

GARDEN GROVE OVERSIGHT BOARD

RESOLUTION NO.

A RESOLUTION OF THE OVERSIGHT BOARD TO THE CITY OF GARDEN GROVE AS SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT ESTABLISHING A SCHEDULE TO REPAY THE LOW AND MODERATE INCOME HOUSING FUND FOR FUNDS ADVANCED FOR EDUCATIONAL REVENUE AUGMENTATION FUND PAYMENTS AND SUPPLEMENTAL EDUCATIONAL REVENUE AUGMENTATION FUND PAYMENTS PURSUANT TO HEALTH & SAFETY CODE SECTION 34176(e)(6)(B)

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, Assembly Bill 1484 ("AB 1484") enacted on June 27, 2012, made certain amendments to the Dissolution Act, including with respect to the process for adopting Recognized Obligation Payment Schedules; and

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

WHEREAS, by a resolution 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, on January 24, 2012, the Garden Grove Housing Authority ("Housing Authority") accepted the rights, powers, assets, and obligations

associated with housing functions of the Garden Grove Agency for Community Development and is now acting as the Housing Successor ("Housing Successor") to the Former Garden Grove Agency for Community Development ("Former Agency") pursuant to ABx1 26;

WHEREAS, pursuant to AB 1484, beginning in the 2013-14 fiscal year, through the Recognized Obligation Payment Schedule ("ROPS") process, the Successor Agency may begin repayment of Educational Revenue Augmentation Fund ("ERAF") and Supplemental Educational Augmentation Fund ("SERAF") Loans to the Housing Successor;

WHEREAS, on May 15, 2013, pursuant to Health & Safety Code Section 34179.7, the Successor Agency received a Finding of Completion from the State Department of Finance;

WHEREAS, as permitted by law, the Former Agency borrowed funds from its Low and Moderate Income Housing Fund ("LMIHF") in order to make its ERAF payments to the State in 2004, 2005, and 2006. The outstanding balance of \$4,196,864 was borrowed from the LMIHF and required to be repaid in ten (10) years;

WHEREAS, as permitted by law, the Former Agency borrowed funds from its LMIHF in order to make its SERAF payments to the State in 2010, and 2011. The outstanding balance of \$9,532,884 was borrowed from the LMIHF and required to be repaid in five (5) years;

WHEREAS, pursuant to HSC section 34176(e)(6)(B), the maximum repayment amount authorized each fiscal year shall be equal to one-half of the increase between "the amount distributed" to the taxing entities in that fiscal year and the amount distributed to taxing entities in the 2012-13 base year; and

WHEREAS, by this Resolution, the Oversight Board desires to approve the ERAF and SERAF Repayment Schedule, in the form attached to this Resolution as Attachment No. 1 and incorporated herein by this reference, by resolution pursuant to Health & Safety Code Section 34176(e)(6)(B) and authorizes the Successor Agency, to cause posting of said Resolution and Repayment Schedule on the City's website: <http://www.ci.garden-grove.ca.us/> and to direct transmittal of such said Repayment Schedule to the DOF for review and approval.

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

Section 1. The foregoing recitals are true and correct and constitute a substantive part of this Resolution.

Section 2. Pursuant to the Dissolution Law, the Oversight Board hereby approves the ERAF and SERAF Repayment Schedule by Resolution pursuant to Health & Safety Code Section 34176(e)(6)(B).

Section 3. The Oversight Board authorizes transmittal of the ERAF and SERAF Repayment Schedule to the Department of Finance; and the Director or his designees, is directed to post this Resolution, including the ERAF and SERAF Repayment Schedule on the City/Successor Agency website pursuant to Dissolution Law.

Section 4. The Secretary of the Oversight Board shall certify to the adoption of this Resolution.

ATTACHMENT No. 1

ERAF/SERAF Repayment Schedule

Total Outstanding ERAF/SERAF monies borrowed from the Low and Moderate
Income Housing Fund:

\$13,729,748

Pursuant to HSC section 34176 (e) (6) (B), the maximum repayment amount
authorized each fiscal year shall be equal to one-half of the increase between "the
amount distributed" to the taxing entities in that fiscal year and the amount
distributed to taxing entities in the 2012-13 base year