

## City of Garden Grove

# INTER-DEPARTMENT MEMORANDUM

**Garden Grove Agency for Community Development**

To: Matthew Fertal    From: Economic Development  
Dept: Director  
Subject: FY 2011-12 AGENCY BUDGET              Date: June 28, 2011

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## 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 2011-12.

## 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 2010-11. 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 2011-12.

### FISCAL YEAR 2011-12 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 implement the Disposition and Development Agreement with Kam Sang Company (New Age Brookhurst, LLC) for a medium/high density commercial and residential mixed-use project for the Brookhurst Triangle, located at the northwest corner of 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.
- Implement the Disposition and Development Agreement with Sweet Homes Development, LLC for the development of a medium density commercial and residential mixed-use project located on the north side of Garden Grove Boulevard, east of West Street and west of Dungan Street.
- Implement the Disposition and Development Agreement with Land and Design, Inc. for the development of three (3) hotels, restaurants and associated parking structure located at the northeast corner of Harbor Boulevard and Twintree Lane.
- 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.
- 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 the southwest corner of Brookhurst Street and Chapman Avenue.

- Continue to assist the City by identifying potential sites and facilitating acquisitions for a new fire station.
- 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 to monitor the ground water and completed soil remediation of the development site of The Olson Company's Sycamore Walk housing project composed of 12 single-family units on the south side of Garden Grove Boulevard between West Street 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.

The FY 2011-12 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 \$38,059,908.

RECOMMENDATION

Staff recommends that the Agency:

- Approve the FY 2011-12 Agency Budget; and,
- Adopt the attached Resolution.




JIM DELLALONGA  
Sr. Project Manager/Dept. Administrative Officer

Attachment 1: Agency Budget

Attachment 2: Resolution

mm(h:Staff/JD/Budget Agency 2011-12 sr 062811.doc)

**Approved for Agenda Listing**



**Matthew Fertal**  
**Director**

FISCAL YEAR 11-12  
PROPOSED BUDGET

AGENCY FOR COMMUNITY DEVELOPMENT

CITY OF GARDEN GROVE

CITY OF GARDEN GROVE  
GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT  
2011-12 FISCAL YEAR PROPOSED BUDGET ANALYSIS (\$000)

|  | Housing<br>Set<br>Aside | Community *<br>Project<br>Area | Buena<br>Clinton<br>Area | Total<br>Proposed<br>Budget |
|--|-------------------------|--------------------------------|--------------------------|-----------------------------|
| <u>Funds Available:</u>  |                         |                                |                          |                             |
| Reserves and Ending Balances                                     | \$ 4,200.0              | \$ 0.0                         | \$ 0.0                   | \$ 4,200.0                  |
| Operating Revenues   | 6,590.3                 | 24,649.6                       | 520.0                    | 31,759.9                    |
| Agency Short Term Loan   | 0.0                     | 0.0                            | 0.0                      | 0.0                         |
| Transfer From T.O.T. Sharing Fund                                | 0.0                     | 2,100.0                        | 0.0                      | 2,100.0                     |
| Transfer For SERAF Payment                                       | 0.0                     | 0.0                            | 0.0                      | 0.0                         |
| Total Funds Available  | \$ 10,790.3             | \$ 26,749.6                    | \$ 520.0                 | \$ 38,059.9                 |
| <u>Less: Operating Expenditures:</u>                             |                         |                                |                          |                             |
| General Operations (Schedule 1)                                  | (1,471.8)               | (3,245.9)                      | (157.8)                  | (4,875.5)                   |
| Indirect Overhead (Schedule 1)                                   | (174.8)                 | (1,669.5)                      | (13.4)                   | (1,857.7)                   |
| Agency Reimbursement & Loan<br>Repayment Agreements (Schedule 1) | 0.0                     | (2,382.6)                      | 0.0                      | (2,382.6)                   |
| Debt Service (Schedule 1)  | 0.0                     | (7,671.4)                      | 0.0                      | (7,671.4)                   |
| Neighborhood Improvements<br>(Schedule 1)                        | (500.0)                 | 0.0                            | 0.0                      | (500.0)                     |
| Pass-Thru Agreements/Rebate/Leased<br>Buildings (Schedule 1)     | (145.0)                 | (9,407.7)                      | 0.0                      | (9,552.7)                   |
| SERAF Payment - State  | 0.0                     | 0.0                            | 0.0                      | 0.0                         |
| Total Operating Expenditures                                     | (2,291.6)               | (24,377.1)                     | (171.2)                  | (26,839.9)                  |
| Amount Available For Projects/Transfer Out                       | 8,498.7                 | 2,372.5                        | 348.8                    | 11,220.0                    |
| Less: Transfer Out To Travel Country RV                          | 0.0                     | (563.0)                        | 0.0                      | (563.0)                     |
| Less: Agency Development Projects<br>(Schedule 2)                | (8,498.7)               | (1,809.5)                      | (348.8)                  | (10,657.0)                  |
| Total Projects   | (8,498.7)               | (1,809.5)                      | (348.8)                  | (10,657.0)                  |
| Net Amount Available   | \$ 0.0                  | \$ 0.0                         | \$ 0.0                   | \$ 0.0                      |

\* Includes RDA UBOC Interim Loan and 2008 Katella Note

SCHEDULE 1  
ANALYSIS OF AGENCY PROPOSED OPERATING PACKAGES (\$000)  
FY 2011-12

| Package No. | Description                          | Proposed Budget |
|-------------|--------------------------------------|-----------------|
|             | Agency General Operations            |                 |
| 0010        | Agency Board                         | \$ 4.3          |
| 0020        | Management                           | 163.2           |
| 0021        | Operations                           | 9.6             |
| 0022        | Manager Projects                     | 0.5             |
| 0023        | Research/Legislation                 | 46.4            |
| 0030        | Real Property                        | 240.5           |
| 0053        | Reprographics                        | 4.0             |
| 1020        | General Accounting                   | 41.2            |
| 1021        | Financial Planning                   | 12.3            |
| 2000        | Community Development Management     | 189.3           |
| 2500        | Community Project                    | 1,875.7         |
| 2503        | Agency Real Property                 | 215.0           |
| 2504        | Tax Sharing Agreements               | 2,100.0         |
| 2505        | Agency Planning                      | 233.1           |
| 2506        | State SERAF Payment                  | 0.0             |
| 2511        | Business Retention                   | 64.1            |
| 2512        | Garden Grove Center                  | 654.0           |
| 2513        | Coastline                            | 320.9           |
| 2520        | Gilbert Street Development           | 43.7            |
| 2521        | Officemax Rebate                     | 750.0           |
| 2522        | Residence Inn Rebate                 | 1,300.0         |
| 2523        | Hyatt Rebate                         | 1,700.0         |
| 2525        | Garden Grove Hyundai                 | 160.0           |
| 2526        | Katella Cottages                     | 150.0           |
| 2527        | Augustine LTD                        | 88.3            |
| 2528        | GGUSD Capital Facilities             | 2,100.0         |
| 2531        | Sheraton Rebate                      | 450.0           |
| 2535        | Civic Center Property Management     | 170.0           |
| 2701        | Set Aside Administration             | 679.9           |
| 2703        | Code Enforcement Set Aside           | 326.0           |
| 2736        | Buena-Clinton Family Resource Center | 15.0            |
| 2810        | Mobile Home Rehabilitation           | 150.0           |
| 2817        | Housing Authority Lease Payment      | 145.0           |
| 2813        | Emergency Home Improvement Loan      | 50.0            |
| 2854        | Single Family Rehabilitation         | 250.0           |
| 2859        | Senior Home Improvement Grants       | 50.0            |
| 3115        | Graffiti Removal                     | 52.3            |
| 3311        | Agency Custodial                     | 50.6            |
| 6007        | Employee Training                    | 18.9            |
| 6765        | Focus Neighborhood Unit              | 142.8           |
|             | Subtotal General Operations          | \$ 15,016.6     |

SCHEDULE 1  
ANALYSIS OF AGENCY PROPOSED OPERATING PACKAGES (\$000)  
FY 2011-12  
(Continued)

| Package<br>No. | Description                                      | Proposed<br>Budget        |
|----------------|--|---------------------------|
|                | Agency General Operations                        |                           |
| 2500           | Community Project Indirect Service Charge        | <u>1,669.5</u>            |
| 2501           | Buena-Clinton Project Indirect Service Charge    | <u>13.4</u>               |
| 2502           | Agency Debt Service                              | <u>6,013.7</u>            |
| 2508           | Inter-City Loans                                 | <u>2,382.5</u>            |
| 2545           | C.O.P. Debt                                      | <u>1,559.4</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>174.8</u>              |
|                | TOTAL OPERATING COSTS                            | <u><u>\$ 26,839.9</u></u> |



## SCHEDULE 2

### CITY OF GARDEN GROVE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT FY 2011-12 PROPOSED PROJECTS (\$000)

| <u>AGENCY</u>           | <u>Proposed<br/>Budget</u>    |
|-------------------------|-------------------------------|
| Former Black Angus Site | \$ 667.0                      |
| Olson/Rockinghorse      | 100.0                         |
| Site C/Harbor Blvd.     | 292.5                         |
| Central Hub             | 9,248.7                       |
| Buena Clinton           | <u>348.8</u>                  |
| <br>TOTAL AGENCY        | <br><u><u>\$ 10,657.0</u></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 2011-12

WHEREAS, the Garden Grove Agency for Community Development has given careful consideration to the adoption of the budget for Fiscal Year 2011-12.

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 \$38,059,908 from new appropriations and reserved fund balances for the planned activities shown below:

Expenditures

|                        |                   |
|------------------------|-------------------|
| General Operations     | \$ 22,487,699     |
| Bonded Debt Service    | 4,352,238         |
| Projects/Transfer Out* | <u>11,219,971</u> |
| Total Expenditures     | \$ 38,059,908     |

BE IT FURTHER RESOLVED by the Garden Grove Agency for Community Development that the total of \$38,059,908 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 2011-12.

Funding

|  |                |
|--|----------------|
| Community Project Redevelopment Fund*        | \$ 20,730,911  |
| Community Project Debt Service Fund          | 4,352,238      |
| Redevelopment Buena-Clinton                  | 20,000         |
| Buena-Clinton Special Fund                   | 500,000        |
| Housing Set Aside                            | 10,790,309     |
| Redev. Union Bank of California Interim Loan | 1,490,000      |
| 2008 Katella Note                            | <u>176,450</u> |
| Total Funding                                | \$ 38,059,908  |

\* Transfers Into and Out of The Community  
Project Redevelopment Fund:

|   |              |
|---|--------------|
| (a) Transient Occupancy Tax Sharing Fund To<br>Community Project Redevelopment Fund         | \$ 2,100,000 |
| (b) Community Project Redevelopment Fund to<br>Redev. Union Bank of California Interim Loan | \$ 1,490,000 |
| (c) Community Project Redevelopment Fund to<br>2008 Katella Note                            | \$ 176,450   |
| (d) Community Project Redevelopment Fund to<br>Travel Country RV                            | \$ 563,003   |