

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

*Garden Grove Agency for Community Development*

To: Matthew Fertal From: Chet Yoshizaki  
Dept: Director Dept: Economic Development  
Subject: FY 2009-10 AGENCY BUDGET Date: June 9, 2009

OBJECTIVE

The purpose of this report is to request that the Garden Grove Agency for Community Development (Agency) review and approve the attached Agency Budget for FY 2009-10.

BACKGROUND

Section 33606 of the California Health and Safety Code requires that the Agency adopt an annual budget, which identifies anticipated revenues, proposed expenditures, anticipated indebtedness to be incurred by the Agency, and a work plan for the fiscal year under consideration.

ANALYSIS

The Agency has worked toward completion of all of the goals established in the work program for the 2008-09 fiscal year. The Agency has continued redevelopment efforts along Harbor Boulevard, the Community Project Area, the Brookhurst Triangle and the Central Hub. Activities were undertaken to enhance neighborhood preservation and improve and increase the community's supply of low to moderate Income housing.

As required by Section 33606, the attached budget includes the following work program for FY 2009-10.

FISCAL YEAR 2009-10 MAJOR PROGRAM OBJECTIVES

The purpose of the Agency is to enhance and promote economic development of all segments of the community through preservation, revitalization and development of existing and new facilities. The function of the Agency is to implement the Amended Redevelopment Plan for the Garden Grove Community Project Area; to implement the redevelopment plan for the Buena-Clinton Project Area; contribute toward the implementation of the City Vision Statement, Guiding Principles and Strategic Goals as outlined in the Strategic Plan, adopted in 2005; and implement the Economic Development

Strategy, adopted in 2008. The following program objectives have been identified:

*Economic Development*

- Develop site plans and entitlements for the medium/high density commercial and residential mixed-use project for the Brookhurst Triangle, located at Brookhurst Street and Garden Grove Boulevard.
- Negotiate and implement a Disposition and Development Agreement with McWhinney (Garden Grove MXD, LLC) for the Central Hub located on the west side of Harbor Boulevard, north of Garden Grove Boulevard.
- Continue to implement the Harbor Boulevard Master Plan, along with the promotion and marketing of International West. The Agency envisions an entertainment district that will draw local residents and tourists to create a unique, exciting, urban entertainment node of hotels, restaurants, retail and themed attractions. Explore housing opportunities that may complement uses in the master plan.
- Assist in the development of new hotels and expansion of existing hotels in the International West Area, with focus on the implementation of the Embassy Suites expansion and Springhill Suites, and Site C (east side of Harbor Boulevard).
- Continue to market redevelopment sites within the Community Project Area.
- Continue exploring development opportunities for the Century Triangle, located at Century and Garden Grove Boulevard.
- Continue exploring development opportunities for the Civic Center area.
- Continue to implement the Disposition and Development Agreement with Kam Sang Company, for the development of a second hotel on the west side of Harbor Boulevard, immediately south of the new Sheraton Hotel.
- Continue to assist in marketing the Pavilion Plaza properties and pursue negotiations to renovate and expand the center.
- Continue the implementation of the Business Outreach and Retention Programs (i.e., Garden Grove Salutes, Business Visitation/Link, Business Breakfasts, Business Beautification, Training Seminars, etc.). Continue the marketing efforts to attract new sales tax generators and point of sale businesses.
- Implement priorities identified in the Economic Development Strategy.

Neighborhood Improvement

- Continue the soil remediation of the development site and implement the Olson Company project to provide for the completion of 12 single-family units on the south side of Garden Grove Boulevard between Harbor Boulevard and Rockinghorse Road.
- Continue to fund senior citizen accessibility improvement grant programs that are available throughout the City.
- Continue to fund mobile-home rehabilitation grant programs that are available throughout the City.
- Continue to fund programs that encourage maintenance and improvement of owner-occupied housing in neighborhoods throughout the community.
- Continue to fund grant programs that provide assistance to first-time homebuyers.

The FY 2009-10 budget for the Agency contains a wide breadth of projects and programs that will enhance the economic viability of the City and provide diverse community services and private facilities, enhancing the quality of life for Garden Grove residents.

FINANCIAL IMPACT

Total funding, which includes the Community Project Redevelopment Fund, Community Project Debt Service Fund, Buena-Clinton Redevelopment Fund, Buena Clinton Debt Service Fund, Housing Set-Aside Fund, Union Bank of California Interim Loan Fund and 2008 Katella Note Fund is \$38,002,768.

COMMUNITY VISION IMPLEMENTATION

If approved, this will meet the Community Vision in the following ways:

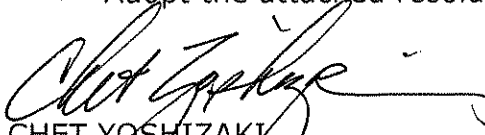
- Seek to improve the shopping, dining and entertainment opportunities available to the Garden Grove Community.
- Improve the City's economic base through the development of tax-generating uses where appropriate.
- Improve the aesthetics of the community and eliminate blighting influences.


- Ensure that development does not undermine the traditional "hometown feel" of the community.

RECOMMENDATION

Staff recommends that the Agency:

- Approve the FY 2009-10 Agency Budget; and,
- Adopt the attached resolution.

  
CHET YOSHIKAZAKI  
Economic Development Director

  
By: Stacy Margolin  
Administrative Analyst

Approved for Agenda Listing

  
Matthew Ferial  
Director

Attachment 1: Agency Budget  
Attachment 2: Resolution

FISCAL YEAR 09-10  
PROPOSED BUDGET

AGENCY FOR COMMUNITY DEVELOPMENT

CITY OF GARDEN GROVE

CITY OF GARDEN GROVE  
 GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT  
 2009-10 FISCAL YEAR ADOPTED BUDGET ANALYSIS (\$000)

	Housing Set Aside	Community * Project Area	Buena Clinton Area	Total Adopted Budget
<u>Funds Available:</u>				
Reserves and Ending Balances	\$ 2,577.5	\$ 4,025.3	\$ 0.0	\$ 6,602.8
Operating Revenues	5,870.0	22,755.0	575.0	29,200.0
Agency Short Term Loan	0.0	0.0	0.0	0.0
Transfer From T.O.T. Sharing Fund	0.0	2,200.0	0.0	2,200.0
<b>Total Funds Available</b>	<b>\$ 8,447.5</b>	<b>\$ 28,980.3</b>	<b>\$ 575.0</b>	<b>\$ 38,002.8</b>
<u>Less: Operating Expenditures:</u>				
General Operations (Schedule 1)	(1,648.8)	(3,204.5)	(157.8)	(5,011.1)
Indirect Overhead (Schedule 1)	(198.2)	(1,626.9)	(13.5)	(1,838.6)
Agency Reimbursement & Loan Repayment Agreements (Schedule 1)	0.0	(558.2)	0.0	(558.2)
Debt Service (Schedule 1)	0.0	(7,674.7)	0.0	(7,674.7)
Neighborhood Improvements (Schedule 1)	(660.0)	0.0	0.0	(660.0)
Pass-Thru Agreements/Rebate/Leased Buildings (Schedule 1)	(145.0)	(11,664.1)	0.0	(11,809.1)
<b>Total Operating Expenditures</b>	<b>(2,652.0)</b>	<b>(24,728.4)</b>	<b>(171.3)</b>	<b>(27,551.7)</b>
<b>Amount Available For Projects</b>	<b>5,795.5</b>	<b>4,251.9</b>	<b>403.7</b>	<b>10,451.1</b>
<b>Less: Agency Development Projects (Schedule 2)</b>	<b>(5,795.5)</b>	<b>(4,251.9)</b>	<b>(403.7)</b>	<b>(10,451.1)</b>
<b>Total Projects</b>	<b>(5,795.5)</b>	<b>(4,251.9)</b>	<b>(403.7)</b>	<b>(10,451.1)</b>
<b>Net Amount Available</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>

\* Includes RDA UBOC Interim Loan and 2008 Katella Note

SCHEDULE 1  
ANALYSIS OF AGENCY ADOPTED OPERATING PACKAGES (\$000)  
FY 2009-10

Package No.	Description	Adopted Budget
	Agency General Operations	
0010	Agency Board	\$ 5.9
0020	Management	149.3
0021	Operations	9.3
0022	Manager Projects	0.5
0027	Employee Development	2.8
0030	Real Property	207.9
0053	Reprographics	4.0
0060	Public Information	19.3
1020	General Accounting	17.1
1021	Financial Planning	10.3
2000	Community Development Management	170.0
2500	Community Project	2,020.3
2501	Buena-Clinton Project	15.0
2503	Agency Real Property	315.0
2504	Tax Sharing Agreements	1,725.0
2505	Agency Planning	324.9
2507	Tax Rebate	20.0
2511	Business Retention	64.1
2512	Garden Grove Center	615.9
2513	Coastline	320.1
2514	Marriott Suites Rebate	300.0
2515	Hampton Rebate	362.6
2516	Hilton Rebate	338.6
2520	Gilbert Street Development	43.0
2521	Boise Rebate	1,301.6
2522	Residence Inn Rebate	1,310.0
2523	Hyatt Rebate	1,780.2
2524	Kelswan Rebate	31.5
2526	Katella Cottages	185.4
2527	Augustine LTD	89.0
2528	GGUSD Capital Facilities	2,780.0
2531	Sheraton Rebate	550.0
2535	Civic Center Property Management	350.0
2701	Set Aside Administration	826.2
2810	Mobile Home Rehabilitation	150.0
2813	Home Improvement Loans	75.0
2817	Housing Authority Lease Payment	145.0
2850	Bertram Partners	60.0
2854	Single Family Rehabilitation	250.0
2859	Senior Home Improvement Grants	125.0
3115	Graffiti Removal	45.1
3311	Agency Custodial	50.6
6765	Focus Neighborhood Unit	142.8
6770	Neighborhood Compliance	260.9
	Subtotal General Operations	<u>\$ 17,569.2</u>

SCHEDULE 1  
 ANALYSIS OF AGENCY ADOPTED OPERATING PACKAGES (\$000)  
 FY 2009-10  
 (Continued)

Package No.	Description	Adopted Budget
	Agency General Operations	
2500	Community Project Indirect Service Charge	<u>1,626.9</u>
2501	Buena-Clinton Project Indirect Service Charge	<u>13.5</u>
2502	Agency Debt Service	<u>6,013.1</u>
2508	Inter-City Loans	<u>558.2</u>
2545	C.O.P. Debt	<u>1,562.6</u>
2546	C.O.P. Administration/Bond Costs	<u>5.0</u>
2547	2003 Refund Bond Expense	<u>5.0</u>
2701	Set Aside Administration Indirect Service Charge	<u>198.2</u>
	TOTAL OPERATING COSTS	<u>\$ 27,551.7</u>



SCHEDULE 2

CITY OF GARDEN GROVE  
GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT  
FY 2009-10 ADOPTED PROJECTS (\$000)

<u>AGENCY</u>	<u>AMOUNT</u>
Olson/Rockinghorse	\$ 337.4
Project B2 Harbor/Twintree	2,010.0
Brookhurst Triangle	300.0
Central Hub	4,800.0
Century Triangle	2,000.0
Sweet Homes Development	600.0
Buena Clinton	403.7
TOTAL AGENCY	<u>\$ 10,451.1</u>



GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

RESOLUTION NO.

A RESOLUTION OF THE GARDEN GROVE AGENCY FOR  
COMMUNITY DEVELOPMENT ADOPTING AN ANNUAL BUDGET  
FOR FISCAL YEAR 2009-10

WHEREAS, the Garden Grove Agency for Community Development has given careful consideration to the adoption of the budget for Fiscal Year 2009-10;

NOW, THEREFORE, BE IT RESOLVED that the Director is hereby authorized to expend in accordance with Section 33606 of the Health and Safety Code of the State of California on behalf of the Garden Grove Agency for Community Development an amount of \$38,002,768 from new appropriations and reserved fund balances for the planned activities shown below:

Expenditures

General Operations	\$ 23,203,950
Bonded Debt Service	4,347,763
Projects	<u>10,451,055</u>
Total Expenditures	\$ 38,002,768

BE IT FURTHER RESOLVED that the total of \$38,002,768 which the Director is authorized to expend in accordance with the laws of the State of California shall be appropriated from the following funds of the Agency for the Fiscal Year 2009-10.

Funding

Community Project Redevelopment Fund*	\$ 22,962,237
Community Project Debt Service Fund	4,347,763
Redevelopment Buena-Clinton	25,000
Buena-Clinton Special Fund	550,000
Housing Set Aside	8,447,468
Redev. Union Bank of California Interim Loan	1,491,200
2008 Katella Note	<u>179,100</u>
Total Funding	\$ 38,002,768

\* Transfer In The Community Project  
Redevelopment Fund:

Transient Occupancy Tax Sharing Fund To Community Project Redevelopment Fund	\$ 2,200,000
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