

The City of Garden Grove as Successor Agency to the  
Garden Grove Agency for Community Development

INTER-DEPARTMENT MEMORANDUM

To: Matthew Fertal From: Economic Development  
Dept: Director  
Subject: RESOLUTION APPROVING THE AMENDMENT OF THE ENFORCEABLE OBLIGATION PAYMENT SCHEDULE Date: June 12, 2012

OBJECTIVE

The purpose of this report is to request the Successor Agency to the Garden Grove Agency for Community Development (the "Successor Agency") to consider a Resolution approving its Enforceable Obligation Payment Schedule (EOPS) pursuant to Sections 34167 and 34169 of the Health and Safety Code.

BACKGROUND

On January 17, 2012, the former Garden Grove Agency for Community Development adopted Resolution No. 708-12 approving its amended Enforceable Obligation Payment Schedule. On January 19, 2012, staff emailed the California Department of Finance providing the website link to the EOPS.

To date, the Successor Agency has not considered the EOPS, which is a schedule that lists all of the former Agency's obligations. The attached Resolution adopts the amended Enforceable Obligation Payment Schedule.


FINANCIAL IMPACT

None.

RECOMMENDATION

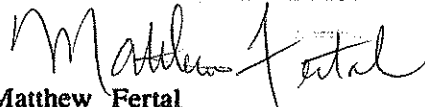
Staff recommends The City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development:

- Adopt the attached Resolution approving the Amended Enforceable Obligation Payment Schedule

  
JIM DELLALONGA  
Sr. Project Manager/Dept. Administrative Officer

Attachment 1: Resolution  
Attachment 2: Enforceable Obligation Payment Schedule

Recommended for Approval

  
Matthew Fertal  
Director

GARDEN GROVE SUCCESSOR AGENCY

RESOLUTION NO.

A RESOLUTION OF THE CITY OF GARDEN GROVE AS SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT APPROVING THE AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE

WHEREAS, the Garden Grove Agency for Community Development (Agency) was established as a community redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Sections 33000, *et seq.* (CRL), and previously 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, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which laws cause the dissolution and wind down of all redevelopment agencies (Dissolution Act);

WHEREAS, on December 29, 2011, in the petition *California Redevelopment Association v. Matosantos*, Case No. S194861, the California Supreme Court upheld the Dissolution Act and thereby all redevelopment agencies in California were dissolved as of and on February 1, 2012 under the dates in the Dissolution Act that were reformed and extended thereby (Supreme Court Decision);

WHEREAS, the Agency is now a dissolved community redevelopment agency pursuant to the Dissolution Act;

WHEREAS, by City Council Resolution No. 9077-11 considered and approved by the City Council at an open public meeting the City chose to become and serve as the "Successor Agency" to the dissolved Agency under the Dissolution Act;

WHEREAS, as of and on and after February 1, 2012, the City serves as the "Successor Agency" will perform its functions as the Successor Agency under the Dissolution Act to administer the enforceable obligations of the Agency and otherwise unwind the Agency's affairs, all subject to the review and approval by a seven-member Oversight Board formed thereunder;

WHEREAS, under Part 1.8 of the Dissolution Act, the Agency prior to its dissolution adopted an original and an amended Enforceable Obligation Payment Schedule (EOPS) and authorized the Director and/or Finance Director or their authorized designee to augment or modify the EOPS and transmitted the EOPS to the City (to be serving as Successor Agency) and to the County Auditor-Controller, the Department of Finance and the State Controller's Office;

WHEREAS, The City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development ("Agency") was formed to execute and

implement the Redevelopment Plans for the Garden Grove Community Project and the Buena Clinton Project, pursuant to the provisions of the California Community Redevelopment Law, Health & Safety Code Section 33000, et seq. ("CRL");

WHEREAS, by Resolution No. 705 adopted on August 23, 2011, the Agency adopted an Enforceable Obligation Payment Schedule ("EOPS") pursuant to CRL Section 34169(g), added by AB X1 26;

WHEREAS, by Resolution No. 708-12 adopted on January 17, 2012, the Agency approved an amended Enforceable Obligation Payment Schedule ("EOPS") pursuant to CRL Section 34169(g), added by AB X1 26; and

WHEREAS, the Successor Agency now desires to adopt the amended EOPS.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF GARDEN GROVE AS SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT:

Section 1. The above recitals are true and correct, are a substantive part of this Resolution, and are adopted as the findings of the Successor Agency.

Section 2. Pursuant to CRL Section 34169, subdivisions (g) and (h), enacted by AB X1 26, the Successor Agency hereby adopts the amended EOPS submitted herewith as Attachment 2, which schedule is incorporated herein by this reference.

Section 3. The Successor Agency Director is hereby authorized and directed to post the EOPS on the City/SuccessorAgency website pursuant to CRL Section 34169(g)(2) and to notify the County Auditor Controller, the State Department of Finance, and the State Controller's Office concerning this Resolution, the amended EOPS, and its online publication.

ATTACHMENT 2

AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE

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

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

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation (1) as of 12/31/2011	Total Due During Fiscal Year	Payments by month for Second Half of FY 2011-12						Total
					Jan	Feb	March	April	May	June	
1) 2003 Tax Allocation Bonds	Bank of New York Mellon	Land Acquisition & Public Improvements	46,470,000.00	1,945,000.00							\$ -
2) Loan	City of Garden Grove	Cost of Project Improvements	750,000.00	0.00							\$ -
3) Loans	City of Garden Grove	Cost of Project Improvements	3,885,172.31	937,141.20							\$ 937,141.20
4) Loans	City of Garden Grove	Cost of Project Improvements	3,285,471.97	745,482.59							\$ 745,482.59
5) Agreement	Richard and Yorig Kil	Land Acquisition and Project Improvements	2,500,000.00	2,500,000.00							\$ 2,500,000.00
6) Bonds	City of Garden Grove	Land Acquisition and Project Improvements	19,510,000.00	540,000.00							\$ 540,000.00
7) Hyatt Regency OPA - (2018)	OPA, LLC (Performance Based)	Cost of Project Improvements	21,609,400.00	1,700,000.00							\$ -
8) Residence Inn DDA - (2020)	RIOPA, LLC (Performance Based)	Cost of Project Improvements	9,189,093.00	1,300,000.00							\$ -
9) Sheraton Hotel DDA - (2015)	Ken Sang Inc. (Performance Based)	Cost of Project Improvements	1,700,000.00	450,000.00							\$ -
10) Office/Bar Com Rehab Agmt	Office/Bar (Performance Based)	Commercial Rehabilitation	3,943,044.00	750,000.00							\$ -
11) Katella Cottages OPA - (2027)	Various Vendors (Performance Based)	Land Acquisition and Project Improvements	3,109,342.00	76,450.00							\$ -
12) Katella Cottages Note - (2027)	U.S. Bank	Land Acquisition and Project Improvements	1,625,000.00	85,000.00							\$ -
13) Augustin Note - (2016)	Augustin Trust	Land Acquisition	590,640.57	40,471.77							\$ -
14) Coastline Payments - (2016)	Coastline Cm. Colls Dis.	Office Space Rent	1,325,890.00	320,994.00							\$ -
15) GG Center Building Lease - (2017)	Purcell Family Trust	Office Space Rent	2,943,000.00	654,000.00							\$ -
16) Fire Department HQ	M David Padi & Associates	Land Acquisition	1,740,000.00	580,000.00							\$ -
17) Garden Grove Hyundai - (2016)	Garden Grove Hyundai (Performance Based)	Cost of Project Improvements	1,030,000.00	160,000.00							\$ -
18) Union Bank Loan	Union Bank of California	Business Outreach	10,200,000.00	10,200,000.00							\$ -
19) Waterpark Hotel DDA	Garden Grove MXD, LLC	Project Assistance once the project is built in 12 to 24 months	67,000,000.00	0.00							\$ -
20) Site C DDA	Based and dependent on Final Design	Land Acquisition	1,500,000.00	1,500,000.00							\$ -
21) Site C DDA Assistance	Sweet Homes Development	Land Acquisition and Project Improvements	0.00	0.00							\$ -
22) Lili Garden Plaza DDA	Shieldon Group	Land Acquisition and Project Improvements	2,500,000.00	2,500,000.00							\$ -
23) Grove Street Housing DDA	Kam Sang Inc.	Project Assistance once the project is built	7,000,000.00	0.00							\$ -
24) Site B2 DDA	Kam Sang Inc.	Project Assistance and Public Improvements	32,000,000.00	44,100.00							\$ -
25) Site B2 Assistance	Landmark (Performance Based)	Land Acquisition (Variable Interest rate)	44,100.00	3,675.00							\$ -
26) Embassy Suites DDA Amendment	Union Bank Loan	Business Outreach	10,200,000.00	10,200,000.00							\$ -
27) AARB Program	GG Chamber of Commerce	Land Acquisition	43,723.00	43,723.00							\$ -
28) Tamarlane Apartments	Tamarlane Associates, LLC	Project Improvements	6,000,000.00	2,413,812.00							\$ -
29) Gilbert Street Rebate	New Age Brookhurst, LLC	Land Acquisition and Project Improvements	2,413,812.00	2,413,812.00							\$ -
30) Brookhurst Triangle DDA	City of Garden Grove	Labor Associated with Agency Projects	\$ 277,153,678.85	\$ 36,113,228.96							\$ 36,113,228.96
31) 2011/12 Agency Funded Labor	City of Garden Grove	Labor Associated with Agency Projects	\$ 3,173,011.35	\$ 1,728,106.55							\$ 1,728,106.55
Totals - This Page			\$ -	\$ -							\$ -
Totals - Com Project (2)			\$ -	\$ 20,132.17							\$ 20,132.17
Totals - Buena Clinton			\$ -	\$ 434,400.87							\$ 434,400.87
Totals - Other Obligations			\$ 14,059,791.00	\$ 1,109,213.24							\$ 1,109,213.24
Totals - Other Obligations (2)			\$ 294,386,481.20	\$ 232,364.76							\$ 232,364.76
Grand total - All Pages			\$ 44,595,680.77	\$ 44,595,680.77							\$ 44,595,680.77



Name of Redevelopment Agency Garden Grove Agency for Community Development  
 Project Area(s) Buena Clinton 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 for Second Half of FY 2011-12						Total
					Jan	Feb	March	April	May	June	
1)											\$
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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 for Second Half of FY 2011-12						Total
					Jan	Feb	March	April	May	June	
1) Statutory Payments	City of Garden Grove	Payments per AB1290/SB211	n/a	137,615.16							\$ -
2) Statutory Payments	Garden Grove Sanitary District	Payments per AB1290/SB211	n/a	93,027.12	42,000.00						\$ 42,000.00
3) Statutory Payments	Garden Grove Sub San Dist	Payments per AB1290/SB211	n/a	2,695.98							\$ -
4) Statutory Payments	Orange County Water District	Payments per AB1290/SB211	n/a	38,084.13	17,500.00						\$ 17,500.00
5) Statutory Payments	OC Water Dist Water Reserve	Payments per AB1290/SB211	n/a	321.83							\$ -
6) Statutory Payments	Orange County Transit Authority	Payments per AB1290/SB211	n/a	3,019.47							\$ -
7) Statutory Payments	Orange County Sanitation District #2	Payments per AB1290/SB211	n/a	91,550.10	40,000.00						\$ 40,000.00
8) Statutory Payments	Orange County Sanitation District #3	Payments per AB1290/SB211	n/a	69,413.14	30,400.00						\$ 30,400.00
9) Statutory Payments	North Orange Co. Community College Dist. Bond	Payments per AB1290/SB211	n/a	24,607.87	10,036.63						\$ 10,036.63
10) Statutory Payments	Coast Community College District Gen. Fund	Payments per AB1290/SB211	n/a	74,563.60							\$ -
11) Statutory Payments	Orange County Dist. #4 Extension General Fund	Payments per AB1290/SB211	n/a	59,211.38	18,000.00						\$ 18,000.00
12) Statutory Payments	Orange County General Fund	Payments per AB1290/SB211	n/a	182,999.68	58,400.00						\$ 58,400.00
13) Statutory Payments	Orange County Public Library	Payments per AB1290/SB211	n/a	49,440.83	15,800.00						\$ 15,800.00
14) Statutory Payments	Orange County Flood Control District	Payments per AB1290/SB211	n/a	58,697.12	18,700.00						\$ 18,700.00
15) Statutory Payments	Orange Co. Harbors, Beaches, and Parks	Payments per AB1290/SB211	n/a	45,413.94	14,500.00						\$ 14,500.00
16) Statutory Payments	Orange County Vector Control	Payments per AB1290/SB211	n/a	1,201.11							\$ -
17) Statutory Payments	Orange County Cemetery Dist. General Fund	Payments per AB1290/SB211	n/a	141.65							\$ -
18) Statutory Payments	Vehicle Pk Dist #2 GG Acquist	Payments per AB1290/SB211	n/a	230.04							\$ -
19) Statutory Payments	Vehicle Pk Dist #2 Green Improvement	Payments per AB1290/SB211	n/a	108.82							\$ -
20) Statutory Payments	Vehicle Pk Dist #3 GG Improvement	Payments per AB1290/SB211	n/a	4.89							\$ -
21) Statutory Payments	Midway City Sanitary Dist-Gen Fund	Payments per AB1290/SB211	n/a	7.44							\$ -
22) Statutory Payments	Garden Grove-1974 Paramedic	Payments per AB1290/SB211	n/a	64,081.10							\$ -
23) Statutory Payments	Metropolitan Water District	Payments per AB1290/SB211	n/a	2,423.40							\$ -
24) Statutory Payments	GGUSD	Payments per AB1290/SB211	n/a	84,439.99							\$ -
25) Statutory Payments	Huntington Beach School District	Payments per AB1290/SB211	n/a	29,641.97	15,000.00						\$ 15,000.00
26) Statutory Payments	Westminster School District	Payments per AB1290/SB211	n/a	31,149.48	17,500.00						\$ 17,500.00
27) Statutory Payments	Orange Unified School District	Payments per AB1290/SB211	n/a	21,334.48	11,200.00						\$ 11,200.00
28) Interest Costs	Various Payees	Agency loans, bonds, etc. as shown on page 1	n/a	4,480,807.10	125,364.24						\$ 125,364.24
<b>Totals - Other Obligations</b>				\$ 6,645,132.02	\$ 434,400.87	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 434,400.87

1 Loans, Bonds or other debts listed only include the principal. Interest calculations are not included in this schedule.  
 \*\*\* All payment amounts are estimates



**OTHER 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 for Second Half of FY 2011-12						Total
					Jan	Feb	March	April	May	June	
1) Administration Fees	County of Orange	Payments per SB 2557 Repayment to low/mod hsg fund (Due in varying amounts in subsequent fiscal years)	246,593.00				VARIFS				\$ -
2) Housing Fund Deficit	GG Agency for Com Dev/GG Hsg Auth	Payments per Agreement (varies each year)	13,814,208.00	1,109,213.24							\$ -
3) Capital Facilities Agreement	GG Unified School Dist										\$ 237,795.50
4) Islam (11211 Steele Drive)	Garden Grove Housing Authority as Successor Agency	Affordable Housing Agreement Implementation and Monitoring									\$ -
5) Stuart Drive/Rose Garden	Garden Grove Housing Authority as Successor Agency	Affordable Housing Agreement Implementation and Monitoring									\$ -
6) Cal-Melbar Apartments (8777 Bobby Ave)	Garden Grove Housing Authority as Successor Agency	Affordable Housing Agreement Implementation and Monitoring									\$ -
7) Dale Apartments	Garden Grove Housing Authority as Successor Agency	Affordable Housing Agreement Implementation and Monitoring									\$ -
8) Framingham Investors (12681 Morningdale)	Garden Grove Housing Authority as Successor Agency	Affordable Housing Agreement Implementation and Monitoring									\$ -
9) Framingham Investors (12681 Morningdale)	Garden Grove Housing Authority as Successor Agency	Affordable Housing Agreement Implementation and Monitoring									\$ -
10) Framingham Investors (12681 Morningdale)	Garden Grove Housing Authority as Successor Agency	Affordable Housing Agreement Implementation and Monitoring									\$ -
11) Garden Grove Senior Apartments	Garden Grove Housing Authority as Successor Agency	Affordable Housing Agreement Implementation and Monitoring									\$ -
12) Jamboree (12682 Sunswcpt)	Garden Grove Housing Authority as Successor Agency	Affordable Housing Agreement Implementation and Monitoring									\$ -
13) Jamboree (12692 Sunswcpt)	Garden Grove Housing Authority as Successor Agency	Affordable Housing Agreement Implementation and Monitoring									\$ -
14) La Esperanza II	Garden Grove Housing Authority as Successor Agency	Affordable Housing Agreement Implementation and Monitoring									\$ -
15) OCCHC Shelter Phase I	Garden Grove Housing Authority as Successor Agency	Affordable Housing Agreement Implementation and Monitoring									\$ -
16) Rose Crest	Garden Grove Housing Authority as Successor Agency	Affordable Housing Agreement Implementation and Monitoring									\$ -
17) Sun Grove Senior Apartments	Garden Grove Housing Authority as Successor Agency	Affordable Housing Agreement Implementation and Monitoring									\$ -
18) Thomas House Temporary Shelter	Garden Grove Housing Authority as Successor Agency	Affordable Housing Agreement Implementation and Monitoring									\$ -
19) Tudor Grove	Garden Grove Housing Authority as Successor Agency	Affordable Housing Agreement Implementation and Monitoring									\$ -
20) 12117 Tamerlane	Garden Grove Housing Authority as Successor Agency	Affordable Housing Agreement Implementation and Monitoring									\$ -
21) 12162 Tamerlane	Garden Grove Housing Authority as Successor Agency	Affordable Housing Agreement Implementation and Monitoring									\$ -
<b>Totals - Other Obligations</b>			\$ 14,059,791.00	\$ 1,109,213.24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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