

**The City of Garden Grove as Successor Agency to the  
Garden Grove Agency for Community Development**

**INTER-DEPARTMENT MEMORANDUM**

To: Allan Roeder  
Dept: Interim Director  
Subject: ADOPTION OF A RESOLUTION  
APPROVING THE RECOGNIZED  
OBLIGATION PAYMENT SCHEDULE  
AND ADMINISTRATIVE BUDGET

From: Kingsley Okereke  
Dept. Finance  
Date: February 24, 2015

OBJECTIVE

The purpose of this report is to request that the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency") adopt a Resolution approving the Recognized Obligation Payment Schedule ("ROPS") and Administrative Budget pursuant to Section 34177 of the Health and Safety Code, and transmit said ROPS and Administrative Budget to the Oversight Board for approval.

BACKGROUND/ANALYSIS

Staff has prepared for the Successor Agency's consideration and approval, the ROPS for the period covering July 1, 2015 through December 31, 2015 and the 2015-16 fiscal year Administrative Budget totaling \$587,609 (Attached). The attached Successor Agency Resolution approves the ROPS in the gross amount of \$14,209,971 (\$10,688,126 requested from the Redevelopment Property Tax Trust Fund) and the Administrative Budget, and authorizes their transmittal to the Oversight Board, the County Auditor-Controller, the Department of Finance, and the State Controller's Office.

FINANCIAL IMPACT

None.

RECOMMENDATION

Staff recommends that the Successor Agency:

- Adopt a Resolution approving the Recognized Obligation Payment Schedule and Administrative Budget pursuant to Section 34177 of the Health and Safety Code; and

RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE  
BUDGET

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- Transmit the approved ROPS and Administrative Budget to the Oversight Board for approval.



KINGSLEY OKEREKE  
Assistant City Manager



Jim DellaLonga  
Senior Project Manager

Attachment 1: Successor Agency Resolution  
Recognized Obligation Payment Schedule  
Administrative Budget

Recommended for Approval



Allan L. Roeder  
Interim Director

RESOLUTION NO. \_\_\_\_

**A RESOLUTION OF THE CITY OF GARDEN GROVE AS SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND ADMINISTRATIVE BUDGET; AND AUTHORIZING CERTAIN OTHER ACTIONS PURSUANT TO HEALTH & SAFETY CODE SECTION 34177**

**WHEREAS**, the Garden Grove Agency for Community Development (“Former Agency”) was established as a community redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Sections 33000, *et seq.* (“CRL”), and previously authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council (“City Council”) of the City of Garden Grove (“City”); and

**WHEREAS**, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which laws mandate the dissolution and wind down of all redevelopment agencies (“Dissolution Act”); and

**WHEREAS**, on December 29, 2011, in the petition *California Redevelopment Association v. Matosantos*, Case No. S194861, the California Supreme Court upheld the Dissolution Act and thereby all redevelopment agencies in California were dissolved as of and on February 1, 2012 under the dates in the Dissolution Act that were reformed and extended thereby (“Supreme Court Decision”); and

**WHEREAS**, Assembly Bill 1484 (“AB 1484”) enacted on June 27, 2012, made certain amendments to the Dissolution Act, including with respect to the process for adopting Recognized Obligation Payment Schedules; and

**WHEREAS**, the Former Agency is now a dissolved community redevelopment agency pursuant to the Dissolution Act; and

**WHEREAS**, by a resolution considered and approved by the City Council at an open public meeting the City chose to become and serve as the Successor Agency to the dissolved Former Agency under the Dissolution Act; and

**WHEREAS**, as of and on and after February 1, 2012, the City serves as the Successor Agency performing its functions as the successor agency under the Dissolution Act to administer the enforceable obligations of the Former Agency and otherwise unwind the Former Agency’s affairs, all subject to the review and approval by a seven-member Oversight Board formed thereunder; and

**WHEREAS**, under Part 1.8 of the Dissolution Act, the Former Agency prior to its dissolution adopted an original and an amended Enforceable Obligation Payment Schedule (“EOPS”) and authorized the Director and/or Finance Director or their authorized designee to augment or modify the EOPS to the City (in its capacity as Successor Agency) and to the County Auditor-Controller, the Department of Finance and the State Controller’s Office; and

**WHEREAS**, under Part 1.8 of the Dissolution Act, the Former Agency prior to its dissolution adopted an Initial Recognized Obligation Payment Schedule ("IROPS") and authorized the Director and/or Finance Director or their authorized designee to augment or modify the IOPS to the City (in its capacity as Successor Agency) and to the County Auditor-Controller, the Department of Finance and the State Controller's Office; and

**WHEREAS**, pursuant to Section 34171(h) of the Dissolution Act, a "Recognized Obligation Payment Schedule" means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period as provided in subdivisions (l) and (m) of Section 34177; and

**WHEREAS**, pursuant to subdivisions (l) and (m) of Section 34177 of the Dissolution Act, the Successor Agency has prepared its Recognized Obligation Payment Schedule ("ROPS") in the amount of \$14,209,971 for the period covering July 1, 2015 through December 31, 2015, in the form attached to this Resolution as Attachment No. 1 and incorporated herein by this reference; and

**WHEREAS**, pursuant to subdivision (j) of Section 34177 of the Dissolution Act, the Successor Agency has prepared its Administrative Budget for the period covering July 1, 2015, through June 30, 2016, ("Administrative Budget") in the amount of \$587,609, in the form attached to this Resolution as Attachment No. 2 and incorporated herein by this reference; and

**WHEREAS**, by this Resolution, pursuant to Section 34177(l)(2)(B) of the Dissolution Act, as amended by AB 1484, the City serving as and on behalf of the Successor Agency, approves the ROPS and the Administrative Budget and authorizes the transmittal of the ROPS and the Administrative Budget to the Oversight Board and concurrently to the County Administrative Officer, the County Auditor-Controller, and the State Department of Finance; and

**WHEREAS**, pursuant to Section 34177(l)(2)(C) of the Dissolution Act, a copy of the ROPS, upon approval by the Oversight Board, is submitted to the State Controller's Office and the Department of Finance and is to be posted on the Successor Agency's Internet Web site.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF GARDEN GROVE AS THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT:**

Section 1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part hereof.

Section 2. The ROPS and the Administrative Budget are approved together with such augmentation, modification, additions or revisions as the Director and/or the Finance Director or their authorized designees may make thereto.

Section 3. The Director or his authorized designees on behalf of the Successor Agency shall cause the ROPS and the Administrative Budget to be transmitted to the Oversight Board and to be transmitted to the County Auditor-Controller, the State

Controller's Office, and the Department of Finance; further, upon approval by the Oversight Board, the Director or his authorized designees on behalf of the Successor Agency shall cause the ROPS to be posted on the Successor Agency's website.

Section 4. This Resolution shall be effective immediately upon adoption.

Section 5. The City Clerk on behalf of the Successor Agency shall certify to the adoption of this Resolution.

**APPROVED AND ADOPTED** this 24<sup>th</sup> day of February 2015.

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

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

Name of Successor Agency: Garden Grove  
 Name of County: Orange

<b>Current Period Requested Funding for Outstanding Debt or Obligation</b>		<b>Six-Month Total</b>
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding</b>		
<b>A Sources (B+C+D):</b>		<b>\$ 3,521,845</b>
B Bond Proceeds Funding (ROPS Detail)		-
C Reserve Balance Funding (ROPS Detail)		-
D Other Funding (ROPS Detail)		3,521,845
<b>E Enforceable Obligations Funded with RPTTF Funding (F+G):</b>		<b>\$ 10,688,126</b>
F Non-Administrative Costs (ROPS Detail)		10,688,126
G Administrative Costs (ROPS Detail)		-
<b>H Current Period Enforceable Obligations (A+E):</b>		<b>\$ 14,209,971</b>

<b>Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>		
I Enforceable Obligations funded with RPTTF (E):		10,688,126
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)		(3)
<b>K Adjusted Current Period RPTTF Requested Funding (I+J)</b>		<b>\$ 10,688,123</b>

<b>County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>		
L Enforceable Obligations funded with RPTTF (E):		10,688,126
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)		-
<b>N Adjusted Current Period RPTTF Requested Funding (L-M)</b>		<b>10,688,126</b>

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

\_\_\_\_\_  
 Name  
 /s/ Signature  
 \_\_\_\_\_  
 Title  
 \_\_\_\_\_  
 Date







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

(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [https://rad.dof.ca.gov/rad-sa/pdf/Cash\\_Balance\\_Agency\\_Tips\\_Sheet.pdf](https://rad.dof.ca.gov/rad-sa/pdf/Cash_Balance_Agency_Tips_Sheet.pdf).

A	B	C	D	E	F	G	H	I				
									Fund Sources			
									Bond Proceeds	Reserve Balance	Other	RPTTF
Bonds Issued on or before 12/31/10	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin								
<b>Cash Balance Information by ROPS Period</b>												
<b>ROPS 14-15A Actuals (07/01/14 - 12/31/14)</b>												
1	Beginning Available Cash Balance (Actual 07/01/14)	4,772,063	-	244,399	1,074,860	22,772	1,490,654	F1 reduced by \$2,000. H1 reduced by \$7,000. F1 is now \$1,074,860. H1 is now \$1,490,654.				
2	Revenue/Income (Actual 12/31/14) RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014		42,836,664			253,694	9,506,070					
3	Expenditures for ROPS 14-15A Enforceable Obligations (Actual 12/31/14) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q	4,596,546	38,955,224		1,074,860	139,174	10,606,010					
4	Retention of Available Cash Balance (Actual 12/31/14) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	175,517	3,881,440									
5	ROPS 14-15A RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15A PPA in the Report of PPA, Column S			No entry required				3				
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	-	-	-	-	-	-	-	390,711			
<b>ROPS 14-15B Estimate (01/01/15 - 06/30/15)</b>												
7	Beginning Available Cash Balance (Actual 01/01/15) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	-	-	-	-	-	-	-	-			
8	Revenue/Income (Estimate 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015	175,517	3,881,440	244,399	-	137,292	390,714	G8: Includes \$3M line items 33 and 34 land sale proceeds.				
9	Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 06/30/15)			244,399		3,443,495	9,965,020					
10	Retention of Available Cash Balance (Estimate 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	175,517	3,881,440			3,580,767	10,355,734					
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	-	-	-	-	-	-	-	-			



**Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Prior Period Adjustments**  
 Reported for the ROPS 14-15A (July 1, 2014 through December 31, 2014) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
Item #	Project Name / Debt Obligation	Bond Proceeds		Reserve Balance		Other Funds		Non-Admin					Admin					Net SA Non-Admin and Admin PPA (Amount Used to Offset for SA Reported RPTTF)
		Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Net Lesser of Authorized / Available	Available (ROPS 14-15A distributed + all other available as of 07/1/14)	Net Lesser of Authorized / Available	Difference (If K is less than L, the difference is zero)	Authorized	Available (ROPS 14-15A distributed + all other available as of 07/1/14)	Net Lesser of Authorized / Available	Difference (If total amount exceeds total authorized, the total difference is zero)		
1	2008 Tax Abatement	-	-	1,074,860	1,074,860	151,951	139,174	11,414,193	10,293,528	10,293,528	10,293,528	-	342,485	342,485	342,485	-	3	
2	2008 Tax Abatement	-	-	1,074,860	1,074,860	151,951	139,174	11,414,193	10,293,528	10,293,528	10,293,528	-	342,485	342,485	342,485	-	3	
3	Residence Inn DDA	-	-	-	-	-	-	200,000	200,000	200,000	200,000	-	-	-	-	-	-	
4	Shenandoah Hotel	-	-	-	-	-	-	200,000	200,000	200,000	200,000	-	-	-	-	-	-	
5	City of Newark Cam	-	-	-	-	-	-	300,000	300,000	300,000	300,000	-	-	-	-	-	-	
6	Katella Cottages	-	-	-	-	-	-	30,000	30,000	30,000	30,000	-	-	-	-	-	-	
7	Adelia Cottages	-	-	-	-	-	-	130,400	130,400	130,400	130,400	-	-	-	-	-	-	
8	Appellate Mills	-	-	-	-	-	-	44,139	44,139	44,139	44,139	-	-	-	-	-	-	
9	Market Vistas	-	-	-	-	26,861	26,861	-	-	-	-	-	-	-	-	-	-	
10	GG Center Building	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Lucas Center	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Lucas Center	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13	Lucas Center	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	Urban Bank Loan	-	-	-	-	-	-	2,200,000	2,200,000	2,200,000	2,200,000	-	-	-	-	-	-	
15	Enterprise Street	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	Sycamore Walk	-	-	-	-	-	-	11,500	11,500	11,500	11,500	-	-	-	-	-	-	
17	DDA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18	DDA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	Waterpark Hotel	-	-	-	-	-	-	2,000,000	2,000,000	2,000,000	2,000,000	-	-	-	-	-	-	
20	DDA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
21	DDA	-	-	-	-	-	-	250,000	250,000	250,000	250,000	-	-	-	-	-	-	
22	Brookhurst Triangle	-	-	-	-	-	-	43,000	43,000	43,000	43,000	-	-	-	-	-	-	
23	Project Management for Reservoir #19 - Water Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24	Project Management for Reservoir #19 - Water Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
25	Project Legal for Item 20 - Site B2	-	-	-	-	-	-	100,000	100,000	100,000	100,000	-	-	-	-	-	-	
26	Project Legal for Item 19-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
27	County Administration	-	-	-	-	125,000	112,213	-	-	-	-	-	-	-	-	-	-	
28	County Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
29	County Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
30	County Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
31	County Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
32	County Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
33	County Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
34	County Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
35	County Administration	-	-	-	-	-	-	300,000	300,000	300,000	300,000	-	-	-	-	-	-	
36	County Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
37	County Administration	-	-	-	-	-	-	43,000	29,536	29,536	29,536	-	-	-	-	-	-	
38	County Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
39	County Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

ROPS 14-15A Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 14-15A (July through December 2014) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 15-16A (July through December 2015) period will be offset by the SA's self-reported ROPS 14-15A prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.



**Compatibility Report for Garden Grove\_ROPS\_15-16A.xls**  
**Run on 1/26/2015 8:54**

The following features in this workbook are not supported by earlier versions of Excel. These features may be lost or degraded when opening this workbook in an earlier version of Excel or if you save this workbook in an earlier file format.

**Significant loss of functionality**

**# of occurrences**

**Version**

One or more cells in this workbook contain data validation rules which refer to values on other worksheets. These data validation rules will not be saved.	3	Excel 97-2003
	<u>ROPS</u>	
	<u>Detail!J7:J600</u>	
	<u>ROPS</u>	
	<u>Detail!C7:C600</u>	

Successor Agency  
2015-16 Administrative Budget

	<b>FY15-16</b>
Administrative Labor:	
Finance (Accounting)	108,008.00
Administration	16,575.00
Economic Development	<u>351,268.00</u>
<b>Total Labor</b>	<u>475,851.00</u>
Administrative Contractuals:	
ISF Allocation	11,758.00
Econ Dev - Community Project	100,000.00
Econ Dev - Bond Costs	-
<b>Total Contractual Services</b>	<u>111,758.00</u>
<b>Total Administrative Budget</b>	<u><u>587,609.00</u></u>