

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

Garden Grove Agency for Community Development

To: Matthew Fertal
Dept: Director
Subject: FY 2010-11 AGENCY BUDGET

From: Chet Yoshizaki
Dept: Economic Development
Date: June 22, 2010

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 2010-11.

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 fiscal year 2009-10. 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 2010-11.

FISCAL YEAR 2010-11 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; and implement the Economic Development Strategy, adopted in 2008 and the Five Year Implementation Plan for 2010-2015. The following program objectives have been identified:

Economic Development

- Continue to implement the Disposition and Development Agreement with McWhinney (Garden Grove, MXD LLC) for a waterpark hotel located on the west side of Harbor Boulevard, north of Garden Grove Boulevard.
- Continue to market a medium/high density commercial and residential mixed-use project to potential developers for the Brookhurst Triangle, located at Brookhurst Street and Garden Grove Boulevard.
- Continue to implement the Disposition and Development Agreement with Century Village Group (Brandywine) for the development of 53 townhomes on 2.67 acres within the Century Triangle site, located at Century Boulevard and 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 Civic Center area.
- Continue to assist in marketing the Pavilion Plaza properties and pursue negotiations to renovate and expand the center.
- Continue to assist the City by identifying potential sites and facilitating acquisitions for a new fire facility.
- Continue the implementation of the Business Outreach and Retention Programs (i.e., Garden Grove Salutes, Business Visitation/Link, Business Breakfasts, Business Beautification, Training Seminars, Business Spotlight, etc.). Continue the marketing efforts to attract new sales tax generators and point of sale businesses.
- Continue to implement priorities identified in the Economic Development Strategy.

- Continue to acquire real property along the northeast corner of Twintree Lane and Harbor Boulevard for future hotel development.

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 2010-11 Agency Budget 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 \$38,466,200.

RECOMMENDATION

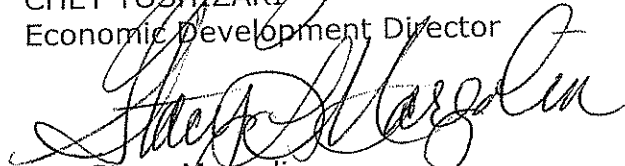
Staff recommends that the Agency:

- Approve the FY 2010-11 Agency Budget; and,
- Adopt the attached Resolution.

[SIGNATURE ON NEXT PAGE]



CHET YOSHIKAZI
Economic Development Director



By: Stacy Margolin
Administrative Analyst

Attachment 1: Agency Budget
Attachment 2: Resolution

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Approved for Agenda Listing



Matthew Fertal
Director

FISCAL YEAR 10-11

PROPOSED BUDGET

AGENCY FOR COMMUNITY DEVELOPMENT

CITY OF GARDEN GROVE

CITY OF GARDEN GROVE
 GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT
 2010-11 FISCAL YEAR PROPOSED BUDGET ANALYSIS (\$000)

	Housing Set Aside	Community * Project Area	Buena Clinton Area	Total Adopted Budget
<u>Funds Available:</u>				
Reserves and Ending Balances	\$ 4,600.0	\$ 1,491.2	\$ 0.0	\$ 6,091.2
Operating Revenues	6,315.3	24,054.7	465.0	30,835.0
Agency Short Term Loan	0.0	0.0	0.0	0.0
Transfer From T.O.T. Sharing Fund	0.0	1,540.0	0.0	1,540.0
Transfer For SERAF Payment	<u>(1,626.3)</u>	<u>1,626.3</u>	<u>0.0</u>	<u>0.0</u>
 Total Funds Available	 \$ 9,289.0	 \$ 28,712.2	 \$ 465.0	 \$ 38,466.2
<u>Less: Operating Expenditures:</u>				
General Operations (Schedule 1)	(1,612.6)	(3,313.0)	(170.7)	(5,096.3)
Indirect Overhead (Schedule 1)	(191.4)	(1,696.2)	(12.7)	(1,900.3)
Agency Reimbursement & Loan Repayment Agreements (Schedule 1)	0.0	(574.0)	0.0	(574.0)
Debt Service (Schedule 1)	0.0	(7,664.3)	0.0	(7,664.3)
Neighborhood Improvements (Schedule 1)	(560.0)	0.0	0.0	(560.0)
Pass-Thru Agreements/Rebate/Leased Buildings (Schedule 1)	(145.0)	(10,201.8)	0.0	(10,346.8)
SERAF Payment - State	<u>0.0</u>	<u>(1,626.3)</u>	<u>0.0</u>	<u>(1,626.3)</u>
 Total Operating Expenditures	 (2,509.0)	 (25,075.6)	 (183.4)	 (27,768.0)
 Amount Available For Projects	 <u>6,780.0</u>	 <u>3,636.6</u>	 <u>281.6</u>	 <u>10,698.2</u>
 Less: Agency Development Projects (Schedule 2)	 <u>(6,780.0)</u>	 <u>(3,636.6)</u>	 <u>(281.6)</u>	 <u>(10,698.2)</u>
 Total Projects	 (6,780.0)	 (3,636.6)	 (281.6)	 (10,698.2)
 Net Amount Available	 <u>\$ 0.0</u>	 <u>\$ 0.0</u>	 <u>\$ 0.0</u>	 <u>\$ 0.0</u>

* Includes RDA UBOC Interim Loan and 2008 Katella Note

SCHEDULE 1
ANALYSIS OF AGENCY PROPOSED OPERATING PACKAGES (\$000)
FY 2010-11

Package No.	Description	Proposed Budget
	Agency General Operations	
0010	Agency Board	\$ 5.9
0020	Management	149.3
0021	Operations	9.3
0022	Manager Projects	0.5
0023	Research/Legislation	31.0
0027	Employee Development	2.8
0030	Real Property	212.4
0053	Reprographics	4.0
1020	General Accounting	26.2
1021	Financial Planning	11.4
2000	Community Development Management	165.1
2500	Community Project	2,024.5
2503	Agency Real Property	215.0
2504	Tax Sharing Agreements	2,083.0
2505	Agency Planning	232.6
2506	State SERAF Payment	1,626.3
2511	Business Retention	64.1
2512	Garden Grove Center	615.0
2513	Coastline	320.8
2520	Gilbert Street Development	43.8
2521	Boise Rebate	900.0
2522	Residence Inn Rebate	1,490.0
2523	Hyatt Rebate	1,900.0
2525	Garden Grove Hyundai	150.0
2526	Katella Cottages	175.0
2527	Augustine LTD	89.0
2528	GGUSD Capital Facilities	2,345.0
2531	Sheraton Rebate	500.0
2535	Civic Center Property Management	350.0
2701	Set Aside Administration	726.7
2736	Buena-Clinton Family Resource Center	27.9
2810	Mobile Home Rehabilitation	150.0
2817	Housing Authority Lease Payment	145.0
2850	Bertram Partners	60.0
2854	Single Family Rehabilitation	250.0
2859	Senior Home Improvement Grants	100.0
3115	Graffiti Removal	48.6
3311	Agency Custodial	50.6
6765	Focus Neighborhood Unit	142.8
6770	Neighborhood Compliance	274.8
	Subtotal General Operations	<u>\$ 17,718.4</u>

SCHEDULE 1
ANALYSIS OF AGENCY PROPOSED OPERATING PACKAGES (\$000)
FY 2010-11
(Continued)

Package No.	Description	Proposed Budget
	Agency General Operations	
2500	Community Project Indirect Service Charge	<u>1,696.2</u>
2501	Buena-Clinton Project Indirect Service Charge	<u>12.7</u>
2502	Agency Debt Service	<u>6,008.9</u>
2508	Inter-City Loans	<u>574.1</u>
2545	C.O.P. Debt	<u>1,556.3</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>191.4</u>
	TOTAL OPERATING COSTS	<u>\$ 27,768.0</u>

SCHEDULE 2

CITY OF GARDEN GROVE
GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT
FY 2010-11 PROPOSED PROJECTS (\$000)

<u>AGENCY</u>	<u>Proposed Budget</u>
Former Black Angus Site	\$ 696.0
Olson/Rockinghorse	250.0
Site C/Harbor Blvd.	1,140.6
Central Hub	6,330.0
Century Triangle	2,000.0
Buena Clinton	<u>281.6</u>
 TOTAL AGENCY	 <u>\$ 10,698.2</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 2010-11

WHEREAS, the Garden Grove Agency for Community Development has given careful consideration to the adoption of the budget for Fiscal Year 2010-11;

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 \$38,466,200 from new appropriations and reserved fund balances for the planned activities shown below:

Expenditures

General Operations	\$ 23,425,578
Bonded Debt Service	4,342,388
Projects	<u>10,698,234</u>
Total Expenditures	\$ 38,466,200

BE IT FURTHER RESOLVED that the total of \$38,466,200 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 2010-11.

Funding

Community Project Redevelopment Fund*	\$ 22,698,227
Community Project Debt Service Fund	4,342,388
Redevelopment Buena-Clinton	25,000
Buena-Clinton Special Fund	440,000
Housing Set Aside	9,289,035
Redev. Union Bank of California Interim Loan	1,491,200
2008 Katella Note	<u>180,350</u>
Total Funding	\$ 38,466,200

* Transfers In The Community Project
Redevelopment Fund:

(a) Transient Occupancy Tax Sharing Fund To Community Project Redevelopment Fund	\$ 1,540,000
(b) Housing Set-Aside Fund to Community Project Redevelopment Fund for SERAF Payment (Loan)	\$ 1,626,274
(c) Community Project Redevelopment Fund to 2008 Katella Note	\$ 180,350