

**City of Garden Grove**  
**INTER-DEPARTMENT MEMORANDUM**

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

**OBJECTIVE**

The purpose of this report is to request that the Garden Grove City Council review and approve the attached Garden Grove Agency for Community Development (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 the 2010-11 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 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.

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- 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 City Council:

- 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 Council 2011-12 sr 062811.doc)

**Approved for Agenda Listing**



**Matthew Ferial  
City Manager**

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 Set Aside	Community * Project Area	Buena Clinton Area	Total Proposed 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 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 (Schedule 1)	(500.0)	0.0	0.0	(500.0)
Pass-Thru Agreements/Rebate/Leased 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 (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 No.	Description	Proposed 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 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>
 TOTAL AGENCY	 <u><u>\$ 10,657.0</u></u>

## RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE  
ADOPTING AN ANNUAL BUDGET FOR THE GARDEN GROVE AGENCY FOR COMMUNITY  
DEVELOPMENT FOR FISCAL YEAR 2011-12

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

WHEREAS, the Garden Grove Agency for Community Development resolved that the Director of the Garden Grove Agency for Community Development is 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

WHEREAS, the Garden Grove Agency for Community Development further resolved that the total of \$38,059,908 which the Director of the Garden Grove Agency for Community Development 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

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Garden Grove approves the above mentioned appropriations and expenditures as the Annual 2011-12 Agency for Community Development budget.

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

- |     |  |              |
|-----|--|--------------|
| (a) | Transient Occupancy Tax Sharing Fund<br>to Community Project Redevelopment<br>Fund         | \$ 2,100,000 |
| (b) | Community Project Redevelopment Fund<br>to Redev. Union Bank of California<br>Interim Loan | \$ 1,490,000 |
| (c) | Community Project Redevelopment Fund<br>to 2008 Katella Note                               | \$ 176,450   |
| (d) | Community Project Redevelopment Fund<br>to Travel Country RV                               | \$ 565,003   |

commdev.doc (FY 11-12)  
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