

Orange Countywide Oversight Board

Agenda Item No. 5b

Date: July 23, 2024

From: Successor Agency to the Dissolved Irvine Redevelopment Agency

Subject: Resolution of the Orange Countywide Oversight Board Approving Dissolution Request of the Successor Agency to the Dissolved Irvine Redevelopment Agency and Taking Related Actions

Recommended Action:

Adopt resolution to approve the request by the Successor Agency to the Dissolved Irvine Redevelopment Agency (the “Successor Agency”) to formally dissolve and taking related actions.

The Successor Agency’s Board of Directors (the “SA Board”) adopted its Resolution No. 24-06, on July 9, 2024, to request the Countywide Oversight Board to approve the formal dissolution of the Successor Agency.

Pursuant to Health and Safety Code (“HSC”) Section 34187(b), the Successor Agency must submit to the Countywide Oversight Board a request, with a copy to the Orange County Auditor-Controller (the “County Auditor-Controller”), to formally dissolve the Successor Agency within 30 days of meeting the following criteria (collectively, the “Dissolution Criteria”):

- (i) all enforceable obligations have been retired or paid off,
- (ii) all real property has been disposed of pursuant to HSC Section 34181 or 34191.4, and
- (iii) all outstanding litigation has been resolved.

The SA Board has made a determination that the Successor Agency has met all of the Dissolution Criteria.

Pursuant to HSC Section 34187(b), the Countywide Oversight Board must take action within 30 days to approve the Successor Agency’s request to dissolve and then submit the request to the State Department of Finance (the “DOF”). The DOF will have 30 days to approve or deny the request.

If the DOF approves the request, the Successor Agency must take the following steps within 100 days of the DOF’s approval:

- (1) dispose of all remaining assets and transfer any proceeds to the County Auditor-Controller for distribution to the affected taxing entities, and

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- (2) notify the Countywide Oversight Board that it has complied with such disposition and transfer of proceeds.

The Successor Agency reports that it has disposed of all real property, it has no remaining enforceable obligations, and is not the subject of any pending litigation. Pursuant to HSC Section 34187(f), upon receipt of notification from the Successor Agency that such transfer has been completed, the Countywide Oversight Board must verify that, with respect to the Successor Agency, all obligations have been retired or paid off, all outstanding litigation has been resolved, and all remaining assets have been disposed of with any proceeds remitted to the county auditor-controller for distribution to the affected taxing entities. Within 14 days of verification, the Countywide Oversight Board must adopt a final resolution to dissolve the Successor Agency, which will become effective immediately.

Impact on Taxing Entities:

In conjunction with the retirement and pay-off of all of the Successor Agency's enforceable obligations and the dissolution of the Successor Agency, all statutory and contractual pass-through payments relating to the project areas of the former Redevelopment Agency of the City of Irvine will cease and no further property tax will be allocated to the Successor Agency's Redevelopment Property Tax Trust Fund.

Staff Contact(s):

Janice Reyes, City of Irvine Manager of Fiscal Services

Attachments:

Attachment 1 -- Proposed Oversight Board Resolution (with Successor Agency Board Resolution No. 24-06, as Exhibit A).

RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD

RESOLUTION NO. 24-023

IN THE MATTER OF APPROVING THE REQUEST OF THE SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY TO FORMALLY DISSOLVE AND TAKING RELATED ACTIONS

WHEREAS, pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the Redevelopment Agency of the City of Irvine (the "**Former Agency**") was dissolved as of February 1, 2012, and the Successor Agency to the Dissolved Irvine Redevelopment Agency (the "**Successor Agency**") was constituted; and

WHEREAS, pursuant to Section 34179(j) of the California Health and Safety Code ("**HSC**"), commencing on and after July 1, 2018, the Orange Countywide Oversight Board (the "**Countywide Oversight Board**") has jurisdiction over the Successor Agency; and

WHEREAS, the Successor Agency is tasked with winding down the Former Agency's affairs; and

WHEREAS, pursuant to HSC Section 34187(b), the Successor Agency shall submit to the Countywide Oversight Board a request, with a copy to the Orange County Auditor-Controller (the "**County Auditor-Controller**"), to formally dissolve the Successor Agency within 30 days of meeting the following criteria (collectively, the "**Dissolution Criteria**"):

- (i) all enforceable obligations have been retired or paid off,
- (ii) all real property has been disposed of pursuant to HSC Section 34181 or 34191.4, and
- (iii) all outstanding litigation has been resolved.; and

WHEREAS, the City of Irvine (the "**City**"), Former Agency, DOF, the County of Orange (the "**County**"), and related parties were involved in litigation related to Implementation Agreement No. 1 between the Former Agency and the County, in the matter of *City of Irvine, et al. v. Cohen, et al.*, County of Sacramento Superior Court Case No. 34-2017-0800002663; and

WHEREAS, the parties settled the *Cohen* litigation pursuant to a settlement agreement in 2018 and agreed that the payment of the "County Share" as required by paragraph 3.2 of the Implementation Agreement No. 1 is an enforceable obligation and eligible for repayment from RPTTF funds, until all of the Successor Agency's enforceable obligations, other than the "County Share" and Implementation Agreement No. 2, are paid; and

WHEREAS, all other obligations of the Successor Agency have since been satisfied and paid, thereby discharging the obligation under Implementation Agreement No. 1; and

WHEREAS, the City, the County and the Former Agency are each parties to “Implementation Agreement No. 2 Between City of Irvine, Irvine Redevelopment Agency, and County of Orange” dated August 17, 2010 (“Implementation Agreement No. 2”);

WHEREAS, the Successor Agency is the successor-in-interest to the Former Agency’s obligations under Implementation Agreement No. 2; and

WHEREAS, under Section 1.2 of Implementation Agreement No. 2, the Successor Agency is obligated to pay the future cost to reconstruct, repair, or replace a reinforced concrete box located in a portion of Bee Canyon Channel at a cost of up to six hundred and fifty thousand dollars (\$650,000); and

WHEREAS, by way of that certain Satisfaction and Discharge Agreement dated June 4, 2024, the City and County agreed that the City could satisfy the Successor Agency’s obligation under Implementation Agreement No. 2 by payment of six hundred and fifty thousand dollars (\$650,000) to the County; and

WHEREAS, on June 11, 2024, the City made the six hundred and fifty thousand dollars (\$650,000) payment to the County; and

WHEREAS, all of the Successor Agency’s enforceable obligations have been retired or paid off; and

WHEREAS, the Board of Directors of the Successor Agency (the “**SA Board**”) adopted its Resolution No. _____, on July 9, 2024 (the “**SA Resolution**”), and a copy of the SA Resolution is set forth in Exhibit A; and

WHEREAS, on July 9, 2024, the SA Board found and determined that the Successor Agency has met the all of the Dissolution Criteria and requested the Countywide Oversight Board to approve the Successor Agency’s formal dissolution; and

WHEREAS, pursuant to HSC Section 34187(b), the Countywide Oversight Board shall approve the Successor Agency’s request to dissolve within 30 days and submit such request to the California State Department of Finance (the “**DOF**”); and

WHEREAS, pursuant to HSC Section 34187(e), after the DOF’s approval of the Successor Agency’s request to dissolve, the Successor Agency shall dispose of all remaining assets as directed by the Countywide Oversight Board and transfer the proceeds of such disposition to the County Auditor-Controller (the “**Final Transfer**”).

NOW, THEREFORE, BE IT RESOLVED THAT THE ORANGE COUNTYWIDE OVERSIGHT BOARD:

SECTION 1. The Recitals set forth above are incorporated into the Resolution by this reference, and constitute a material part of this Resolution.

SECTION 2. The Countywide Oversight Board hereby approves the Successor Agency's request to formally dissolve.

SECTION 3. The Clerk of the Countywide Oversight Board is hereby directed to transmit a copy of this Resolution (including Exhibit A) to the DOF.

SECTION 4. The approval of this Resolution does not commit the Countywide Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act (California Public Resources Code Section 21000 *et seq.*)

SECTION 5. If any provision of this Resolution or the application of any such provision to any person or circumstance is held valid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Countywide Oversight Board declares that the Countywide Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 6. The Clerk of the Countywide Oversight Board shall certify to the adoption of this Resolution.

EXHIBIT A

Resolution No. SA 24-06

adopted by the Board of Directors of the Successor Agency to the Dissolved Irvine
Redevelopment Agency

(Attached)

SUCCESSOR AGENCY RESOLUTION NO. 24-06

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IRVINE, CALIFORNIA, AS SUCCESSOR AGENCY TO THE DISSOLVED IRVINE REDEVELOPMENT AGENCY REQUESTING THE ORANGE COUNTYWIDE OVERSIGHT BOARD FORMALLY DISSOLVE THE SUCCESSOR AGENCY, MAKING A FINDING OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND TAKING RELATED ACTIONS

WHEREAS, pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (2011) 53 Cal.4th 231, the Redevelopment Agency of the City of Irvine (the "Former Agency") was dissolved as of February 1, 2012, and the Successor Agency to the Dissolved Irvine Redevelopment Agency (the "Successor Agency") was constituted; and

WHEREAS, pursuant to Section 34179(j) of the California Health and Safety Code ("HSC"), from and after July 1, 2018, the Orange Countywide Oversight Board (the "Oversight Board") is the oversight board for the Successor Agency; and

WHEREAS, the Successor Agency is tasked with winding down the Former Agency; and

WHEREAS, pursuant to HSC Section 34187(b), the Successor Agency shall submit to the Oversight Board a request, with a copy to the Orange County Auditor-Controller (the "County Auditor -Controller"), to formally dissolve the Successor Agency within 30 days of meeting the following criteria (collectively, the "Dissolution Criteria"):

- i) all enforceable obligations have been retired or paid off; and
- ii) all real property has been disposed of pursuant to HSC Section 34181 or 34191. 4; and
- iii) all outstanding litigation has been resolved; and

WHEREAS, the Successor Agency is not a party to any outstanding litigation; and

WHEREAS, all of the Successor Agency's real property (transferred from the Former Agency upon dissolution) has been disposed of pursuant to HSC Section 34181 or the Successor Agency's long-range property management plan ("LRPMP"), which LRPMP was approved by the California State Department of Finance (the "DOF") on December 15, 2015 per HSC Section 34191.4; and

WHEREAS, the City of Irvine (the "City"), Former Agency, DOF, the County of Orange (the "County"), and related parties were involved in litigation related to Implementation Agreement No. 1 between the Former Agency and the County, in the matter of *City of Irvine, et al. v. Cohen, et al.*, County of Sacramento Superior Court Case No. 34-2017-0800002663; and

WHEREAS, the parties settled the *Cohen* litigation pursuant to a settlement agreement in 2018 and agreed that the payment of the "County Share" as required by paragraph 3.2 of the Implementation Agreement No. 1 is an enforceable obligation and eligible for repayment from RPTTF funds, until all of the Successor Agency's enforceable obligations, other than the "County Share" and Implementation Agreement No. 2, are paid; and

WHEREAS, all other obligations of the Successor Agency have since been satisfied and paid, thereby discharging the obligation under Implementation Agreement No. 1; and

WHEREAS, the City, the County, and the Former Agency are each parties to Implementation Agreement No. 2, between the City of Irvine, Irvine Redevelopment Agency, and County of Orange, dated August 17, 2010 ("Implementation Agreement No. 2"); and

WHEREAS, the Successor Agency is the successor-in-interest to the Former Agency's obligations under Implementation Agreement No. 2; and

WHEREAS, under Section 1.2 of Implementation Agreement No. 2, the Successor Agency is obligated to pay the future cost to reconstruct, repair, or replace a reinforced concrete box located in a portion of Bee Canyon Channel at a cost of up to six hundred and fifty thousand dollars (\$650,000); and

WHEREAS, by way of that certain Satisfaction and Discharge Agreement dated June 4, 2024, the City and County agreed that the City could satisfy the Successor Agency's obligation under Implementation Agreement No. 2 by payment of six hundred and fifty thousand dollars (\$650,000) to the County; and

WHEREAS, on June 11, 2024, the City made the six hundred and fifty thousand dollars (\$650,000) payment to the County; and

WHEREAS, all of the Successor Agency's enforceable obligations have been retired or paid off; and

WHEREAS, with the Successor Agency having met the Dissolution Criteria of HSC Section 34187(b), this Board of Directors (the "Board") desires to request the Oversight Board to approve the formal dissolution of the Successor Agency; and

WHEREAS, pursuant to HSC Section 34187(b), the Oversight Board must take action within 30 days to approve the Successor Agency's request to dissolve and, after such approval, submit the request to the DOF; and

WHEREAS, pursuant to HSC Section 34187(e), after the DOF's approval of the Successor Agency's request to dissolve, the Successor Agency shall dispose of all remaining assets as directed by the Oversight Board and the proceeds of such disposition shall be transferred to the County Auditor-Controller (the "Final Transfer").

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE IRVINE REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

SECTION 1. That the above Recitals are true and correct and are incorporated herein.

SECTION 2. All necessary public hearings and opportunities for public testimony and comment have been conducted in compliance with State law.

SECTION 3. The Board of Directors hereby finds and determines that all Dissolution Criteria set forth in HSC Section 34187(b) for the Successor Agency's dissolution have been met.

SECTION 4. The Board of Directors hereby requests the Oversight Board adopt a resolution (the "OB Resolution") to: (i) approve the Successor Agency's request to formally dissolve, and (ii) submit this Resolution and the OB Resolution to the DOF in accordance with HSC Section 34187(b).

SECTION 5. If any of the conditions of formal dissolution are not satisfied, or any of the requirements set forth as part of the formal dissolution process in Section 34187(b) or any other applicable provisions in the Dissolution Law are not met by the Oversight Board or DOF, this Resolution shall be rescinded and of no force and effect, without any need for further action by the Successor Agency, and the process for final dissolution of the Successor Agency requested by this Resolutions shall immediately cease and shall not proceed, and the Successor Agency shall not be dissolved until a future request by the Successor Agency for final dissolution is submitted to the Oversight Board.

SECTION 6. The Secretary is hereby directed to cause copies of this Resolution to be submitted to: (i) the Oversight Board, and (ii) the County Auditor-Controller.

SECTION 7. The Board of Directors hereby finds and determines that the request to dissolve the Successor Agency set forth herein (and the dissolution of the Successor Agency pursuant to such request) shall constitute a change in the organization or reorganization of local governmental agencies that does not alter the geographic areas within which the powers are exercised for the purposes of the California Environmental Quality Act (California Public Resources Code Section 21000 of seq.). Therefore, such request and dissolution shall be exempt from environmental review, pursuant to Section 15320 of Title 14 of the California Code of Regulations. In addition, it can be seen with certainty that such request and the dissolution of the Successor Agency will not have a significant effect on the environment. Therefore, such request and dissolution shall be exempt from environmental review, pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations.

SECTION 8. The Executive Director of the Successor Agency is hereby authorized and directed, jointly and severally, to do any and all things, including the execution of any instruments, which he may deem necessary or advisable to effectuate this Resolution and any such actions previously taken are hereby ratified and confirmed. The authorization and direction in this section includes but is not limited to the submittal of this Resolution to the Auditor-Controller in accordance with Section 34187(b), the negotiating and executing of any additional instruments, and submittal of any documents as may be requested by the Oversight Board or DOF.

SECTION 9. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Irvine, as Successor Agency to the dissolved Irvine Redevelopment Agency, at a regular meeting held on the 9th day of July 2024.



CHAIR, SUCCESSOR AGENCY

ATTEST:



SECRETARY, SUCCESSOR AGENCY

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

I, CARL PETERSEN, Secretary to the Successor Agency, HEREBY DO CERTIFY that the foregoing resolution was duly adopted at a regular meeting of the City Council of the City of Irvine, as Successor Agency to the dissolved Irvine Redevelopment Agency, held on the 9th day of July 2024.

AYES:	5	BOARDMEMBERS:	Agran, Carroll, Kim, Treseder, and Khan
NOES:	0	BOARDMEMBERS:	None
ABSENT:	0	BOARDMEMBERS:	None
ABSTAIN:	0	BOARDMEMBERS:	None



SECRETARY, SUCCESSOR AGENCY

Actual Date	Legal Deadline
6/12/24	
7/9/24	Within 30 days of June 12, 2024 (July 12, 2024)
7/23/24	Within 30 days of July 9, 2024 (August 8, 2024)
	Within 30 days of July 23, 2024 (August 22, 2024)
	Within 100 days of DOF approval (City of Irvine is targeting September 10 to have the Successor Agency formally notify the Oversight Board that it has disposed of all assets)
	No deadline specified (It would be ideal for the verification to be completed no earlier than September 3 and no later than September 11, so the Oversight Board can take its formal dissolution vote at its regular meeting on September 17, rather than calling a special meeting)
	Within 14 days of Oversight Board verification (See note above about September 17 meeting rather than calling a special meeting)
	No deadline specified (Despite the lack of a deadline, this ought to be done promptly)

Action

Last enforceable obligation of the City of Irvine Successor Agency paid off

City of Irvine Successor Agency votes to request dissolution

HSC §34187(b)

Orange Countywide Oversight Board votes for the dissolution request and submits it to the Department of Finance

HSC §34187(b)

California Department of Finance approves or rejects dissolution request

HSC §34187(d)

City of Irvine Successor Agency must dispose of any remaining assets as directed by the Orange Countywide Oversight Board and then notifies the board of completion of disposal

HSC §34187(e)

Orange Countywide Oversight Board verifies that all City of Irvine obligations have been retired or paid off, all outstanding litigation has been resolved, and all remaining assets have been disposed of

HSC §34187(f)

Orange Countywide Oversight Board adopts resolution to formally dissolve City of Irvine Successor Agency, which will take effect immediately upon vote of the Orange Countywide Oversight Board.

HSC §34187(f)

The Orange Countywide Oversight Board transmits copies of the dissolution resolution to the City of Irvine (not the now-dissolved City of Irvine Successor Agency), Orange County Auditor-Controller, California State Controller, and California Department of Finance to officially notify these entities of the dissolution.

HSC §34187(f)

