & Training room, Irvine Civic Center, 1 Civic Center Plaza, Irvine, California. Board Chair Marian Bergeson presided over the meeting.

ROLL CALL

Present: 4 BOARDMEMBER: Marian Bergeson, Chair, Foundation for the Great Park
BOARDMEMBER: Veronica Dolleschel, Senior Management Analyst, City of Irvine
BOARDMEMBER: Lucy Dunn, President and CEO, Orange County Business Council
BOARDMEMBER: Sharon Landers, Assistant City Manager, City of Irvine

Absent: 3 BOARDMEMBER: Christine Compton, Deputy Chief of Staff, Supervisor Bill Campbell's office, County of Orange
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

PLEDGE OF ALLEGIANCE

Chair Bergeson led the Pledge of Allegiance.

ADDITIONS AND DELETIONS

There were none.

PRESENTATIONS

There were none.

CONSENT CALENDAR

1. MINUTES

ACTION:

Moved by Vice Chair Dunn, seconded by Boardmember Dolleschel to approve the minutes of a regular meeting of the Oversight Board to the Successor Agency to the dissolved Irvine Redevelopment Agency held on March 29, 2012.

The motion carried as follows:

AYES: 4 BOARDMEMBERS: Bergeson, Dunn, Dolleschel, Landers

NOES: 0 BOARDMEMBERS: None

ABSENT: 3 BOARDMEMBERS: Compton, Fitzsimons, Fogarty

2. RATIFY THE CITY COUNCIL'S ACTION APPROVING THE OVERSIGHT BOARD'S CONFLICT OF INTEREST CODE AS AMENDED

ACTION:

Moved by Vice Chair Dunn, seconded by Boardmember Dolleschel to Ratify the City Council's action of April 24, 2012 approving the Oversight Board's Conflict of interest code as amended.

The motion carried as follows:

AYES: 4 BOARDMEMBERS: Bergeson, Dunn, Dolleschel, Landers

NOES: 0 BOARDMEMBERS: None

ABSENT: 3 BOARDMEMBERS: Compton, Fitzsimons, Fogarty

3. APPROVE REVISED REGULAR MEETING SCHEDULE

ACTION:

Moved by Vice Chair Dunn, seconded by Boardmember Dolleschel to:

Adopt RESOLUTION No. 2012-08 – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING THE AMENDMENT TO THE REGULAR MEETING SCHEDULE

The motion carried as follows:

AYES: 4 BOARDMEMBERS: Bergeson, Dunn, Dolleschel, Landers

NOES: 0 BOARDMEMBERS: None

ABSENT: 3 BOARDMEMBERS: Compton, Fitzsimons, Fogarty

BOARD BUSINESS

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

ACTION:

1. Moved by Vice Chair Dunn, seconded by Boardmember Landers to:

Adopt RESOLUTION No. 2012-09 – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING A REVISED RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JANUARY 1, 2012 THROUGH JUNE 30, 2012

The motion carried as follows:

AYES: 4 BOARDMEMBERS: Bergeson, Dunn, Dolleschel, Landers

NOES: 0 BOARDMEMBERS: None

ABSENT: 3 BOARDMEMBERS: Compton, Fitzsimons, Fogarty

ACTION:

2. Moved by Vice Chair Dunn, seconded by Boardmember Landers to:

Adopt RESOLUTION No. 2012-10 – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE

DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING A
REVISED RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR
THE PERIOD JULY 1, 2012 THROUGH DECEMBER 31, 2012:

The motion carried as follows:

AYES: 4 BOARDMEMBERS: Bergeson, Dunn, Dolleschel, Landers

NOES: 0 BOARDMEMBERS: None

ABSENT: 3 BOARDMEMBERS: Compton, Fitzsimons, Fogarty

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

Moved by Boardmember Landers, seconded by Vice Chair Dunn, and unanimously carried by those members present to adjourn the meeting at 1:43 p.m. to Thursday, September 6, 2012 at 9:00 a.m. at Irvine City Hall in the Conference & Training Center.

OVERSIGHT BOARD CHAIR

SECRETARY

DATE

2

REQUEST FOR OVERSIGHT BOARD ACTION

MEETING DATE: JUNE 14, 2012

TITLE: APPROVAL OF RE-ENTERED AGREEMENTS 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

1. Adopt – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING A RE-ENTERED 2007 PURCHASE AND SALE AND FINANCING AGREEMENT BY AND BETWEEN THE CITY OF IRVINE AND THE CITY OF IRVINE AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY
2. Adopt – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING A RE-ENTERED 2005 FINANCING AGREEMENT BY AND BETWEEN THE CITY OF IRVINE AND THE CITY OF IRVINE AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY
3. Adopt – A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING A RE-ENTERED 2006 FINANCING AGREEMENT BY AND 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 (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 elected to become the Successor Agency to the Irvine Redevelopment Agency and began winding down the affairs of the former Redevelopment Agency, with certain actions subject to the approval of an Oversight Board. The Dissolution Act requires each successor agency to adopt Recognized Obligation Payment Schedules (Payment Schedules) every six months listing the enforceable obligations of the dissolved Redevelopment Agency to be paid with property taxes that would otherwise have been allocated to the former redevelopment agency. Payment Schedules for January through June and July

through December 2012 were adopted by the City of Irvine as Successor Agency to the dissolved Irvine Redevelopment Agency on May 8, 2012, and approved by the Oversight Board on May 10, 2012.

The State of California Department of Finance (Department) reviewed the Payment Schedules and denied the 2007 Purchase and Sale and Financing Agreement, which provided for a loan by the City of Irvine to the Irvine Redevelopment Agency and repayment of that loan from tax increment. The Department stated that agreements, contracts, or arrangements between the City and its redevelopment agency are not enforceable obligations except pursuant to the provision of ABx1 26 that allows loan agreements entered into within two years of the formation of the redevelopment agency to be deemed enforceable obligations (the Irvine Redevelopment Agency was formed in 1999 and so the 2007 agreement did not qualify under that provision). Two additional loans—the 2005 and 2006 Financing Agreements—were also included on the Payment Schedules, however, no payments on those obligations were anticipated during the period covered by the Payment Schedules. The Department did not deny, nor expressly approve those loans as enforceable obligations. Sections 34178(a) and 34180(h) of the Dissolution Act allow a successor agency to re-enter into an agreement with the city that formed the Redevelopment Agency, provided that the Oversight Board approves the re-entered agreement. Accordingly, three proposed re-entered agreements between the City of Irvine and the City of Irvine as Successor Agency are being submitted for approval by the Oversight Board.

In addition, the Re-entered Agreements are being included on a revised Payment Schedule for consideration and approval by the City Council and, if approved, by the Oversight Board.

COMMISSION/BOARD/COMMITTEE RECOMMENDATION

The Re-entered Agreements are scheduled to be presented to the City Council of the City of Irvine and the City Council of the City of Irvine as Successor Agency to the dissolved Irvine Redevelopment Agency at the June 12, 2012 meeting. Any actions taken at that meeting will be presented 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, including the continued payment of enforceable obligations, as defined in the Dissolution Act, from property taxes that would otherwise have been allocated to the former redevelopment agency (i.e., former tax increment). Each successor agency is required to adopt a Payment Schedule for each six-month period, which must then be approved by the Oversight Board and is subject to review by the Department.

On May 8, 2012, the City of Irvine as Successor Agency to the dissolved Irvine Redevelopment Agency adopted revised Payment Schedules for January through June and July through December 2012. Only items listed on the Payment Schedules can be paid from former redevelopment funds. Included on the Payment Schedules are three outstanding Financing Agreements, established in 2005, 2006, and 2007, between the City of Irvine and the now dissolved Irvine Redevelopment Agency (Agency). The first two are loans in the principal amount of \$4.47 million and \$2.10 million that were used to finance the operating costs of the Agency before sufficient tax increment revenues were available. The third agreement is the Purchase and Sale and Financing Agreement, pursuant to which the City loaned the Agency \$134.00 million for the purchase of three parcels of land from the City.

The approved Payment Schedule for July through December 2012 requested \$2.80 million for the Purchase and Sale and Financing Agreement, in accordance with the terms of the agreement. The Department denied this agreement as an enforceable obligation stating that agreements, contracts, or arrangements between the City and its redevelopment agency are not enforceable obligations. Although the City as Successor Agency does not agree with the Department's narrow reading of ABx1 26 and does not concede that the Purchase and Sale and Financing Agreement is not an enforceable obligation, other provisions of ABx1 26 - Sections 34178(a) and 34180(h) - provide for the ability of the Successor Agency as the successor to the dissolved Irvine Redevelopment Agency, and the City, to re-enter the agreement with Oversight Board approval, and thereby reconfirm the agreement is, and is intended to be, and ratified as, an enforceable obligation. The attached resolution (Attachment 1) would approve a Re-entered Agreement for the Purchase and Sale and Financing Agreement, changing the parties to the agreement to the City of Irvine and the City of Irvine as Successor Agency. The original agreement is provided as an exhibit to the Re-entered Agreement. The Re-entered Agreement is not intended to supersede the original agreement, but to effect the re-entering of it pursuant to Sections 34178(a) and 34180(h).

Payments for the other two loan agreements are not due until fiscal year 2015-2016, therefore, funds were not requested on the submitted Payment Schedules. The Department did not deny these loans as enforceable obligations at this time, but because these are also loans from the City of Irvine to the Irvine Redevelopment Agency, staff and legal counsel recommend re-entering into these two agreements as well. The original agreements are provided as exhibits to the Re-entered Financing Agreements for 2005 and 2006 in Attachments 2 and 3.

The Re-entered Agreements will not invalidate or change any terms of the original agreements and the Successor Agency is not waiving any of its rights to assert the original agreements are enforceable obligations. The Re-entered agreements provide the Successor Agency with an additional opportunity to assert that the original

agreements, having now been re-entered under Sections 34178(a) and 34180(h), are enforceable obligations.

ALTERNATIVES CONSIDERED

The Department has denied the Purchase and Sale and Financing Agreement as an enforceable obligation. Since the Department has confirmed there is no appeal process for this determination, there are no other administrative remedies available. If the Re-entered Agreements are also denied, the City as Successor Agency may need to consider pursuing legislative and/or judicial remedies.

FINANCIAL IMPACT

The action does not add any further financial obligation to the State or any other party since the re-stated agreements simply re-state the original agreements and provide the City as Successor Agency with an additional means under ABx1 26 to assert the agreements are enforceable obligations.

REPORT PREPARED BY Donna Mullally, Manager of Fiscal Services
Amy Roblyer, Senior Management Analyst

ATTACHMENTS

- 1: Resolution Approving Re-Entered 2007 Purchasing/Sale/Financing Agreement
- 2: Resolution Approving Re-Entered 2005 Financing Agreement
- 3: Resolution Approving Re-Entered 2006 Financing Agreement

OVERSIGHT BOARD RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING A RE-ENTERED 2007 PURCHASE AND SALE AND FINANCING AGREEMENT BY AND BETWEEN THE CITY OF IRVINE AND THE CITY OF IRVINE AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY

WHEREAS, City of Irvine is a California charter city and municipal corporation existing and operating under the Constitution of the State of California; and

WHEREAS, the Irvine Redevelopment Agency (RDA) was a public body, corporate and politic, exercising governmental functions and powers under the Community Redevelopment Law, Health and Safety Code Section 33000 *et seq.* (CRL); and

WHEREAS, RDA was established to exercise and undertake redevelopment activities for purposes of implementing the Redevelopment Plan for the Orange County Great Park Redevelopment Project Area; and

WHEREAS, under the CRL, the City had the express authority to provide RDA with financial assistance for purposes of implementing redevelopment activities (see, e.g., Health and Safety Code Sections 33220, 33600, 33601, 33610, 33614; see also Government Code Section 53600 *et seq.*); and

WHEREAS, pursuant to the authority granted under the CRL, the City and RDA entered into that certain Purchase and Sale and Financing Agreement, dated August 14, 2007, which among its terms effected a loan by the City to the RDA; and

WHEREAS, on or about January 10, 2011, the Governor of California first proposed the dissolution of redevelopment agencies as part of his 2011-12 budget proposal; and

WHEREAS, pursuant to Assembly Bill 26 from the 2011-12 First Extraordinary Session of the California Legislature (ABx1 26), enacted as a bill related to the 2011-12 Budget Act in June 2011, as modified by the California Supreme Court Decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231, all redevelopment agencies in California were dissolved on February 1, 2012; and

WHEREAS, pursuant to Health and Safety Code Section 34173(a) and (b), added by ABx1 26, the City, as the Successor Agency to the RDA, assumed on February 1, 2012, all authority, rights, powers, duties, and obligations previously vested with the RDA, except for those provisions of the CRL that were repealed, restricted, or revised pursuant to Part 1.85 of Division 24 of the Health and Safety Code; and

WHEREAS, pursuant to Health and Safety Code Section 34179, added by ABx1 26, members of the Oversight Board to the Successor Agency to the former RDA have been duly appointed; and

WHEREAS, it has been asserted by the State of California Department of Finance (DOF) that under ABx1 26, as of February 1, 2012, all agreements between the city that formed the redevelopment agency and the former redevelopment agency are voided except agreements providing for loans by the city to the redevelopment agency entered into during the first two years after the formation of the redevelopment agency; and

WHEREAS, ABx1 26, however, provides that even if agreements between the city that created the redevelopment agency and the former redevelopment agency are voided as asserted by DOF (a position with which the Oversight Board disagrees and does not concede), under Health and Safety Code Sections 34178(a) and 34180(h), added to the CRL by ABx1 26, the Oversight Board has the authority to approve, at the request of the Successor Agency, the re-entering into any of those agreements; and

WHEREAS, the City and Successor Agency, at their meeting of June 12, 2012, approved a Re-Entered 2007 Purchase and Sale and Financing Agreement pursuant to Health and Safety Code Sections 34178(a) and 34180(h); and

WHEREAS, pursuant to the direction of the Successor Agency, the staff of the Successor Agency has requested Oversight Board approval of the Re-Entered 2007 Purchase and Sale and Financing Agreement, as approved by the City Council and Successor Agency, attached to this Resolution as Exhibit A, pursuant to Health and Safety Code Sections 34178(a) and 34180(h); and

WHEREAS, the Re-Entered 2007 Purchase and Sale and Financing Agreement and this Resolution were considered by the Oversight Board at its meeting of June 14, 2012;

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

Section 1. The above recitals are true and correct and incorporated herein.

Section 2. The Oversight Board hereby finds and declares as follows:

A. The 2007 Purchase and Sale and Financing Agreement was lawfully entered into by the City and the RDA. The Community Redevelopment Law expressly authorized the City to provide financial assistance to the Agency (Health and Safety Code sections 33220,33600,33601,33614 and Government Code section 53600).

B. If instead of borrowing seed money from the City, the RDA had financed its activities with bonds issued to private third party lenders or loans from third parties, there is no question Department of Finance would find such bonds or loans to be enforceable obligations within the meaning of ABx1 26. The fact the City was willing to invest its own funds and took the financially prudent step of avoiding the need for the RDA to borrow money on the open market and pay interest to third parties, the City As

Successor Agency does not believe there is a fair rationale for the Department of Finance's determination that the 2007 Purchase and Sale and Financing Agreement should not be recognized as an enforceable obligation.

C. The 2007 Purchase and Sale and Financing Agreement provided for repayment of a reasonable term and interest rate and was accepted as indebtedness by the State Controller prior to ABx1 26.

D. The 2007 Purchase and Sale and Financing Agreement was approved prior to January 1, 2011 and was not a last minute attempt to avoid Governor Brown's proposal on or about January 10, 2011, to eliminate redevelopment agencies or any legislation that resulted from his proposal.

E. The Re-Entered 2007 Purchase and Sale and Financing Agreement does not supersede the existing 2007 Purchase and Sale and Financing Agreement but effects a re-entering of the 2007 Financing Agreement pursuant to the terms of Health and Safety Code Section 34178(a).

F. In considering whether to approve the Re-Entered 2007 Purchase and Sale and Financing Agreement, the Oversight Board has taken into consideration its fiduciary responsibilities to the holders of enforceable obligations and the taxing entities that benefit from the distribution of property taxes.

Section 3. The Oversight Board approves the Re-Entered 2007 Purchase and Sale and Financing Agreement between the City of Irvine and the City of Irvine As Successor as set forth in Exhibit A attached to this Resolution and in so approving the Oversight Board finds and determines the Re-Entered 2007 Purchase and Sale and Financing Agreement is an enforceable obligation and should be recognized as such pursuant to ABx1 26.

Section 4. The Secretary shall certify to the adoption of this resolution.

PASSED AND ADOPTED by the Oversight Board at a meeting held on the 14th day of June, 2012.

MARIAN BERGESON, CHAIR

ATTEST:

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 a special meeting of the Oversight Board, held on the 14th day of June 2012.

AYES: BOARDMEMBERS:

NOES: BOARDMEMBERS:

ABSENT: BOARDMEMBERS:

SECRETARY

RE-ENTERED 2007 PURCHASE AND SALE AND FINANCING AGREEMENT

This RE-ENTERED 2007 PURCHASE AND SALE AND FINANCING AGREEMENT (“Re-Entered Agreement”), dated June 12, 2012 for reference purposes only (“Reference Date”), by and between the CITY OF IRVINE, a charter city and municipal corporation existing and operating under the Constitution of the State of California (“City”), and the CITY OF IRVINE, in its capacity as the Successor Agency (“Successor Agency”) to the dissolved Irvine Redevelopment Agency (“RDA”).

RECITALS

A. City is a California charter city and municipal corporation existing and operating under the Constitution of the State of California.

B. RDA was a public body, corporate and politic, exercising governmental functions and powers under the Community Redevelopment Law, Health and Safety Code Section 33000 *et seq.* (“CRL”).

C. RDA was established to exercise and undertake redevelopment activities for purposes of implementing the Redevelopment Plan for the Orange County Great Park Redevelopment Project Area.

D. Under the CRL, the City had the express authority to provide the RDA with financial assistance for purposes of implementing redevelopment activities (see, e.g., Health and Safety Code Sections 33220, 33600, 33601, 33610, 33614; see also Government Code Section 53600 *et seq.*).

E. Pursuant to the authority granted under the CRL, the City and RDA entered into that certain Purchase And Sale And Financing Agreement, dated August 14, 2007, a copy of which is attached to this Re-Entered Agreement as Exhibit “A” and incorporated herein by this reference (the “2007 Agreement”).

F. On or about January 10, 2011, the Governor of California first proposed the dissolution of redevelopment agencies as part of his 2011-12 budget proposal.

G. Pursuant to Assembly Bill 26 from the 2011-12 First Extraordinary Session of the California Legislature (“ABx1 26”), enacted as a bill related to the 2011-12 Budget Act in June 2011, as modified by the California Supreme Court Decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231, all redevelopment agencies in California were dissolved on February 1, 2012.

H. Pursuant to Health and Safety Code Section 34173(a) and (b), added by ABx1 26, the City, as the Successor Agency to the RDA, assumed on February 1, 2012, all authority, rights, powers, duties, and obligations previously vested with the RDA, except for those provisions of the CRL that were repealed, restricted, or revised pursuant to Part 1.85 of Division 24 of the Health and Safety Code.

I. Pursuant to Health and Safety Code Section 34179, added by ABx1 26, members of the Oversight Board of the Successor Agency to the former RDA have been duly appointed.

EXHIBIT A

J. It has been asserted by the State of California Department of Finance (“DOF”) that under ABx1 26, as of February 1, 2012, all agreements between the city that formed the redevelopment agency and the former redevelopment agency are voided except such agreements entered into during the first two years after the formation of the redevelopment agency.

K. ABx1 26, however, provides that even if agreements between the city that created the redevelopment agency and the former redevelopment agency are voided as asserted by DOF (a position with which the City in its capacity as a charter city and municipal corporation, and the City in its capacity as Successor Agency, disagree and do not concede), under Health and Safety Code Sections 34178(a) and 34180(h), added to the CRL by ABx1 26, the Oversight Board has the authority to approve, at the request of the Successor Agency, the re-entering into any of those agreements.

L. Pursuant to Health and Safety Code Sections 34178(a) and 34180(h), the City, in its capacity as a charter city and municipal corporation, and in its capacity as the Successor Agency, re-enters into the 2007 Agreement as set forth in this Re-Entered Agreement.

A G R E E M E N T

Based upon the foregoing Recitals, which are incorporated herein by this reference, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the City As Successor Agency agree as follows:

1. Re-Entry Into 2007 Agreement. Subject to the terms and conditions in this Re-Entered Agreement, the City in its capacity as a charter city and municipal corporation and in its capacity as the Successor Agency, re-enter into the 2007 Agreement pursuant to the authority set forth in Health and Safety Code Section 34178(a), subject to the provisions set forth in Paragraph 3 hereof. This Re-Entered Agreement does not supersede the existing 2007 Agreement but effects a re-entering of the 2007 Agreement pursuant to the terms of Health and Safety Code Section 34178(a) subject to the provisions set forth in Paragraph 3 hereof.

2. Reservation of Rights. The City, in its capacity as a charter city and municipal corporation existing and operating under the Constitution of the State of California, and the City As Successor Agency, hereby reserve any and all rights, and does not waive any rights which it may now or in the future have, for repayment under the existing 2007 Agreement, including but not limited to the right to receive repayment under the existing 2007 Agreement as may be authorized pursuant to any current or future law, amendment to ABx1 26, administrative or judicial decision, or otherwise.

3. Effective Date. This Re-Entered Agreement shall not be effective unless and until the Oversight Board has approved it pursuant to Health and Safety Code Sections 34178(a) and 34180(h) by adoption of a resolution. The date of adoption of a resolution by the Oversight Board approving this Re-Entered Agreement shall be the effective date of this Re-Entered Agreement. If the City in its capacity as a charter city and municipal corporation, and the City As Successor Agency, have not approved this Re-Entered Agreement prior to its approval by the Oversight Board, the City and the City As Successor Agency may approve this Re-Entered Agreement by ratification of the Oversight Board approval at a duly noticed public meeting of the City Council.

4. City Manager Authorization. The City Manager and authorized designees shall have the authority to execute such other and further agreements and documents, and take such other and further actions, necessary to implement this Re-Entered Agreement on behalf of the City, in its capacity as a charter city and municipal corporation, and on behalf of the City As Successor Agency.

IN WITNESS WHEREOF, the City, in its capacity as a charter city of the State of California and a municipal corporation, and the City in its capacity as the Successor Agency, approves and enters into this Re-Entered Agreement as of the Reference Date and subject to the approval by the Oversight Board.

“City”

CITY OF IRVINE, a charter city and municipal corporation

By: _____
Sukhee Kang, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

“Successor Agency”

CITY OF IRVINE As Successor Agency to the dissolved Irvine Redevelopment Agency

By: _____
Sukhee Kang, Mayor

ATTEST:

Secretary of the Successor Agency

APPROVED AS TO FORM:

Successor Agency Counsel

EXHIBIT "A"

2007 PURCHASE AND SALE AND FINANCING AGREEMENT

[SEE FOLLOWING PAGES]

DUPLICATE

PURCHASE AND SALE AND FINANCING AGREEMENT

This PURCHASE AND SALE AND FINANCING AGREEMENT ("Agreement") is entered into this 14th day of August, 2007, by and between the CITY OF IRVINE, a California municipal corporation ("City"), and the IRVINE REDEVELOPMENT AGENCY, a public body, corporate and politic ("Agency").

R E C I T A L S

A. City is the owner in fee of those certain three parcels of real property consisting of approximately 7 acres, 8 acres, and 20 acres, respectively, located within the former United States Marine Corps Air Station El Toro in the City of Irvine, County of Orange, State of California, more particularly described in Exhibit "A" attached hereto (collectively, the "Property").

B. The Property is located in the Orange County Great Park Redevelopment Area ("Project Area"). On March 8, 2005, by Ordinance No. 05-04, the Irvine City Council, adopted the Redevelopment Plan for the Project Area ("Redevelopment Plan") for the purposes of alleviating blight on, and assisting with the transition of, the former United States Marine Corps Air Station El Toro to civilian uses.

C. Agency is a public body, corporate and politic, exercising governmental functions and powers and organized and existing under the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 *et seq.*). Agency desires to acquire the Property from City for redevelopment purposes.

D. The parties desire to enter into this Agreement to provide for (i) City to sell to Agency, and Agency to purchase from City, the Property, and (ii) Agency to borrow funds from the Special Revenue Fund 180-Orange County Great Park ("Great Park Fund") for the purchase price of the Property, on the terms and conditions set forth herein.

A G R E E M E N T

Based upon the foregoing Recitals, which are incorporated herein by this reference, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, City and Agency agree as follows:

1. Purchase and Sale of Property.

1.1. Purchase and Sale of Property. Subject to all of the terms, conditions and provisions of this Agreement and for the consideration of the Purchase Price as herein set forth, City agrees to sell to Agency, and Agency agrees to purchase from City, the Property.

1.2. Purchase Price for Property. Agency shall pay to City the sum of One Hundred Thirty-Four Million Dollars (\$134,000,000) for the purchase of the Property ("Purchase Price"). The Purchase Price shall be paid by Agency to City on the Conveyance Date (as defined in Section 1.3).

1.3. Timing of Conveyance; Conveyance Date. The date for City's conveyance of the Property to Agency ("Conveyance Date") shall be on or before September 27, 2007, with the exact date to be mutually determined by City and Agency ("Conveyance Date").

1.4. Delivery of Documents. Prior to the scheduled Conveyance Date, City shall execute a grant deed conveying fee title to the Property to Agency in the form attached hereto as Exhibit "B" ("Grant Deed") and Agency shall execute the Certificate of Acceptance attached to the Grant Deed. The parties shall deliver the executed Grant Deed and a Preliminary Change of Ownership form signed by Agency to the title officer at the title company selected by Agency to handle Agency's title insurance policy ("Title Company"), with instructions to hold the documents in trust and to record the Grant Deed only upon instruction from City or City's legal counsel. Prior to the scheduled Conveyance Date, City shall execute and deliver to Agency a Real Estate Withholding Certification Form 593-C and Agency shall retain the Real Estate Withholding Certification for a period of five years after the Conveyance Date.

1.5. Conditions to Conveyance. City's conveyance of the Property to Agency and Agency's acceptance of the conveyance shall be subject to the satisfaction of the following conditions: (i) Agency shall use the Loan referred to in Section 2 for the Purchase Price of the Property; and (ii) the Title Company shall be irrevocably committed to issuing to Agency an owner's policy of title insurance with liability in the amount of the Purchase Price, showing fee title to the Property vested in Agency, subject only to such title exceptions that may be approved by Agency. Agency shall pay the premium for the Title Policy. In the event the foregoing conditions are not satisfied by the Conveyance Date, either party shall have the right to terminate this Agreement and all funds and documents delivered to or by either party under this Agreement shall be returned to the party or fund from which the delivery was made.

1.6. Recordation of Grant Deed. Provided the conditions in Section 1.5 of this Agreement are satisfied, on the Conveyance Date, City shall instruct the Title Company to (i) record in the Orange County Recorder's Office the Grant Deed conveying the Property to Agency, and (ii) deliver the Preliminary Change of Ownership form to the Orange County Recorder's Office.

2. Loan to Agency.

2.1. Principal Amount; Interest. Subject to the terms and conditions set forth herein, Agency shall borrow from the Great Park Fund the sum of One Hundred Thirty-Four Million Dollars (\$134,000,000) ("Loan"). Interest shall accrue on the Loan at the rate of nine percent (9%) compounded annually from the date the Loan is disbursed until accrued interest and unpaid principal are paid in full.

2.2. Disbursement and Use of Loan. The Loan shall be disbursed to Agency on or prior to the Conveyance Date. If the conditions in Section 1.5 are not satisfied and this Agreement is terminated after the disbursement of the Loan, the Loan proceeds shall be immediately deposited back into the Great Park Fund.

2.3. Source of Funds. The source of funds for the Loan shall be fees that were paid by Heritage Fields LLC, a Delaware limited liability company, pursuant to that certain

Development Agreement between City and Heritage Fields LLC dated July 12, 2005, and deposited into the Great Park Fund.

2.4. Repayment of Loan. The Loan shall be repaid by Agency out of tax increment funds from the Project Area allocated to and received by Agency. Commencing on August 15, 2009, and continuing on each August 15 thereafter until the Loan is repaid in full or otherwise forgiven as set forth herein (each August 15 a "Payment Date"), Agency shall make annual payments to the Great Park Fund in an amount equal to the Project Area Cash Flow (as defined below) for the preceding Fiscal Year. For example, the first payment made on August 15, 2009, will equal the Project Area Cash Flow for Fiscal Year 2008-2009. Agency's obligation to repay the Loan to the Great Park Fund shall be a special and limited obligation of Agency payable from the sole source of Project Area Cash Flow. Accordingly, Agency's obligation to make annual payments under this Section 2.4 shall be applicable only to the extent there is sufficient Project Area Cash Flow available from the preceding Fiscal Year. If not sooner paid, the outstanding balance of the Loan and accrued interest shall be forgiven and discharged on the Payment Date that occurs after the last Fiscal Year in which the Agency is entitled to collect tax revenues from the Project Area in accordance with the Redevelopment Plan, as may be amended from time to time. For purposes of this Agreement, the following definitions shall apply:

(i) "*Expenses*" shall mean all expenditures of Agency including without limitation: (a) all Agency tax allocation bonds or other direct long-term indebtedness of Agency, and all pledges by Agency of tax increments for tax allocation bonds or other direct long-term indebtedness of Agency, whether incurred before or after the date of this Agreement; (b) all amounts payable by Agency pursuant to or arising from any financial agreements or other contractual obligations of Agency, whether incurred before or after the date of this Agreement and with the understanding that there shall be no limitation on Agency's right to enter into such financial agreements and contractual obligations; (c) all administrative costs, operating expenses, and professional service, consulting, and legal fees of Agency; (d) all loans, obligations, indebtedness or other obligations of Agency payable from Property Tax Increment; (e) expenditures for the costs of acquiring installing and constructing public improvements; (f) amounts of Property Tax Increment pledged or reserved for payments in future Fiscal Years; and (g) amounts of Property Tax Increment that Agency reasonably determines will be needed for redevelopment purposes in future Fiscal Years.

(ii) "*Fiscal Year*" shall mean the period from July 1 to June 30.

(iii) "*Project Area Cash Flow*" shall mean, with respect to any Fiscal Year, the amount of Property Tax Increment for such Fiscal Year reduced by the Expenses for such Fiscal Year.

(iv) "*Property Tax Increment*" shall mean the full amount of property tax revenues generated from property within the Project Area that are allocated to and paid to Agency pursuant to Article 6 of Chapter 6 of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the State, excluding (a) the portion of the tax revenues from the Project Area that are allocated to Agency that Agency is required pursuant to Sections 33334.2 and 33334.3 of the Redevelopment Law to set aside and use

for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing available at affordable housing cost, and (b) payments the Agency is required to pay to or for the benefit of the State, any city, county, city and county, district, or other public corporation for whose benefit taxes are levied upon taxable property in the Project Area each year as provided in, regardless of whether such payments actually are made by Agency or are made by the County directly to the other taxing agencies (or, in the case of amounts payable to the County, retained by the County).

City acknowledges that Agency retains full discretion with respect to the Expenses it will incur and nothing herein shall otherwise limit Agency from incurring indebtedness and financing redevelopment projects.

Agency shall be entitled to prepay all or any portion of the Loan and accrued interest at any time with no charges, fees, or penalties.

2.5. Indebtedness of Agency. The Loan and accrued interest described in this Agreement shall constitute an indebtedness of Agency.

2.6. Subordination. The repayment of the Loan and accrued interest by Agency shall be junior and subordinate to (i) all Agency tax allocation bonds or other direct long-term indebtedness of Agency, (ii) all pledges by Agency of tax increments for tax allocation bonds or other direct long-term indebtedness of Agency, (iii) Agency financial agreements and other contractual obligations of Agency, and (iv) the payment of any other Expenses of Agency, whether any of the foregoing in clauses (i), (ii), (iii) or (iv) are incurred before or after the date of this Agreement.

3. Use of Funds. The Loan proceeds that are repaid by Agency and deposited into the Great Park Fund will be used for the improvement, operation, and maintenance of the Orange County Great Park, at such time and manner as determined by City.

4. Miscellaneous.

4.1. Notices. Any approval, disapproval, demand, document or other notice required to be given under this Agreement must be in writing and shall be delivered by either (i) personal delivery, (ii) reliable courier service that provides a receipt showing date and time of delivery, (iii) registered or certified U.S. Mail, postage prepaid, return receipt requested, or (iv) facsimile. Notices shall be directed at the address of the party as set forth below, or at any other address as that party may later designate by notice:

City:

City of Irvine
One Civic Center Plaza
Irvine, CA 92606-5208
Attention: City Manager
FAX: (949) 724-6045

Agency: Irvine Redevelopment Agency
One Civic Center Plaza
Irvine, CA 92606-5208
Attention: Executive Director
FAX: (949) 724-6045

Each notice shall be deemed delivered on the date delivered if by personal delivery or by overnight courier service, on the date of receipt as disclosed on the return receipt if by mail, or on the date of transmission with confirmed successful transmission and receipt if by telefax. By giving to the other parties written notice as provided above, the parties to this Agreement and their respective successors and assigns shall have the right from time to time, and at any time during the term of this Agreement, to change their respective addresses.

4.2. Entire Agreement, Waivers and Amendments. This Agreement incorporates all of the terms and conditions mentioned herein, or incidental hereto, and supersedes all negotiations and previous agreements between the parties with respect to the subject matter hereof. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the party to be charged. A waiver of the breach of the covenants, conditions or obligations under this Agreement by any party shall not be construed as a waiver of any succeeding breach of the same or other covenants, conditions or obligations of this Agreement. Any amendment or modification to this Agreement must be in writing and executed by the appropriate authorities of City and Agency.

4.3. Severability. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect, unless and to the extent the rights and obligations of one or more parties has been materially altered or abridged by such holding.

4.4. Review of Agreement. At least once every twelve (12) month period from the date of this Agreement, City and Agency each shall review this Agreement as part of its annual budgetary process.

4.5. Applicable Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of California without regard to conflict of law principles.

4.6. Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on both parties hereto, notwithstanding that both parties are not signatories to the original or the same counterpart.

[signatures on next page]

IN WITNESS WHEREOF, City and Agency have entered into this Agreement as of the date first set forth above.

“CITY

CITY OF IRVINE, a California municipal corporation

By: [Signature]

Its: Mayor

ATTEST:

[Signature]
City Clerk

APPROVED AS TO FORM:

[Signature]
City Attorney

“AGENCY”

IRVINE REDEVELOPMENT AGENCY, a public body, corporate and politic

By: [Signature]

Its: Chair

ATTEST:

[Signature]
Secretary

APPROVED AS TO FORM:

[Signature]
Agency Counsel

EXHIBIT "A" TO PURCHASE AND SALE AND FINANCING AGREEMENT

LEGAL DESCRIPTION OF PROPERTY

THOSE PORTIONS OF A PARCELS 3A-1 AND 3A-2, IN THE CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA, PER QUITCLAIM DEED RECORDED JULY 12, 2005, AS INSTRUMENT NO. 2005000536292 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

PARCEL G-7A

COMMENCING AT THE MOST SOUTHERLY CORNER OF SAID PARCEL 3A-2;
THENCE ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL NORTH 40° 26' 55" EAST 54.94 FEET TO A LINE THAT IS PARALLEL WITH AND 48.00 FEET NORTHEASTERLY OF THE SOUTHWESTERLY LINE OF SAID PARCEL AND THE TRUE POINT OF BEGINNING;
THENCE CONTINUING ALONG SAID SOUTHWESTERLY LINE THE FOLLOWING COURSES:

NORTH 40° 26' 55" EAST 1076.02 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 417.00 FEET; NORTHEASTERLY 299.22 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 41° 06' 48" TO THE BEGINNING OF A REVERSE CURVE, HAVING A RADIUS OF 518.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 89° 20' 07" WEST, AND NORTHERLY 265.18 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 29° 19' 55" TO A POINT OF NON-TANGENCY ON THE SOUTHERLY RIGHT OF WAY LINE OF ALTON PARKWAY, 120.00 FEET IN WIDTH, AS SHOWN ON INSTRUMENT NO. 85-390260, RECORDED OCTOBER 10, 1985, OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, A RADIAL LINE TO SAID POINT BEARS NORTH 61° 19' 58" WEST; THENCE ALONG SAID RIGHT OF WAY LINE THE FOLLOWING COURSES:

SOUTH 80° 35' 11" WEST 462.81 FEET BEGINNING OF A CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 1860.00 FEET. WESTERLY 597.90 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 18° 25' 04", AND SOUTH 51° 48' 29" WEST 41.31 FEET TO SAID PARALLEL LINE; THENCE ALONG SAID PARALLEL LINE THE FOLLOWING COURSES:

SOUTH 04° 46' 54" WEST 227.16 FEET TO THE BEGINNING OF A CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 1352.00 FEET; SOUTHERLY 594.99 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 25° 12' 46" AND SOUTH 20° 25' 53" EAST 463.43 FEET TO THE POINT OF BEGINNING.

PARCEL G-7B

COMMENCING AT THE MOST SOUTHERLY CORNER OF SAID PARCEL 3A-2, THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 3-B NORTH 49° 20' 21" WEST 885.45 FEET TO THE TRUE POINT OF BEGINNING;
THENCE LEAVING SAID SOUTHWESTERLY LINE NORTH 40° 39' 39" EAST 400.00 FEET;
THENCE NORTH 49° 20' 21" WEST 871.20 FEET;

THENCE SOUTH 40° 39' 39" WEST 400.00 FEET TO THE SOUTHWESTERLY LINE OF SAID PARCEL 3-B;

THENCE ALONG SAID SOUTHWESTERLY LINE SOUTH 49° 20' 21" EAST 871.20 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 8.000 ACRES, MORE OR LESS

PARCEL G-7C

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID PARCEL 3A-1;
THENCE ALONG THE NORTHEASTERLY LINE OF SAID PARCEL 3-A SOUTH 49° 20' 21" EAST 539.43 FEET;

THENCE LEAVING SAID NORTHEASTERLY LINE SOUTH 40° 39' 39" WEST 565.29 FEET TO THE NORTHEASTERLY LINE OF BARRANCA PARKWAY, 100.00 FEET IN WIDTH, AS SAID PARKWAY IS SHOWN ON RECORD OF SURVEY 97-1038, FILED IN BOOK 171 PAGES 1 THROUGH 49 INCLUSIVE, RECORDS OF SAID COUNTY; THENCE ALONG LAST SAID NORTHEASTERLY LINE NORTH 49° 20' 21" WEST 539.43 FEET TO THE NORTHWESTERLY LINE OF SAID PARCEL 3A;

THENCE ALONG SAID NORTHWESTERLY LINE NORTH 40° 39' 38" EAST 565.29 FEET TO THE POINT OF BEGINNING.

o

OVERSIGHT BOARD RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING A RE-ENTERED 2005 FINANCING AGREEMENT BY AND BETWEEN THE CITY OF IRVINE AND THE CITY OF IRVINE AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY

WHEREAS, City of Irvine is a California charter city and municipal corporation existing and operating under the Constitution of the State of California; and

WHEREAS, the Irvine Redevelopment Agency (RDA) was a public body, corporate and politic, exercising governmental functions and powers under the Community Redevelopment Law, Health and Safety Code Section 33000 *et seq.* (CRL); and

WHEREAS, RDA was established to exercise and undertake redevelopment activities for purposes of implementing the Redevelopment Plan for the Orange County Great Park Redevelopment Project Area; and

WHEREAS, under the CRL, the City had the express authority to provide RDA with financial assistance for purposes of implementing redevelopment activities (see, e.g., Health and Safety Code Sections 33220, 33600, 33601, 33610, 33614; see also Government Code Section 53600 *et seq.*); and

WHEREAS, pursuant to the authority granted under the CRL, the City and RDA entered into that certain Financing Agreement, dated June 14, 2005 (2005 Financing Agreement) which effected a loan by the City to the RDA; and

WHEREAS, on or about January 10, 2011, the Governor of California first proposed the dissolution of redevelopment agencies as part of his 2011-12 budget proposal; and

WHEREAS, pursuant to Assembly Bill 26 from the 2011-12 First Extraordinary Session of the California Legislature (ABx1 26), enacted as a bill related to the 2011-12 Budget Act in June 2011, as modified by the California Supreme Court Decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231, all redevelopment agencies in California were dissolved on February 1, 2012; and

WHEREAS, pursuant to Health and Safety Code Section 34173(a) and (b), added by ABx1 26, the City, as the Successor Agency to the RDA, assumed on February 1, 2012, all authority, rights, powers, duties, and obligations previously vested with the RDA, except for those provisions of the CRL that were repealed, restricted, or revised pursuant to Part 1.85 of Division 24 of the Health and Safety Code; and

WHEREAS, pursuant to Health and Safety Code Section 34179, added by ABx1 26, members of the Oversight Board to the Successor Agency to the former RDA have been duly appointed; and

WHEREAS, it has been asserted by the State of California Department of Finance (DOF) that under ABx1 26, as of February 1, 2012, all agreements between the city that formed the redevelopment agency and the former redevelopment agency are voided except agreements providing for loans by the city to the redevelopment agency entered into during the first two years after the formation of the redevelopment agency; and

WHEREAS, ABx1 26, however, provides that even if agreements between the city that created the redevelopment agency and the former redevelopment agency are voided as asserted by DOF (a position with which the Oversight Board disagrees and does not concede), under Health and Safety Code Sections 34178(a) and 34180(h), added to the CRL by ABx1 26, the Oversight Board has the authority to approve, at the request of the Successor Agency, the re-entering into any of those agreements; and

WHEREAS, the City and Successor Agency, at their meeting of June 12, 2012, approved a Re-Entered 2005 Financing Agreement pursuant to Health and Safety Code Sections 34178(a) and 34180(h); and

WHEREAS, pursuant to the direction of the Successor Agency, the staff of the Successor Agency has requested Oversight Board approval of the Re-Entered 2005 Financing Agreement, as approved by the City Council and Successor Agency, attached to this resolution as Exhibit A, pursuant to Health and Safety Code Sections 34178(a) and 34180(h); and

WHEREAS, the Re-Entered 2005 Financing Agreement and this resolution were considered by the Oversight Board at its meeting of June 14, 2012;

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

Section 1. : The above recitals are true and correct and incorporated herein.

Section 2. : The Oversight Board hereby finds and declares as follows:

A. The 2005 Financing Agreement was lawfully entered into by the City and the RDA. The Community Redevelopment Law expressly authorized the City to provide financial assistance to the Agency (Health and Safety Code sections 33220,33600,33601,33614 and Government Code section 53600).

B. If instead of borrowing seed money from the City, the RDA had financed its activities with bonds issued to private third party lenders or loans from third parties, there is no question Department of Finance would find such bonds or loans to be enforceable obligations within the meaning of ABx1 26. The fact the City was willing to invest its own funds and took the financially prudent step of avoiding the need for the RDA to borrow money on the open market and pay interest to third parties, the City As Successor Agency does not believe there is a fair rationale for the Department of

Finance's determination that the 2005 Financing Agreement should not be recognized as an enforceable obligation.

C. The 2005 Financing Agreement provided for repayment of a reasonable term and interest rate and was accepted as indebtedness by the State Controller prior to ABx1 26.

D. The 2005 Financing Agreement was approved prior to January 1, 2011 and was not a last minute attempt to avoid Governor Brown's proposal on or about January 10, 2011, to eliminate redevelopment agencies or any legislation that resulted from his proposal.

E. The Re-Entered Agreement does not supersede the existing 2005 Financing Agreement but effects a re-entering of the 2005 Financing Agreement pursuant to the terms of Health and Safety Code Section 34178(a).

F. In considering whether to approve the Re-Entered 2005 Financing Agreement, the Oversight Board has taken into consideration its fiduciary responsibilities to the holders of enforceable obligations and the taxing entities that benefit from the distribution of property taxes.

Section 3. The Oversight Board approves the Re-Entered 2005 Financing Agreement between the City of Irvine and the City of Irvine As Successor as set forth in Exhibit A attached to this resolution and in so approving the Oversight Board finds and determines the Re-Entered 2005 Financing Agreement is an enforceable obligation and should be recognized as such pursuant to ABx1 26.

Section 4. The Secretary shall certify to the adoption of this resolution.

PASSED AND ADOPTED by the Oversight Board at a meeting held on the 14th day of June, 2012.

MARIAN BERGESON, CHAIR

ATTEST:

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 a special meeting of the Oversight Board, held on the 14th day of June 2012.

AYES: BOARDMEMBERS:

NOES: BOARDMEMBERS:

ABSENT: BOARDMEMBERS:

SECRETARY

RE-ENTERED 2005 FINANCING AGREEMENT

This RE-ENTERED 2005 FINANCING AGREEMENT (“Re-Entered Agreement”), dated June 12, 2012 for reference purposes only (“Reference Date”), by and between the CITY OF IRVINE, a charter city and municipal corporation existing and operating under the Constitution of the State of California (“City”), and the CITY OF IRVINE, in its capacity as the Successor Agency (“Successor Agency”) to the dissolved Irvine Redevelopment Agency (“RDA”).

RECITALS

A. City is a California charter city and municipal corporation existing and operating under the Constitution of the State of California.

B. RDA was a public body, corporate and politic, exercising governmental functions and powers under the Community Redevelopment Law, Health and Safety Code Section 33000 *et seq.* (“CRL”).

C. RDA was established to exercise and undertake redevelopment activities for purposes of implementing the Redevelopment Plan for the Orange County Great Park Redevelopment Project Area.

D. Under the CRL, the City had the express authority to provide the RDA with financial assistance for purposes of implementing redevelopment activities (see, e.g., Health and Safety Code Sections 33220, 33600, 33601, 33610, 33614; see also Government Code Section 53600 *et seq.*).

E. Pursuant to the authority granted under the CRL, the City and RDA entered into that certain Financing Agreement, dated June 14, 2005, a copy of which is attached to this Re-Entered Agreement as Exhibit “A” and incorporated herein by this reference (the “2005 Financing Agreement”).

F. On or about January 10, 2011, the Governor of California first proposed the dissolution of redevelopment agencies as part of his 2011-12 budget proposal.

G. Pursuant to Assembly Bill 26 from the 2011-12 First Extraordinary Session of the California Legislature (“ABx1 26”), enacted as a bill related to the 2011-12 Budget Act in June 2011, as modified by the California Supreme Court Decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231, all redevelopment agencies in California were dissolved on February 1, 2012.

H. Pursuant to Health and Safety Code Section 34173(a) and (b), added by ABx1 26, the City, as the Successor Agency to the RDA, assumed on February 1, 2012, all authority, rights, powers, duties, and obligations previously vested with the RDA, except for those provisions of the CRL that were repealed, restricted, or revised pursuant to Part 1.85 of Division 24 of the Health and Safety Code.

I. Pursuant to Health and Safety Code Section 34179, added by ABx1 26, members of the Oversight Board of the Successor Agency to the former RDA have been duly appointed.

EXHIBIT A

J. It has been asserted by the State of California Department of Finance (“DOF”) that under ABx1 26, as of February 1, 2012, all agreements between the city that formed the redevelopment agency and the former redevelopment agency are voided except such agreements entered into during the first two years after the formation of the redevelopment agency.

K. ABx1 26, however, provides that even if agreements between the city that created the redevelopment agency and the former redevelopment agency are voided (a position with which the City in its capacity as a charter city and municipal corporation, and the City in its capacity as Successor Agency, disagree and do not concede), under Health and Safety Code Sections 34178(a) and 34180(h), added to the CRL by ABx1 26, the Oversight Board has the authority to approve, at the request of the Successor Agency, the re-entering into any of those agreements.

L. Pursuant to Health and Safety Code Sections 34178(a) and 34180(h), the City, in its capacity as a charter city and municipal corporation, and in its capacity as the Successor Agency, re-enters into the 2005 Financing Agreement as set forth in this Re-Entered Agreement.

A G R E E M E N T

Based upon the foregoing Recitals, which are incorporated herein by this reference, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the City As Successor Agency agree as follows:

1. Re-Entry Into 2005 Financing Agreement. Subject to the terms and conditions in this Re-Entered Agreement, the City in its capacity as a charter city and municipal corporation and in its capacity as the Successor Agency, re-enter into the 2005 Financing Agreement pursuant to the authority set forth in Health and Safety Code Section 34178(a), subject to the provisions set forth in Paragraph 3 hereof. This Re-Entered Agreement does not supersede the existing 2005 Financing Agreement but effects a re-entering of the 2005 Financing Agreement pursuant to the terms of Health and Safety Code Section 34178(a) subject to the provisions set forth in Paragraph 3 hereof.

2. Reservation of Rights. The City, in its capacity as a charter city and municipal corporation existing and operating under the Constitution of the State of California, and the City As Successor Agency, hereby reserve any and all rights, and does not waive any rights which it may now or in the future have, for repayment under the existing 2005 Financing Agreement, including but not limited to the right to receive repayment under the existing 2005 Financing Agreement as may be authorized pursuant to any current or future law, amendment to ABx1 26, administrative or judicial decision, or otherwise.

3. Effective Date. This Re-Entered Agreement shall not be effective unless and until the Oversight Board has approved it pursuant to Health and Safety Code Sections 34178(a) and 34180(h) by adoption of a resolution. The date of adoption of a resolution by the Oversight Board approving this Re-Entered Agreement shall be the effective date of this Re-Entered Agreement. If the City in its capacity as a charter city and municipal corporation, and the City As Successor Agency, have not approved this Re-Entered Agreement prior to its approval by the Oversight Board, the City and the City As Successor Agency may approve this Re-Entered Agreement by ratification of the Oversight Board approval at a duly noticed public meeting of the City Council.

4. City Manager Authorization. The City Manager and authorized designees shall have the authority to execute such other and further agreements and documents, and take such other and further actions, necessary to implement this Re-Entered Agreement on behalf of the City, in its capacity as a charter city and municipal corporation, and on behalf of the City As Successor Agency.

IN WITNESS WHEREOF, the City, in its capacity as a charter city of the State of California and a municipal corporation, and the City in its capacity as the Successor Agency, approves and enters into this Re-Entered Agreement as of the Reference Date and subject to the approval by the Oversight Board.

“City”

CITY OF IRVINE, a charter city and municipal corporation

By: _____
Sukhee Kang, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

“Successor Agency”

CITY OF IRVINE As Successor Agency to the dissolved Irvine Redevelopment Agency

By: _____
Sukhee Kang, Mayor

ATTEST:

Secretary of the Successor Agency

APPROVED AS TO FORM:

Successor Agency Counsel

EXHIBIT "A"

2005 FINANCING AGREEMENT

[SEE FOLLOWING PAGES]

FINANCING AGREEMENT

THIS FINANCING AGREEMENT ("Agreement") is made and entered into this 14th day of June, 2005, by and between the IRVINE REDEVELOPMENT AGENCY, a public body corporate and politic ("Agency"), and the CITY OF IRVINE, a charter city and municipal corporation ("City").

RECITALS

A. Agency is a public body, corporate and politic, organized under the California Community Redevelopment Law (Health & Safety Code § 33000 et seq.).

B. City is a charter city and municipal corporation.

C. Agency was activated by Ordinance No. 99-09 adopted by the City Council of City on April 27, 1999.

D. On March 8, 2005, by Ordinance No. 05-04, the Irvine City Council, adopted the Redevelopment Plan for the Orange County Great Park Redevelopment Project Area ("Redevelopment Plan") for purposes of assisting with the transition of the former United States Marine Corp Air Station El Toro to civilian uses which would benefit the local economy.

E. Agency, by Redevelopment Agency Resolution No. 99-02, adopted on July 27, 1999, and City, by City Council Resolution No. 99-99, adopted on July 27, 1999, approved a Cooperation Agreement ("Cooperation Agreement") between City and Agency to enable Agency to obtain from City financial, personnel, and other assistance for the purposes of undertaking redevelopment activities in the City.

F. Agency now desires to borrow from City, and City desires to loan to Agency, pursuant to the terms set forth in this Agreement, a sum not to exceed \$4,468,137.

G. City and Agency mutually desire to enter into this Agreement to set forth their respective obligations with respect to the loan appropriation in an amount not to exceed \$4,468,137.

H. Agency, by Redevelopment Agency Resolution No. 05-09, adopted on June 14, 2005, and City, by City Council Resolution No. 05-70, adopted on June 14, 2005, approved this Financing Agreement.

AGREEMENT

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

Section 1. City Loan. City hereby loans to Agency the principal amount not to exceed \$4,468,137 ("Loan Principal"), to be appropriated from the City's adopted 2005-2006 budget and defined as a loan to the Agency from the City's Asset Management Plan Fund. The Agency, in its sole discretion, may draw on the Loan Amount in one disbursement or, from time to time, in multiple draws of lesser amounts with the total of all disbursements not to exceed \$4,468,137.

Section 2. Interest. Interest shall accrue on the outstanding Loan Principal at such rate as the parties herein may agree upon, not to exceed the maximum legal rate. The initial rate of interest shall be equal to the City's annualized return on the Operating Portfolio, using a rolling twelve (12) month period based on the loan date, plus 3%. Interest shall be compounded annually. The interest rate applicable to the outstanding Loan Principal and compounded accrued interest shall be adjusted annually on the anniversary date of this Agreement.

Section 3. Agency Repayment. The Loan Principal and any accrued interest shall be repaid by Agency out of tax increment funds allocated to and received by Agency. Agency shall repay outstanding principal and accrued interest in ten (10) annual installment payments of principal and interest commencing in Fiscal Year 2015-16, generally in accordance with the amortization schedule shown in Exhibit "A" attached hereto and incorporated herein. The parties acknowledge that the amortization schedule attached as Exhibit "A" assumes a constant interest rate of 7% per annum compounded annually, and that the actual annual repayment amounts may be greater or lesser depending on the annual interest rate adjustments set forth in Section 2. Notwithstanding anything in this Agreement to the contrary, Agency shall be entitled to repay all or part of the Loan Principal and all accrued interest at any time with no other charges, fees, or penalties. All amounts due under this Agreement shall be payable at the offices of City. City is authorized to extend the repayment schedule or any annual installment.

Section 4. Indebtedness of Agency. The Loan Principal and accrued interest described in this Agreement shall constitute an indebtedness of Agency.

Section 5. Subordination. The repayment of the Loan Principal and accrued interest by Agency shall be junior and subordinate to (i) all Agency tax allocation bonds or other direct long-term indebtedness of Agency, (ii) all pledges by Agency of tax increments for tax allocation bonds or other direct long-term indebtedness of Agency, and (iii) Agency financial agreements and other contractual obligations of Agency, whether any of the foregoing in clauses (i), (ii), or (iii) are incurred before or after the date of this Agreement.

Section 6. Non-Liability of City and Agency Officials, Officers, and Employees. No officer, official, employee, agent, or representatives of Agency or City shall be liable for any amounts due hereunder, and no judgment or execution thereon entered in any action hereon shall be personally enforced against any such officer, official, employee, agent, or representative.

Section 7. Entire Agreement; Amendment. This Agreement shall constitute the entire agreement of the parties. This Agreement may be amended or modified only by an agreement in writing signed by the parties.

Financing Agreement

June 14, 2005

Page 3


IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their authorized representatives, as of the date first above written.

"AGENCY"

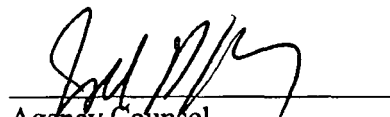
IRVINE REDEVELOPMENT AGENCY

By: 
Chair, Irvine Redevelopment Agency

ATTEST:

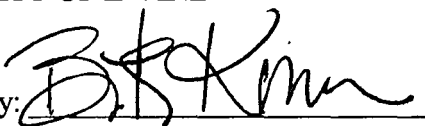

Agency Secretary

APPROVED AS TO FORM:



Agency Counsel

"CITY"

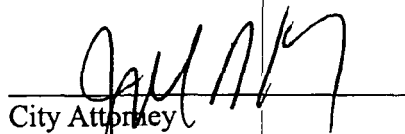
CITY OF IRVINE

By: 
Mayor

ATTEST:


City Clerk

APPROVED AS TO FORM:


City Attorney

OVERSIGHT BOARD RESOLUTION NO. _____

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY APPROVING A RE-ENTERED 2006 FINANCING AGREEMENT BY AND BETWEEN THE CITY OF IRVINE AND THE CITY OF IRVINE AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY

WHEREAS, City of Irvine is a California charter city and municipal corporation existing and operating under the Constitution of the State of California; and

WHEREAS, the Irvine Redevelopment Agency (RDA) was a public body, corporate and politic, exercising governmental functions and powers under the Community Redevelopment Law, Health and Safety Code Section 33000 *et seq.* (CRL); and

WHEREAS, RDA was established to exercise and undertake redevelopment activities for purposes of implementing the Redevelopment Plan for the Orange County Great Park Redevelopment Project Area; and

WHEREAS, under the CRL, the City had the express authority to provide RDA with financial assistance for purposes of implementing redevelopment activities (see, e.g., Health and Safety Code Sections 33220, 33600, 33601, 33610, 33614; see also Government Code Section 53600 *et seq.*); and

WHEREAS, pursuant to the authority granted under the CRL, the City and RDA entered into that certain Financing Agreement, dated January 24, 2006 (2006 Financing Agreement) which effected a loan by the City to the RDA; and

WHEREAS, on or about January 10, 2011, the Governor of California first proposed the dissolution of redevelopment agencies as part of his 2011-12 budget proposal; and

WHEREAS, pursuant to Assembly Bill 26 from the 2011-12 First Extraordinary Session of the California Legislature (ABx1 26), enacted as a bill related to the 2011-12 Budget Act in June 2011, as modified by the California Supreme Court Decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231, all redevelopment agencies in California were dissolved on February 1, 2012; and

WHEREAS, pursuant to Health and Safety Code Section 34173(a) and (b), added by ABx1 26, the City, as the Successor Agency to the RDA, assumed on February 1, 2012, all authority, rights, powers, duties, and obligations previously vested with the RDA, except for those provisions of the CRL that were repealed, restricted, or revised pursuant to Part 1.85 of Division 24 of the Health and Safety Code; and

WHEREAS, pursuant to Health and Safety Code Section 34179, added by ABx1 26, members of the Oversight Board to the Successor Agency to the former RDA have been duly appointed; and

WHEREAS, it has been asserted by the State of California Department of Finance (DOF) that under ABx1 26, as of February 1, 2012, all agreements between the city that formed the redevelopment agency and the former redevelopment agency are voided except agreements providing for loans by the city to the redevelopment agency entered into during the first two years after the formation of the redevelopment agency; and

WHEREAS, ABx1 26, however, provides that even if agreements between the city that created the redevelopment agency and the former redevelopment agency are voided as asserted by DOF (a position with which the Oversight Board disagrees and does not concede), under Health and Safety Code Sections 34178(a) and 34180(h), added to the CRL by ABx1 26, the Oversight Board has the authority to approve, at the request of the Successor Agency, the re-entering into any of those agreements; and

WHEREAS, the City and Successor Agency, at their meeting of June 12, 2012, approved a Re-Entered 2006 Financing Agreement pursuant to Health and Safety Code Sections 34178(a) and 34180(h); and

WHEREAS, pursuant to the direction of the Successor Agency, the staff of the Successor Agency has requested Oversight Board approval of the Re-Entered 2006 Financing Agreement, as approved by the City Council and Successor Agency, attached to this Resolution as Exhibit A, pursuant to Health and Safety Code Sections 34178(a) and 34180(h); and

WHEREAS, the Re-Entered 2006 Financing Agreement and this Resolution were considered by the Oversight Board at its meeting of June 14, 2012;

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

Section 1. The above recitals are true and correct and incorporated herein.

Section 2. The Oversight Board hereby finds and declares as follows:

A. The 2006 Financing Agreement was lawfully entered into by the City and the RDA. The Community Redevelopment Law expressly authorized the City to provide financial assistance to the Agency (Health and Safety Code sections 33220,33600,33601,33614 and Government Code section 53600).

B. If instead of borrowing seed money from the City, the RDA had financed its activities with bonds issued to private third party lenders or loans from third parties, there is no question Department of Finance would find such bonds or loans to be enforceable obligations within the meaning of ABx1 26. The fact the City was willing to invest its own funds and took the financially prudent step of avoiding the need for the RDA to borrow money on the open market and pay interest to third parties, the City as Successor Agency does not believe there is a fair rationale for the Department of

Finance's determination that the 2006 Financing Agreement should not be recognized as an enforceable obligation.

C. The 2006 Financing Agreement provided for repayment of a reasonable term and interest rate and was accepted as indebtedness by the State Controller prior to ABx1 26.

D. The 2006 Financing Agreement was approved prior to January 1, 2011 and was not a last minute attempt to avoid Governor Brown's proposal on or about January 10, 2011, to eliminate redevelopment agencies or any legislation that resulted from his proposal.

E. The Re-Entered Agreement does not supersede the existing 2006 Financing Agreement but effects a re-entering of the 2006 Financing Agreement pursuant to the terms of Health and Safety Code Section 34178(a).

F. In considering whether to approve the Re-Entered 2006 Financing Agreement, the Oversight Board has taken into consideration its fiduciary responsibilities to the holders of enforceable obligations and the taxing entities that benefit from the distribution of property taxes.

Section 3. The Oversight Board approves the Re-Entered 2006 Financing Agreement between the City of Irvine and the City of Irvine as Successor as set forth in Exhibit A attached to this resolution and in so approving the Oversight Board finds and determines the Re-Entered 2006 Financing Agreement is an enforceable obligation and should be recognized as such pursuant to ABx1 26.

Section 4. The Secretary shall certify to the adoption of this resolution.

PASSED AND ADOPTED by the Oversight Board at a meeting held on the 14th day of June, 2012.

MARIAN BERGESON, CHAIR

ATTEST:

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 a special meeting of the Oversight Board, held on the 14th day of June 2012.

AYES: BOARDMEMBERS:

NOES: BOARDMEMBERS:

ABSENT: BOARDMEMBERS:

SECRETARY

RE-ENTERED 2006 FINANCING AGREEMENT

This RE-ENTERED 2006 FINANCING AGREEMENT (“Re-Entered Agreement”), dated June 12, 2012 for reference purposes only (“Reference Date”), by and between the CITY OF IRVINE, a charter city and municipal corporation existing and operating under the Constitution of the State of California (“City”), and the CITY OF IRVINE, in its capacity as the Successor Agency (“Successor Agency”) to the dissolved Irvine Redevelopment Agency (“RDA”).

R E C I T A L S

A. City is a California charter city and municipal corporation existing and operating under the Constitution of the State of California.

B. RDA was a public body, corporate and politic, exercising governmental functions and powers under the Community Redevelopment Law, Health and Safety Code Section 33000 *et seq.* (“CRL”).

C. RDA was established to exercise and undertake redevelopment activities for purposes of implementing the Redevelopment Plan for the Orange County Great Park Redevelopment Project Area.

D. Under the CRL, the City had the express authority to provide the RDA with financial assistance for purposes of implementing redevelopment activities (see, e.g., Health and Safety Code Sections 33220, 33600, 33601, 33610, 33614; see also Government Code Section 53600 *et seq.*).

E. Pursuant to the authority granted under the CRL, the City and RDA entered into that certain Financing Agreement, dated January 24, 2006, a copy of which is attached to this Re-Entered Agreement as Exhibit “A” and incorporated herein by this reference (the “2006 Financing Agreement”).

F. On or about January 10, 2011, the Governor of California first proposed the dissolution of redevelopment agencies as part of his 2011-12 budget proposal.

G. Pursuant to Assembly Bill 26 from the 2011-12 First Extraordinary Session of the California Legislature (“ABx1 26”), enacted as a bill related to the 2011-12 Budget Act in June 2011, as modified by the California Supreme Court Decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231, all redevelopment agencies in California were dissolved on February 1, 2012.

H. Pursuant to Health and Safety Code Section 34173(a) and (b), added by ABx1 26, the City, as the Successor Agency to the RDA, assumed on February 1, 2012, all authority, rights, powers, duties, and obligations previously vested with the RDA, except for those provisions of the CRL that were repealed, restricted, or revised pursuant to Part 1.85 of Division 24 of the Health and Safety Code.

I. Pursuant to Health and Safety Code Section 34179, added by ABx1 26, members of the Oversight Board of the Successor Agency to the former RDA have been duly appointed.

EXHIBIT A

J. It has been asserted by the State of California Department of Finance (“DOF”) that under ABx1 26, as of February 1, 2012, all agreements between the city that formed the redevelopment agency and the former redevelopment agency are voided except such agreements entered into during the first two years after the formation of the redevelopment agency.

K. ABx1 26, however, provides that even if agreements between the city that created the redevelopment agency and the former redevelopment agency are voided (a position with which the City in its capacity as a charter city and municipal corporation, and the City in its capacity as Successor Agency, disagree and do not concede), under Health and Safety Code Sections 34178(a) and 34180(h), added to the CRL by ABx1 26, the Oversight Board has the authority to approve, at the request of the Successor Agency, the re-entering into any of those agreements.

L. Pursuant to Health and Safety Code Sections 34178(a) and 34180(h), the City, in its capacity as a charter city and municipal corporation, and in its capacity as the Successor Agency, re-enters into the 2006 Financing Agreement as set forth in this Re-Entered Agreement.

A G R E E M E N T

Based upon the foregoing Recitals, which are incorporated herein by this reference, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the City As Successor Agency agree as follows:

1. Re-Entry Into 2006 Financing Agreement. Subject to the terms and conditions in this Re-Entered Agreement, the City in its capacity as a charter city and municipal corporation and in its capacity as the Successor Agency, re-enter into the 2006 Financing Agreement pursuant to the authority set forth in Health and Safety Code Section 34178(a), subject to the provisions set forth in Paragraph 3 hereof. This Re-Entered Agreement does not supersede the existing 2006 Financing Agreement but effects a re-entering of the 2006 Financing Agreement pursuant to the terms of Health and Safety Code Section 34178(a) subject to the provisions set forth in Paragraph 3 hereof.

2. Reservation of Rights. The City, in its capacity as a charter city and municipal corporation existing and operating under the Constitution of the State of California, and the City As Successor Agency, hereby reserve any and all rights, and does not waive any rights which it may now or in the future have, for repayment under the existing 2006 Financing Agreement, including but not limited to the right to receive repayment under the existing 2006 Financing Agreement as may be authorized pursuant to any current or future law, amendment to ABx1 26, administrative or judicial decision, or otherwise.

3. Effective Date. This Re-Entered Agreement shall not be effective unless and until the Oversight Board has approved it pursuant to Health and Safety Code Sections 34178(a) and 34180(h) by adoption of a resolution. The date of adoption of a resolution by the Oversight Board approving this Re-Entered Agreement shall be the effective date of this Re-Entered Agreement. If the City in its capacity as a charter city and municipal corporation, and the City As Successor Agency, have not approved this Re-Entered Agreement prior to its approval by the Oversight Board, the City and the City As Successor Agency may approve this Re-Entered Agreement by ratification of the Oversight Board approval at a duly noticed public meeting of the City Council.

4. City Manager Authorization. The City Manager and authorized designees shall have the authority to execute such other and further agreements and documents, and take such other and further actions, necessary to implement this Re-Entered Agreement on behalf of the City, in its capacity as a charter city and municipal corporation, and on behalf of the City As Successor Agency.

IN WITNESS WHEREOF, the City, in its capacity as a charter city of the State of California and a municipal corporation, and the City in its capacity as the Successor Agency, approves and enters into this Re-Entered Agreement as of the Reference Date and subject to the approval by the Oversight Board.

“City”

CITY OF IRVINE, a charter city and municipal corporation

By: _____
Sukhee Kang, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

“Successor Agency”

CITY OF IRVINE As Successor Agency to the dissolved Irvine Redevelopment Agency

By: _____
Sukhee Kang, Mayor

ATTEST:

Secretary of the Successor Agency

APPROVED AS TO FORM:

Successor Agency Counsel

EXHIBIT "A"

2006 FINANCING AGREEMENT

[SEE FOLLOWING PAGES]

FINANCING AGREEMENT

THIS FINANCING AGREEMENT ("Agreement") is made and entered into this 24th day of January, 2006, by and between the IRVINE REDEVELOPMENT AGENCY, a public body corporate and politic ("Agency"), and the CITY OF IRVINE, a charter city and municipal corporation ("City").

R E C I T A L S

A. Agency is a public body, corporate and politic, organized under the California Community Redevelopment Law (Health & Safety Code § 33000 et seq.).

B. City is a charter city and municipal corporation.

C. Agency was activated by Ordinance No. 99-09 adopted by the City Council of City on April 27, 1999.

D. On March 8, 2005, by Ordinance No. 05-04, the Irvine City Council, adopted the Redevelopment Plan for the Orange County Great Park Redevelopment Project Area ("Redevelopment Plan") for purposes of alleviating blight on, and assisting with the transition of, the former United States Marine Corps Air Station El Toro to civilian uses.

E. Agency, by Redevelopment Agency Resolution No. 99-02, adopted on July 27, 1999, and City, by City Council Resolution No. 99-99, adopted on July 27, 1999, approved a Cooperation Agreement ("Cooperation Agreement") between City and Agency to enable Agency to obtain from City financial, personnel, and other assistance for the purposes of undertaking redevelopment activities in the City.

F. Agency now desires to borrow from City, and City desires to loan to Agency, pursuant to the terms set forth in this Agreement, a sum not to exceed Two Million One Hundred Thousand Dollars (\$2,100,000.00)

G. City and Agency mutually desire to enter into this Agreement to set forth their respective obligations with respect to the loan appropriation in an amount not to exceed Two Million One Hundred Thousand Dollars (\$2,100,000.00)

H. Agency, by Redevelopment Agency Resolution No. 06-01, adopted on January 24, 2006, and City, by City Council Resolution No. 06-06, adopted on January 24, 2006, approved this Financing Agreement.

A G R E E M E N T

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

Section 1. City Loan. City hereby loans to Agency the principal amount not to exceed Two Million One Hundred Thousand Dollars (\$2,100,000.00) ("Loan Principal"), to be appropriated from the City's adopted 2005-2006 budget and defined as a loan to the Agency from the City's Asset Management Plan Fund. The Agency, in its sole discretion, may draw on the Loan Amount in one disbursement or, from time to time, in multiple draws of lesser amounts with the total of all disbursements not to exceed Two Million One Hundred Thousand Dollars (\$2,100,000.00)

Section 2. Interest. Interest shall accrue on the outstanding Loan Principal at such rate as the parties herein may agree upon, not to exceed the maximum legal rate. The initial rate of interest shall be equal to the City's annualized return on the Operating Portfolio, using a rolling twelve (12) month period based on the loan date, plus three percent (3%). Interest shall be compounded annually. The interest rate applicable to the outstanding Loan Principal and compounded accrued interest shall be adjusted annually on the anniversary date of this Agreement.

Section 3. Agency Repayment. The Loan Principal and any accrued interest shall be repaid by Agency out of tax increment funds allocated to and received by Agency. Agency shall repay outstanding principal and accrued interest in ten (10) annual installment payments of principal and interest commencing in Fiscal Year 2015-16, generally in accordance with the amortization schedule shown in Exhibit "A" attached hereto and incorporated herein. The parties acknowledge that the amortization schedule attached as Exhibit "A" assumes a constant interest rate of seven percent (7%) per annum compounded annually, and that the actual annual repayment amounts may be greater or lesser depending on the annual interest rate adjustments set forth in Section 2. Notwithstanding anything in this Agreement to the contrary, Agency shall be entitled to repay all or part of the Loan Principal and all accrued interest at any time with no other charges, fees, or penalties. All amounts due under this Agreement shall be payable at the offices of City. City is authorized to extend the repayment schedule or any annual installment.

Section 4. Indebtedness of Agency. The Loan Principal and accrued interest described in this Agreement shall constitute an indebtedness of Agency.

Section 5. Subordination. The repayment of the Loan Principal and accrued interest by Agency shall be junior and subordinate to (i) all Agency tax allocation bonds or other direct long-term indebtedness of Agency, (ii) all pledges by Agency of tax increments for tax allocation bonds or other direct long-term indebtedness of Agency, and (iii) Agency financial agreements and other contractual obligations of Agency, whether any of the foregoing in clauses (i), (ii), or (iii) are incurred before or after the date of this Agreement.

Section 6. Non-Liability of City and Agency Officials, Officers, and Employees. No officer, official, employee, agent, or representatives of Agency or City shall be liable for any amounts due hereunder, and no judgment or execution thereon entered in any action hereon shall be personally enforced against any such officer, official, employee, agent, or representative.

Section 7. Entire Agreement; Amendment. This Agreement shall constitute the entire agreement of the parties. This Agreement may be amended or modified only by an agreement in writing signed by the parties.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their authorized representatives, as of the date first above written.

"AGENCY"

IRVINE REDEVELOPMENT AGENCY

By: [Signature]
Chair, Irvine Redevelopment Agency

ATTEST:

[Signature]
Agency Secretary

APPROVED AS TO FORM:

[Signature]
Assistant
Agency Counsel

"CITY"

CITY OF IRVINE

By: [Signature]
Mayor

ATTEST:

[Signature]
City Clerk

APPROVED AS TO FORM:

[Signature]
City Attorney

Exhibit A
Loan Amortization Schedule

Terms:

Initial loan amount, loaned February 2006: 2,100,000

Interest compounded annually at 7.00%

Loan payments made at the end of each fiscal year, beginning in FY 2015-2016

FY	Initial Loan Amount	Accrued Interest	Loan Balance	Principal Payment	Interest Payment	Total
2005-2006	2,100,000	61,250	2,161,250	-	-	-
2006-2007		151,288	2,312,538	-	-	-
2007-2008		161,878	2,474,415	-	-	-
2008-2009		173,209	2,647,624	-	-	-
2009-2010		185,334	2,832,958	-	-	-
2010-2011		198,307	3,031,265	-	-	-
2011-2012		212,189	3,243,453	-	-	-
2012-2013		227,042	3,470,495	-	-	-
2013-2014		242,935	3,713,430	-	-	-
2014-2015		259,940	3,973,370	-	-	-
2015-2016			3,685,787	287,583	278,136	565,718
2016-2017			3,378,074	307,713	258,005	565,718
2017-2018			3,048,821	329,253	236,465	565,718
2018-2019			2,696,520	352,301	213,417	565,718
2019-2020			2,319,558	376,962	188,756	565,718
2020-2021			1,916,208	403,349	162,369	565,718
2021-2022			1,484,624	431,584	134,135	565,718
2022-2023			1,022,829	461,795	103,924	565,718
2023-2024			528,709	494,120	71,598	565,718
2024-2025			0	491,699	37,010	528,709
Total		1,873,370		3,936,360	1,683,815	5,620,175

3


REQUEST FOR OVERSIGHT BOARD ACTION

MEETING DATE: JUNE 14, 2012

TITLE: REVISED RECOGNIZED OBLIGATION PAYMENT SCHEDULES OF
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 REVISED RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY 1, 2012 THROUGH DECEMBER 31, 2012

EXECUTIVE SUMMARY

On May 10, 2012, the Oversight Board to the Successor Agency to the dissolved Irvine Redevelopment Agency approved the Recognized Obligation Payment Schedules for January through June and July through December 2012 (Payment Schedules) that were previously adopted by the City Council as Successor Agency to the dissolved Irvine Redevelopment Agency. Both Payment Schedules were submitted to the State Department of Finance (Department) in accordance with Assembly Bill X1 26 (the Dissolution Act). The Department approved the January to June Payment Schedule, but denied two obligations on the July through December Payment Schedule; the 2007 Purchase and Sale and Financing Agreement, and the 2010 Amended and Restated Development Agreement. This staff report concerns one of the rejected items, the 2007 Purchase and Sale and Financing Agreement, as well as the 2005 and 2006 Financing Agreements.

In denying the 2007 Purchase and Sale and Financing Agreement, which provided for a loan from the City of Irvine to the now dissolved Irvine Redevelopment Agency, the Department stated that agreements, contracts, or arrangements between the City and its Redevelopment Agency are not enforceable obligations. While the City does not agree with the Department's narrow reading of the Dissolution Act and does not concede that the 2007 Purchase and Sale and Financing Agreement is not an enforceable obligation, the Dissolution Act provides the ability for the City as Successor Agency and the City of Irvine to re-enter into agreements with Oversight Board approval. In addition to this agreement, staff and legal counsel also recommend re-entering into two Financing Agreements between the City of Irvine and the Irvine Redevelopment Agency, originally established in 2005 and 2006. The Re-entered

Agreements would reconfirm that the agreements are, and are intended to be, and ratified as, enforceable obligations.

SUCCESSOR AGENCY RECOMMENDATION

The revised Payment Schedule is scheduled to be presented to the City, as Successor Agency, at its June 12, 2012 meeting. Any action taken at that meeting will be reported to the Oversight Board in an oral presentation.

ANALYSIS

The Dissolution Act requires Successor Agencies to establish Payment Schedules for each six-month period from January 2012 forward. The purpose of each Payment Schedule is to provide the County Auditor-Controller a basis for distributing property tax revenues for the payment of enforceable obligations. The Payment Schedules must be approved by the Oversight Board and are subject to review by the Department. The revised Payment Schedules for January through June and July through December 2012 were approved by the Irvine City Council as Successor Agency to the dissolved Irvine Redevelopment Agency on May 8, 2012, and by the Oversight Board on May 10, 2012.

Included on the approved Payment Schedules submitted to the Department are three outstanding Financing Agreements, established in 2005, 2006, and 2007, between the City of Irvine and the now dissolved Irvine Redevelopment Agency. The first two are loans in the principal amount of \$4.47 million and \$2.10 million that were used to finance the operating costs of the Agency before sufficient tax increment revenues were available. The third agreement is the 2007 Purchase and Sale and Financing Agreement, which provided for a loan by the City of Irvine to the Irvine Redevelopment Agency and repayment of that loan from tax increment.

The Department denied the 2007 Purchase and Sale and Financing Agreement as an enforceable obligation, stating that agreements, contracts, or arrangements between the City and its Redevelopment Agency are not enforceable obligations. There is an exception in the Dissolution Act that allows loan agreements entered into within two years of formation of the redevelopment agency to be deemed enforceable obligations, however, the Irvine Redevelopment Agency was formed in 1999 and so the 2007 agreement did not qualify under that provision. Although the City as Successor Agency does not agree with the Department's narrow interpretation of the Dissolution Act and does not concede that the Purchase and Sale and Financing Agreement is not an enforceable obligation, other provisions of the Dissolution Act, Sections 34178(a) and 34180(h), allow the Successor Agency as the successor to the dissolved Irvine Redevelopment Agency, and the City, to re-enter the agreement with Oversight Board approval, and thereby reconfirm the agreement is, and is intended to be, and ratified as, an enforceable obligation.

Payments for the other two loan agreements are not due until fiscal year 2015-2016; therefore, funds were not requested on the submitted Payment Schedules. The

Department did not deny, nor did it expressly approve these loans as enforceable obligations, however, staff and legal counsel have recommended re-entering into these two agreements also.

All three Re-entered Agreements are being submitted to the City of Irvine and the City of Irvine as Successor Agency at the June 12, 2012 meeting for consideration and approval. If approved, the Payment Schedule should be revised to include the Re-entered Agreements. The Re-entered Agreements are not intended to supersede the original agreement, but to effect the re-entering of it pursuant to Sections 34178(a) and 34180(h). If approved by the Oversight Board, the revised Payment Schedule will be submitted to the Department and the County Auditor-Controller. All actions of the Oversight Board, per the Dissolution Act, are not effective for at least three business days after approval to allow the Department to request a review of an action. If the Department requests a review of an action, it has ten days from the date of its request to either approve the Oversight Board action or return it to the Oversight Board for reconsideration.

FINANCIAL IMPACT

Adopting the revised Payment Schedule does not add any further financial obligation to the City; rather, it enables 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

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 REVISED 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(*f*) (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 (Recognized Obligation Payment Schedule), has been prepared; and

WHEREAS, the City Council as Successor Agency to the dissolved Irvine Redevelopment Agency approved the Recognized Obligation Payment Schedule; and

WHEREAS, the Recognized Obligation Payment Schedule, in the form approved by the City Council as Successor Agency to the dissolved Irvine Redevelopment Agency, was approved by the Oversight Board at an adjourned regular meeting of the Oversight Board held on March 29, 2012; and

WHEREAS, a revised Recognized Obligation Payment Schedule, in the form approved by the City Council as Successor Agency to the dissolved Irvine Redevelopment Agency, was approved by the Oversight Board at a special meeting of the Oversight Board held on May 10, 2012; and

WHEREAS, the State of California Department of Finance reviewed the revised Recognized Obligation Payment Schedule and approved it, but in so doing rejected certain items as enforceable obligations; and

WHEREAS, the Successor Agency disputed the determination of the State of California Department of Finance with respect to the disputed items and prepared a revised Recognized Obligation Payment Schedule, which retains, including for some items through re-entered agreements pursuant to Health and Safety Code Sections 34178(a) and 34180(h), the disputed items; and

WHEREAS, the revised Recognized Obligation Payment Schedule reflecting inclusion of the re-entered agreements, was approved by the Successor Agency at its meeting of June 12, 2012; and

ATTACHMENT

WHEREAS, the revised Recognized Obligation Payment Schedule, in the form approved by the Successor Agency, has been presented to the Oversight Board for its consideration at a special meeting of the Oversight Board held on June 14, 2012;

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

SECTION 1. The Oversight Board, at a special meeting held on June 14, 2012, reviewed and considered a revised Recognized Obligation Payment Schedule presented by the Successor Agency.

SECTION 2. The revised 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 a special meeting held on the 14th of June, 2012.

MARIAN BERGESON, CHAIR

ATTEST:

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 a special meeting of the Oversight Board, held on the 14th day of June 2012.

AYES: BOARDMEMBERS:

NOES: BOARDMEMBERS:

ABSENT: BOARDMEMBERS:

SECRETARY

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE - CONSOLIDATED
FILED FOR THE JULY 2012 TO DECEMBER 2012 PERIOD**

Revised June 12, 2012

Name of Successor Agency

City of Irvine as Successor Agency to the Irvine Redevelopment Agency

	Current	
	Total Outstanding Debt or Obligation	Total Due During Fiscal Period
Outstanding Debt or Obligation	3,354,366,077	17,456,632
	Total Due for Six Month Period	
Outstanding Debt or Obligation	\$ 17,456,632	
Available Revenues other than anticipated funding from RPTTF	\$ 1,100,000	
Enforceable Obligations paid with RPTTF	\$ 16,098,596	
Administrative Cost paid with RPTTF	\$ 258,036	
Pass-through Payments paid with RPTTF	\$ -	
Administrative Allowance (greater of 3% of anticipated Funding from RPTTF or 250,000 Note: Calculation should not include pass-through payments made with RPTTF. The RPTTF Administrative Cost figure above should not exceed this Administrative Cost Allowance figure)	\$ 482,957.88	

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

Name Title

Signature Date

RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34177 (*)
 Revised June 12, 2012

Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due Dunning Fiscal Period	*** Funding Source	Payable from the Redevelopment Property Tax Trust Fund (RPTTF)							
								Estimated payments by month							
								Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	Total	
1) Amended Development Agmt	December 27, 2010	Hentage Fields El Toro, LLC	Agreement to build the Orange County Great Park	OCGP	1,422,908,717	12,400,000	RPTTF		2,400,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	\$ 12,400,000
2) Affordable Housing Grant Agreement	February 8, 2011	Irvine Community Land Trust	Development of affordable housing	OCGP	731,000,000	898,596	RPTTF							898,596	\$ 898,596
3) Housing Enabled by Local Partnerships Loan	May 2, 2007	State of California	Loan for affordable housing projects	OCGP	1,822,500	-	RPTTF								\$ -
		Orange County	County facility payment		227,463,358	-	RPTTF								\$ -
		OC Public Library			73,431,895	-	RPTTF								\$ -
4) Implementation Agreement No 1	March 8, 2005	OC Harbors, Beaches & Parks		OCGP	67,321,554	-	RPTTF								\$ -
5) Implementation Agreement No 2	August 17, 2010	Orange County	Reconstruct or replace flood control facilities	OCGP	650,000	-	RPTTF								\$ -
6) Re-entered City loan	Original agreement dated June 14, 2005 Proposed Re-entered agreement between City and Successor Agency dated June 12, 2012, subject to Oversight Board approval	City of Irvine	Loan for fund redevelopment operations Due to insufficient cash flow of Tax Increment, the Irvine Redevelopment Agency could not issue bonded debt at the time of the loan	OCGP	10,614,998	-	RPTTF								\$ -
7) Re-entered City loan	Original agreement dated January 24, 2006 Proposed Re-entered Agreement between City and Successor Agency dated June 12, 2012, subject to Oversight Board approval	City of Irvine	Loan for fund redevelopment operations Due to insufficient cash flow of Tax Increment, the Irvine Redevelopment Agency could not issue bonded debt at the time of the loan	OCGP	4,818,719	-	RPTTF								\$ -
8) Re-entered City loan	Original agreement dated August 14, 2007 Proposed Re-entered Agreement between City and Successor Agency dated June 12, 2012, subject to Oversight Board approval	City of Irvine	Loan to purchase land Due to insufficient cash flow of Tax Increment, the Irvine Redevelopment Agency could not issue bonded debt at the time of the loan	OCGP	812,976,300	2,800,000	RPTTF		2,800,000						\$ 2,800,000
9)															\$ -
10)															\$ -
11)															\$ -
Totals - This Page (RPTTF Funding)					\$ 3,353,008,041	\$ 16,098,596	N/A	\$ -	\$ 5,200,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 3,398,596	\$ 16,098,596
Totals - Page 2 (Other Funding)					\$ 1,100,000	\$ 1,100,000	N/A	\$ 1,000,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,100,000
Totals - Page 3 (Administrative Cost Allowance)					\$ 258,036	\$ 258,036	N/A	\$ 41,381	\$ 41,256	\$ 41,381	\$ 46,256	\$ 46,381	\$ 41,381	\$ 41,381	\$ 258,036
Totals - Page 4 (Pass Thru Payments)					\$ -	\$ -	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand total - All Pages					\$ 3,354,366,077	\$ 17,456,632		\$ 1,041,381	\$ 5,341,256	\$ 2,541,381	\$ 2,546,256	\$ 2,546,381	\$ 3,439,977	\$ 17,456,632	

* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance.

** All totals due during fiscal year and payment amounts are projected.

*** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)

RPTTF - Redevelopment Property Tax Trust Fund
 LMIHF - Low and Moderate Income Housing Fund
 Bonds - Bond proceeds
 Admin - Successor Agency Administrative Allowance
 Other - reserves, rents, interest earnings, etc

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34177 (*)

Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Period	Funding Source ***	Payable from Other Revenue Sources							
								Estimated payments by month							
								Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	Total	
1) Amended Development Agmt	December 27, 2010	Hentage Fields El Toro, LLC	Agreement to build the Orange County Great Park	OCGP	1,100,000	1,100,000	Reserves	1,000,000	100,000						\$ 1,100,000
2)															\$ -
3)															\$ -
4)															\$ -
5)															\$ -
6)															\$ -
7)															\$ -
8)															\$ -
9)															\$ -
10)															\$ -
11)															\$ -
12)															\$ -
13)															\$ -
14)															\$ -
15)															\$ -
Totals - LMIHF															\$ -
Totals - Bond Proceeds															\$ -
Totals - Other					\$ 1,100,000	\$ 1,100,000		\$ 1,000,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,100,000
Grand total - This Page					\$ 1,100,000	\$ 1,100,000		\$ 1,000,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,100,000

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** All total due during fiscal year and payment amounts are projected

*** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)

RPTTF - Redevelopment Property Tax Trust Fund Bonds - Bond proceeds Other - reserves, rents, interest earnings, etc

LMIHF - Low and Moderate Income Housing Fund Admin - Successor Agency Administrative Allowance

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34177 (*)

	Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Period	Funding Source **	Payable from the Administrative Allowance Allocation ****						
								Estimated payments by month						
								Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	
1)	Cooperation agreement	City of Irvine	Financial, personnel and other support	OCGP	158,036	158,036	RPTTF	26,381	26,256	26,381	26,256	26,381	26,381	\$ 158,036
2)	Legal services	Rutan & Tucker, LLP	Legal services for administration of former RDA	OCGP	100,000	100,000	RPTTF	15,000	15,000	15,000	20,000	20,000	15,000	\$ 100,000
3)														\$ -
4)														\$ -
5)														\$ -
6)														\$ -
7)														\$ -
8)														\$ -
9)														\$ -
10)														\$ -
11)														\$ -
12)														\$ -
13)														\$ -
14)														\$ -
15)														\$ -
Totals - This Page					\$ 258,036	\$ 258,036		\$ 41,381	\$ 41,256	\$ 41,381	\$ 46,256	\$ 46,381	\$ 41,381	\$ 258,036

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** All total due during fiscal year and payment amounts are projected.

*** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)
RPTTF - Redevelopment Property Tax Trust Fund Bonds - Bond proceeds Other - reserves, rents, interest earnings, etc
LMIHF - Low and Moderate Income Housing Fund Admin - Successor Agency Administrative Allowance

**** - Administrative Cost Allowance caps are 5% of Form A 6-month totals in 2011-12 and 3% of Form A 6-month totals in 2012-13. The calculation should not factor in pass through payments paid for with RPTTF in Form D.

OTHER OBLIGATION PAYMENT SCHEDULE
Per AB 26 - Section 34177 (*)

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2011-2012**	Source of Fund***	Pass Through and Other Payments ****							
							Estimated payments by month							Total
							Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012		
1) N/A													\$ -	
2)													\$ -	
3)													\$ -	
4)													\$ -	
5)													\$ -	
6)													\$ -	
7)													\$ -	
8)													\$ -	
9)													\$ -	
10)													\$ -	
11)													\$ -	
12)													\$ -	
13)													\$ -	
14)													\$ -	
15)													\$ -	
Totals - Other Obligations				\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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** All total due during fiscal year and payment amounts are projected.

*** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)
RPTTF - Redevelopment Property Tax Trust Fund Bonds - Bond proceeds Other - reserves, rents, interest earnings, etc
LMIHF - Low and Moderate Income Housing Fund Admin - Successor Agency Administrative Allowance

**** - Only the January through June 2012 ROPS should include expenditures for pass-through payments. Starting with the July through December 2012 ROPS, per HSC section 34183 (a) (1), the county auditor controller will make the required pass-through payments prior to transferring money into the successor agency's Redevelopment Obligation Retirement Fund for items listed in an oversight board approved ROPS.