

ORDINANCE NO. 2796

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE  
ELECTING TO COMPLY WITH AND PARTICIPATE IN THE ALTERNATIVE VOLUNTARY  
REDEVELOPMENT PROGRAM CONTAINED IN PART 1.9 OF DIVISION 24 OF THE  
CALIFORNIA HEALTH AND SAFETY CODE

WHEREAS, the Garden Grove Agency for Community Development ("Agency") is a community redevelopment agency organized and existing under the California Community Redevelopment Law, Health, and Safety Code Sections 33000, et seq. ("CRL") and has been 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");

WHEREAS, the existing Garden Grove Community Project ("Redevelopment Project") and the boundaries of the Community Project Area were duly established by various ordinances of the City Council, which ordinances approved a redevelopment plan for the Garden Grove Community Project, as amended, all in compliance with all requirements of the CRL;

WHEREAS, Parts 1.8, 1.85 and 1.9 of Division 24 of the Health and Safety Code were added to the CRL by ABX1 26 and ABX1 27, which measures purport to become effective immediately. ABX1 26 and ABX1 27, which are trailer bills to the 2011-12 budget bills, were approved by both houses of the Legislature on June 15, 2011, and signed by the Governor on June 28, 2011;

WHEREAS, Part 1.85 of the CRL ("Part 1.85") provides for the statewide dissolution of all redevelopment agencies, including the Agency, as of October 1, 2011, and provides that, thereafter, a successor agency to administer the enforceable obligations of the Agency and otherwise wind up the Agency's affairs, all subject to the review and approval by an oversight committee;

WHEREAS, Part 1.8 of the CRL ("Part 1.8") provides for the restriction of activities and authority of the Agency in the interim period prior to dissolution to certain "enforceable obligations" and to actions required for the general winding up of affairs, preservation of assets, and certain other goals delineated in Part 1.8;

WHEREAS, the dissolution of the Agency would be detrimental to the health, safety, and economic well-being of the residents of the City and cause irreparable harm to the community, because, among other reasons, the redevelopment activities and projects made possible, implemented, and funded by the Agency are highly significant and of enduring benefit to the community and the City, and are a critical component of its future;

WHEREAS, Part 1.9 of the CRL ("Part 1.9") provides that a redevelopment agency may continue in operation if a city or county that includes a redevelopment agency adopts an ordinance agreeing to comply with and participate in the Alternative Voluntary Redevelopment Program established in Part 1.9 ("Program");

WHEREAS, as a condition of the Agency's continued existence and operation of its redevelopment agency, the City is required to make certain annual remittances to the County Auditor-Controller pursuant to Chapter 3 of Part 1.9, beginning with a larger upfront remittance for the 2011-2012 fiscal year ("First Remittance"), to be paid in two equal installments on January 15, 2012, and May 15, 2012;

WHEREAS, the City will have sufficient moneys and revenues to fund an amount equal to the City's payment of the First Remittance and expects to have sufficient moneys and revenues to fund the subsequent annual remittances required by Part 1.9;

WHEREAS, the City's needs are such that it can commit to spend the funds received from the Agency pursuant to the Agreement to Transfer Tax Increment (defined below) to finance activities within the Redevelopment Project that are related to accomplishing the goals of the Redevelopment Project, including but not limited to attraction of employment opportunities, rehabilitation of commercial and residential structures, improvement and construction of public infrastructure, development of affordable housing, retention and expansion of businesses, and elimination of blight;

WHEREAS, the City and Agency intend to execute an agreement pursuant to CRL Section 34194.2, whereby the Agency shall make an initial transfer of a portion of its tax increment to the City in an amount equal the First Remittance, and thereafter to transfer amounts of tax increment equal to any subsequent remittance which the City is required to make to the County Auditor-Controller pursuant to the City's participation in the Program ("Agreement to Transfer Tax Increment");

WHEREAS, the City is aware that the validity, passage, and applicability of ABX1 26 and ABX1 27 may become the subject of a judicial challenge;

WHEREAS, the City by the adoption of this Ordinance, does not represent, disclaim, or take any position whatsoever on the issue of the validity of ABX1 26 or ABX1 27, but rather the City seeks to comply with the Constitution and laws of the State of California, including Part 1.9, in order to preserve the ability of the Agency to continue to operate and thereby benefit the community;

WHEREAS, the City is the lead agency concerning this Ordinance pursuant to the California Environmental Quality Act (codified as Public Resources Code Sections 21000 et seq) ("CEQA") and the State CEQA Guidelines;

WHEREAS, City staff has determined that the Ordinance is exempt from CEQA, pursuant to CEQA Guidelines Section 15378 (b)(4), because such authorizations are not considered a project subject to CEQA review. The community remittance is a government funding mechanism and fiscal activity, which does not

involve any commitment to any specific project which may result in a potentially significant environmental impact; and

WHEREAS, the City has duly considered all other related matters and has determined that the City's participation in the Program is in the best interests of the City, and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE DOES ORDAIN AS FOLLOWS:

1. The foregoing recitals are true and correct.
2. The City hereby finds that (i) the dissolution of the Agency would be detrimental and cause irreparable harm to the community and to the health, safety, and economic well-being of the citizens of the City, and (ii) the types of activities and projects made possible, implemented, and funded by the Agency are highly significant and of enduring benefit to the community and the City, and are a critical component of its future.
3. The City hereby commits to spend those funds received under the Agreement to Transfer Tax Increment or otherwise pursuant to CRL Section 34194.2 to finance activities within the Redevelopment Project that are related to accomplishing the goals of the Redevelopment Project.
4. The City hereby ordains that the City shall comply with the Constitution and the laws of the State of California, including Part 1.9, including the determination of remittance amounts, appeal rights in relation thereto, and the making of the remittances referred to in CRL Section 34194(b) and (c) at the times and in the manner described in Part 1.9. This ordinance is that ordinance referred to in CRL Section 34193 and shall be interpreted and applied in all respects so as to comply with Part 1.9, to the fullest extent permitted by law.
5. On or before November 1, 2011, the City Manager is hereby authorized and directed to notify the County Auditor-Controller, the Controller of the State, and the State Department of Finance that the City agrees to comply with the provisions of Part 1.9 as provided under Section 34193, such notice to be in accordance with CRL Section 34193.1.
6. The City's remittances to the County Auditor-Controller made pursuant to Part 1.9 may be paid from any legally available funds of the City not otherwise obligated for other uses in accordance with Section 34194.1. Nothing herein is intended or shall be interpreted to require any payments or impose any financial or other obligation of the City other than in accordance with the Constitution and laws of the State of California, including Part 1.9.

7. The City Council determines that approval of this Ordinance is exempt from CEQA, pursuant to CEQA Guidelines Section 15378 (b)(4), because such approval is not considered a project subject to CEQA review. The payment is a government funding mechanism and fiscal activity that does not involve any commitment to any specific project which may result in a potentially significant environmental impact.

8. The City Council hereby authorizes and directs that a Notice of Exemption shall be filed with the Clerk of the Board of Supervisors of the County of Orange, California, within five (5) working days following the date of adoption of this Ordinance.

9. The City Clerk shall certify to the adoption of this Ordinance and cause it, or a summary of it, to be published once within 15 days of adoption in a newspaper of general circulation printed and published within the city, and shall post a certified copy of this Ordinance, including the vote for and against the same, in the Office of the City Clerk in accordance with Government Code § 36933.

10. This Ordinance shall be effective thirty (30) days from and after the date of the final passage and adoption hereof.

The foregoing Ordinance was passed by the City Council of the City of Garden Grove on the \_\_\_ day of \_\_\_\_\_.

ATTEST:

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CITY CLERK

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) SS:  
CITY OF GARDEN GROVE)

I, KATHLEEN BAILOR, City Clerk of the City of Garden Grove, do hereby certify that the foregoing Ordinance was introduced and presented on July 12, 2011, with a vote as follows:

AYES: COUNCIL MEMBERS: (5) BEARD, BROADWATER, JONES, NGUYEN, DALTON  
NOES: COUNCIL MEMBERS: (0) NONE  
ABSENT: COUNCIL MEMBERS: (0) NONE