

ADOPTION OF RESOLUTION FOR ENFORCEABLE OBLIGATION
PAYMENT SCHEDULE
August 23, 2011
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As a safeguard if the aforementioned scenario were to occur, staff is recommending the Agency adopt a resolution approving the Agency's Enforceable Obligation Schedule before the end of August 2011. The EOPS is a comprehensive list of all of the Agency's obligations for which tax increment revenue will be allocated to pay in the event that the Agency is dissolved as a result of the lawsuit.

FINANCIAL IMPACT

None.

RECOMMENDATION

Staff recommends that the Agency:

- Adopt the attached resolution adopting the Agency's Enforceable Obligation Payment Schedule.



JIM DELLALONGA
Sr. Project Manager/Dept. Administrative Officer

Attachment: Agency Resolution

mm(h:Staff/JD/Adoption of Reso for Enforceable Obligation Pymt sr 082311v1.doc)

Recommended for Approval



Matthew Fertal
Director

RESOLUTION NO. _____**A RESOLUTION OF THE GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT ADOPTING ENFORCEABLE
OBLIGATION PAYMENT SCHEDULE**

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”); and

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

WHEREAS, the Agency is responsible for implementation of the Redevelopment Plans for the Project Areas, and the Redevelopment Plans set forth a plan for redevelopment of each of the Project Areas consistent with the policies and standards of the General Plan of the City; and

WHEREAS, Parts 1.8, 1.85 and 1.9 of Division 24 of the CRL were added by Assembly Bill X1 26 and Assembly Bill X1 27 (together, “2011 Redevelopment Legislation”), which laws purport to become effective immediately; and

WHEREAS, the 2011 Redevelopment Legislation is a part of multiple trailer bills to the FY 2011-2012 California budget bills that were approved by both Houses of the State Legislature on June 15, 2011 and signed by the Governor on June 28, 2011; and

WHEREAS, Part 1.85 of the CRL added by the 2011 Redevelopment Legislation (“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 will administer the enforceable obligations of the Agency and otherwise wind up the Agency’s affairs, all subject to the review and approval of an oversight committee; and

WHEREAS, Part 1.8 of the CRL added by the Redevelopment Legislation (“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; and

WHEREAS, pursuant to Section 34169(g) within 60 days of the effective date of Part 1.8 all redevelopment agencies are required to adopt an Enforceable Obligation Payment Schedule that lists all of the obligations that are enforceable within the meaning of subdivision (d) of Section 34167 which includes the following information about each obligation: (A) the project name associated with the obligation, (B) the payee, (C) a short description of the nature of the work, product, service, facility, or other thing of value for which payment is to be made, and (D) the amount of payments obligated to be made, by month, through December 2011 (“Enforceable Obligation Payment Schedule”); and

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; and

WHEREAS, Part 1.9 of Division 24 of the CRL added by the 2011 Redevelopment Legislation ("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"); and

WHEREAS, while the City has adopted the ordinance required by Part 1.9, in order to allow the Agency to continue in operation and performing its functions ("Ordinance") nonetheless the Agency intends, subject to the contingencies and reservations set forth herein, to adopt its Enforceable Obligation Payment Schedule and to amend it from time to time as necessary; and

WHEREAS, the Agency is aware that the validity, passage, and applicability of the 2011 Redevelopment Legislation is the subject of judicial challenge(s), including the action: *California Redevelopment Association, et al v. Ana Matosantos, et al* ("CRA Action"); and

WHEREAS, on August 11, 2011 the California Supreme Court issued a stay as to Parts 1.85 and 1.9, but not as to Part 1.8 and therefore the provisions of Part 1.8 remain in effect, which provisions include the requirements relating to preparation and submittal of the Enforceable Obligation Payment Schedule; and

WHEREAS, the Agency, by the adoption of this Resolution, does not represent, disclaim, or take any position whatsoever on the issue of the validity of the 2011 Redevelopment Legislation, but rather the Agency seeks to comply with the Constitution and laws of the State of California, including the 2011 Redevelopment Legislation, in order to preserve the ability of the Agency to continue to operate and perform its obligations and thereby benefit the community; and

WHEREAS, the Agency has duly considered all other related matters and has determined that the Agency's adoption of this Resolution and evaluation of participation in the Program are 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, BE IT RESOLVED BY THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT:

Section 1. The foregoing Recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

Section 2. Pursuant to CRL Section 34169, the Agency hereby adopts the Enforceable Obligation Payment Schedule attached hereto as Attachment No. 1. The attached Enforceable Obligation Payment Schedule is that "Enforceable Obligation Payment Schedule" referred to in CRL Section 34169(g) and shall be interpreted and applied in all respects in accordance with such section and the CRL, to the fullest extent permitted by law. However, the Enforceable Obligation Payment

Schedule shall only be applicable to and binding on the Agency to the extent that Part 1.8 of the Agency is applicable to the Agency. To the extent that Part 1.8 is not applicable to the Agency, whether because of the City's enactment of the Ordinance, resolution of the CRA Action, or for any other reason under the law or by order of a court of competent jurisdiction, the Enforceable Obligation Payment Schedule shall not control the Agency's payments on or performance of its obligations.

Section 3. The Agency Director is hereby authorized and directed to evaluate potential amendments to the Enforceable Obligation Payment Schedule from time to time as may be appropriate and/or as required by the 2011 Redevelopment Legislation whether pursuant to its terms, by court order, or as otherwise required by law and to recommend to the Agency the adoption of those amendments necessary for the continued payment on and performance of enforceable obligations.

Section 4. The Agency Director is further authorized and directed to post the Enforceable Obligation Payment Schedule on the City/Agency website pursuant to Part 1.8 and to notify the County Auditor Controller, the State Department of Finance, and the State Controller's Office concerning this Resolution, the Enforceable Obligation Payment Schedule, and its online publication.

Section 5. This Resolution shall in no way be construed as requiring the Agency (or the City) to abide by the 2011 Redevelopment Legislation in the event either, or both, bills are found unconstitutional or otherwise legally invalid in whole or in part, nor shall this Resolution effect or give rise to any waiver of rights or remedies the Agency (and/or the City) may have, whether in law or in equity, to challenge 2011 Redevelopment Legislation. This Resolution shall not be construed as the Agency's (and/or the City's) willing acceptance of, or concurrence with the 2011 Redevelopment Legislation, either AB X1 26 or AB X1 27; nor does this Resolution evidence any assertion or belief whatsoever on the part of the Agency (and/or City) the 2011 Redevelopment Legislation is/are constitutional or lawful.

Section 6. The Agency Secretary shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this 23d day of August 2011.

Chairman

(SEAL)

ATTEST:

Agency Secretary

APPROVE AS TO FORM:

Agency Counsel

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF GARDEN GROVE)

I, _____, Secretary of the Garden Grove Agency for Community Development, hereby certify that the foregoing resolution was duly adopted by the Board of said Agency at its regular meeting held on the ____ day of _____, 2011, and that it was so adopted by the following vote:

AYES: Boardmembers:

NOES: Boardmembers:

ABSENT: Boardmembers:

Secretary of the Garden Grove Agency for
Community Development

(SEAL)

ATTACHMENT NO. 1

ENFORCEABLE OBLIGATION PAYMENT SCHEDULE

(attached)

ENFORCEABLE OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34167 and 34169 (*)

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation(1)	Total Due During Fiscal Year	Payments by month				Total
					Aug**	Sept	Oct	Nov	
1) 2003 Tax Allocation Bonds	Bank of New York Mellon	Land Acquisition & Public Improvements	48,415,000.00	4,383,638.00					\$
2) Loan	City of Garden Grove	Cost of Project Improvements	750,000.00	75,000.00					\$
3) Loans	City of Garden Grove	Cost of Project Improvements	3,985,172.31	781,037.45					\$
4) Loans	City of Garden Grove	Cost of Project Improvements	3,285,471.87	745,482.59					\$
5) Agreement	Richard and Yong Kil	Land Acquisition and Project Improvements	2,500,000.00	2,500,000.00			162,504.00		\$
6) Bonds	City of Garden Grove	Land Acquisition and Project Improvements	19,510,000.00	1,595,340.00					\$
7) Hyatt Regency OPA - (2018)	OPA, LLC (Performance Based)	Cost of Project Improvements	21,609,400.00	1,700,000.00			1,700,000.00		\$
8) Residence Inn DDA - (2020)	RIOPA, LLC (Performance Based)	Cost of Project Improvements	1,300,000.00	1,300,000.00					\$
9) Sheraton Hotel DDA - (2015)	Kam Sang Inc. (Performance Based)	Cost of Project Improvements	1,700,000.00	450,000.00					\$
10) OfficeMax Com Rehab Agmt	OfficeMax (Performance Based)	Commercial Rehabilitation	3,943,944.00	750,000.00					\$
11) Katella Collages OPA - (2027)	Herrings Village West Investors (Performance Based)	Land Acquisition and Project Improvements	3,105,342.00	76,450.00					\$
12) Katella Collages Note - (2027)	U.S. Bank	Land Acquisition and Project Improvements	2,400,000.00	150,000.00					\$
13) Augustine Note - (2016)	Augustine Trust	Land Acquisition	770,346.00	89,000.00			7,355.00	7,355.00	\$
14) Coastline Lease Payments - (2014)	Coastline Com College Dist.	Office Space Rent	1,325,890.00	320,934.00					\$
15) GG Center Building Lease - (2014)	Purell Family Inst	Office Space Rent	2,943,000.00	654,000.00					\$
16) Fire Department Hq.	M David Paul & Associates	Land Acquisition	1,914,000.00	687,000.00			687,000.00		\$
17) Garden Grove Hyurudai - (2016)	Garden Grove Hyurudai (Performance Based)	Cost of Project Improvements	1,030,000.00	160,000.00					\$
18) Waterpark Hotel DDA	Countrywide Bank, Inc. (Performance Based)	Cost of Project Improvements	700,000.00						\$
19) Waterpark Hotel DDA	Garden Grove MXD, LLC	Land Acquisition and Project Improvements	50,500,000.00						\$
20) Site C DDA	Land and Design, LLC (Performance Based and Dependent on Final Design)	Land Acquisition and Project Improvements	15,600,000.00						\$
21) Lili Garden Plaza DDA	Sweet Homes Development	Land Acquisition	1,500,000.00						\$
22) Grove Street Housing DDA	Sheldon Group	Land Acquisition and Project Improvements	2,000,000.00						\$
23) Site B2 DDA	Kam Sang Inc.	Land Acquisition and Project Improvements	7,000,000.00						\$
24) Embassy Suites DDA Amendment	Landmark (Performance Based)	Land Acquisition and Project Improvements	32,000,000.00	1,480,000.00			100,000.00	100,000.00	\$
25) Union Bank Loan	GG Chamber of Commerce	Business Outreach	44,100.00	44,100.00			3,675.00	3,675.00	\$
26) ABRB Program	GG Chamber of Commerce	Business Outreach	9,100,000.00						\$
27) Tamarlane Apartments	Tamarlane Associates, LLC	Land Acquisition	2,300,000.00						\$
28) Fandango Restaurant	GG Agency for Com Dev	Land Acquisition	43,723.00						\$
29) Gilbert Street Rebate	Gilbert Street Developers, LLC	Project Improvements	6,000,000.00						\$
30) Brookhurst Triangle DDA	New Age Brookhurst, LLC	Land Acquisition and Project Improvements	6,000,000.00						\$
Totals - This Page			\$ 255,053,572.28	\$ 17,916,705.04	\$ 778,030.00	\$ 273,534.00	\$ 111,030.00	\$ 111,030.00	\$ 3,128,377.00
Totals - Page 2			\$ 1,734,755.00	\$ 1,734,755.00	\$ -	\$ -	\$ -	\$ -	\$ -
Totals - Page 3			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals - Page 4			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals - Other Obligations			\$ 14,059,791.00	\$ 3,358,434.00	\$ -	\$ -	\$ -	\$ -	\$ -
Grand total - All Pages			\$ 270,858,118.28	\$ 23,009,894.04	\$ 778,030.00	\$ 273,534.00	\$ 111,030.00	\$ 111,030.00	\$ 3,128,377.00

* This Enforceable Obligation Payment Schedule (EOPS) is to be adopted by the redevelopment agency no later than late August. It is the basis for the Preliminary Draft Recognized Obligation Payment Schedule (ROPS), which must be prepared by the dissolving agency by 9/30/11. The draft ROPS must be prepared by the Successor Agency by 11/30/11.

** Include only payments to be made after the adoption of the EOPS.

1 Loans, Bonds or other debts listed only include the principal. Interest calculations are not included in this schedule.

Name of Redevelopment Agency: Garden Grove Agency for Community Development
 Project Area(s): Buena Clifton Project Area

ENFORCEABLE OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34167 and 34169 (*)

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation(1)	Total Due During Fiscal Year	Payments by month					Total
					Aug**	Sept	Oct	Nov	Dec	
1) Loan	City of Garden Grove	Costs Associated with Project Improvements	1,734,755.00	1,734,755.00						\$ -
2)										\$ -
3)										\$ -
4)										\$ -
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37)										\$ -
38)										\$ -
39)										\$ -
40)										\$ -
Totals - This Page				\$ 1,734,755.00	\$ 1,734,755.00	\$ -	\$ -	\$ -	\$ -	\$ -

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 If an agency adopts a continuation ordinance per ABX1 27, this EOPS will not be valid and there is no need to prepare a ROPS.
 ** Include only payments to be made after the adoption of the EOPS.
 1. Loans, Bonds or other debts listed, only include the principal. Interest calculations are not included in this schedule.

Name of Redevelopment Agency: Garden Grove Agency for Community Development
 Project Area(s): Community Project & Buena Clinton Project Areas

OTHER OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34167 and 34169 (*)

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month					Total	
					Aug**	Sept	Oct	Nov	Dec		
1) Statutory Payments	City of Garden Grove	Payments per AB1290/SB211	n/a	183,000.00		183,000.00				\$ 183,000.00	
2) Statutory Payments	Garden Grove Sanitary District	Payments per AB1290/SB211	n/a	109,046.00		61,538.00				\$ 61,538.00	
3) Statutory Payments	Garden Grove Sub San Dist	Payments per AB1290/SB211	n/a	4,667.00		4,666.00				\$ 4,666.00	
4) Statutory Payments	Orange County Water District	Payments per AB1290/SB211	n/a	45,194.00		25,829.00				\$ 25,829.00	
5) Statutory Payments	OC Water Dist Water Reserve	Payments per AB1290/SB211	n/a	160.00		160.00				\$ 160.00	
6) Statutory Payments	Orange County Transit Authority	Payments per AB1290/SB211	n/a	3,996.00		3,996.00				\$ 3,996.00	
7) Statutory Payments	Orange County Sanitation District #2	Payments per AB1290/SB211	n/a	108,400.00		64,636.00				\$ 64,636.00	
8) Statutory Payments	Orange County Sanitation District #3	Payments per AB1290/SB211	n/a	77,398.00		43,985.00				\$ 43,985.00	
9) Statutory Payments	North-Grove Co. Community College Gen. Fund	Payments per AB1290/SB211	n/a	27,087.00		15,985.00				\$ 15,985.00	
10) Statutory Payments	Orange County Community College District Gen. Fund	Payments per AB1290/SB211	n/a	74,109.00		74,100.00				\$ 74,100.00	
11) Statutory Payments	Orange County Dept. of Education General Fund	Payments per AB1290/SB211	n/a	82,008.00		42,841.00				\$ 42,841.00	
12) Statutory Payments	Orange County General Fund	Payments per AB1290/SB211	n/a	193,787.00		128,810.00				\$ 128,810.00	
13) Statutory Payments	Orange County Public Library	Payments per AB1290/SB211	n/a	52,300.00		34,741.00				\$ 34,741.00	
14) Statutory Payments	Orange County Flood Control District	Payments per AB1290/SB211	n/a	62,206.00		41,364.00				\$ 41,364.00	
15) Statutory Payments	Orange Co. Harbors, Beaches and Parks	Payments per AB1290/SB211	n/a	15,801.00		31,973.00				\$ 31,973.00	
16) Statutory Payments	Orange County Vector Control	Payments per AB1290/SB211	n/a	201.00		1,597.00				\$ 201.00	
17) Statutory Payments	Orange County Cemetery Dist. General Fund	Payments per AB1290/SB211	n/a	263.00		236.00				\$ 236.00	
18) Statutory Payments	Vehicle Pk Dist #2 GG Acquist	Payments per AB1290/SB211	n/a	125.00		125.00				\$ 125.00	
19) Statutory Payments	Vehicle Pk Dist #2 Garden Improvment	Payments per AB1290/SB211	n/a	5.00		5.00				\$ 5.00	
20) Statutory Payments	Vehicle Pk Dist #3 GG Improvement	Payments per AB1290/SB211	n/a	6.00		6.00				\$ 6.00	
21) Statutory Payments	Midway City Sanitary Dist-Gen Fund	Payments per AB1290/SB211	n/a	32,403.00		32,403.00				\$ 32,403.00	
22) Statutory Payments	Garden Grove-1974 Paramedic	Payments per AB1290/SB211	n/a	5,674.00		5,674.00				\$ 5,674.00	
23) Statutory Payments	Metropolitan Water District	Payments per AB1290/SB211	n/a	110,000.00		110,000.00				\$ 110,000.00	
24) Statutory Payments	GGUSD	Payments per AB1290/SB211	n/a	29,880.00		14,632.00				\$ 14,632.00	
25) Statutory Payments	Huntington Beach School District	Payments per AB1290/SB211	n/a	35,466.00		16,142.00				\$ 16,142.00	
26) Statutory Payments	Westminster School District	Payments per AB1290/SB211	n/a	23,644.00		11,352.00				\$ 11,352.00	
27) Statutory Payments	Orange Unified School District	Payments per AB1290/SB211	n/a							\$	
28)										\$	
Totals - Other Obligations					\$ 1,259,434.00	\$ 949,999.00	\$ -	\$ -	\$ -	\$ -	\$ 949,999.00

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 *** All payment amounts are estimates

Name of Redevelopment Agency: Garden Grove Agency for Community Development
 Project Area(s) Community Project & Buena Clinton Project Areas

OTHER OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34167 and 34169 (*)

	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month					Total
						Aug**	Sept	Oct	Nov	Dec	
1)	Administration Fees	County of Orange	Payments per SB 2557	245,583.00							\$
2)	Housing Fund Deficit	GG Agency for Com Dev	Repayment to housing fund	13,814,208.00							\$
3)	Capital Facilities Agreement	GG Unified School Dist	Payments per Agreement		2,100,000.00						\$
4)											\$
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26)											\$
27)											\$
28)											\$
				Totals - Other Obligations	\$ 14,059,791.00	\$ 2,100,000.00	\$	\$	\$	\$	\$

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