



## AGENDA

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

Tuesday,  
January 23, 2018

6:30 PM

Community Meeting Center, 11300  
Stanford Avenue, Garden Grove, CA  
92840

**Steven R. Jones**  
Chair  
**Kris Beard**  
Member, District 1  
**John R. O'Neill**  
Member, District 2  
**Thu-Ha Nguyen**  
Member, District 3  
**Patrick Phat Bui**  
Vice Chair, District 4  
**Stephanie  
Klopfenstein**  
Member, District 5  
**Kim Nguyen**  
Member, District 6

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**Meeting Assistance:** Any person requiring auxiliary aids and services, due to a disability, to address the Successor Agency, should contact the City Clerk's Office 72 hours prior to the meeting to arrange for accommodations. Phone: 714) 741-5040.

**Agenda Item Descriptions:** Are intended to give a brief, general description of the item. The Successor Agency may take legislative action deemed appropriate with respect to the item and is not limited to the recommended action indicated in staff reports or the agenda.

**Documents/Writings:** Any revised or additional documents/writings related to an item on the agenda distributed to all or a majority of the Successor Agency Members within 72 hours of a meeting, are made available for public inspection at the same time (1) in the City Clerk's Office at 11222 Acacia Parkway, Garden Grove, CA 92840, during normal business hours; (2) on the City's website as an attachment to the Successor Agency meeting agenda; and (3) at the Council Chamber at the time of the meeting.

**Public Comments:** Members of the public desiring to address the Successor Agency are requested to complete a pink speaker card indicating their name and address, and identifying the subject matter they wish to address. This card should be given to the City Clerk prior to the start of the meeting. General comments are made during "Oral Communications," and should be limited to matters under consideration and/or what the Successor Agency has jurisdiction over. Persons wishing to address the Successor Agency regarding a Public Hearing matter will be called to the podium at the time the matter is being considered.

**Manner of Addressing the Successor Agency Members:** After being called by the Chair, you may approach the podium, it is requested that you state your name for the record, and proceed to address the Successor Agency. All remarks and questions should be addressed to the Successor Agency as a whole and not to individual Members or staff members. Any person making impertinent, slanderous, or profane remarks or who becomes boisterous while addressing the Successor Agency shall be called to order by the Chair. If such conduct continues, the Chair may order the person barred from addressing the Successor Agency any further during that meeting.

**Time Limitation:** Speakers must limit remarks for a total of (5) five minutes. When any group of persons wishes to address the Successor Agency on the same subject matter, the Chair may request a spokesperson be chosen to represent the group, so as to avoid unnecessary repetition. At the Successor Agency's discretion, a limit on the total amount of time for public comments during Oral Communications and/or a further limit on the time allotted to each speaker during Oral Communications may be set.

**PLEASE SILENCE YOUR CELL PHONES DURING THE MEETING.**

## AGENDA

### Open Session

6:30 PM

ROLL CALL: Member Beard, Member O'Neill, Member T. Nguyen, Member Klopfenstein, Member K. Nguyen, Vice Chair Bui, Chair Jones

1. ORAL COMMUNICATIONS (to be held simultaneously with other legislative bodies)

2. CONSENT ITEMS

*(Consent Items will be acted on simultaneously with one motion unless separate discussion and/or action is requested by a Successor Agency Member.)*

2.a. Adoption of a Resolution approving the Recognized Obligation Payment Schedule 2018-19 A-B. *(Action Item)*

2.b. Receive and file minutes from the meeting held on January 9, 2018. *(Action Item)*

2.c. Approval of warrants. *(Action Item)*

3. MATTERS FROM SUCCESSOR AGENCY CHAIR, MEMBERS AND DIRECTOR

4. ADJOURNMENT

The next Regular Successor Agency Meeting will be held on Tuesday, February 13, 2018, at 5:30 p.m. at the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California.



(E) The Redevelopment Property Tax Trust Fund, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of this part.

(F) Other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former redevelopment agency, as approved by the oversight board in accordance with this part.

## DISCUSSION

Staff has prepared the attached ROPS 18-19 A-B for the Successor Agency's consideration and approval. The attached Successor Agency Resolution approves the ROPS in the gross amount of \$21,699,150 requested from the Redevelopment Property Tax Trust Fund ("RPTTF"), subject to submittal to and review by the Oversight Board and then by the DOF, and authorizing posting and transmittal of the ROPS.

Several items on ROPS 18-19 A-B are explained in further detail as follows.

The Successor Agency administrative budget of \$588,202 is listed as item #31.

The "housing entity administrative cost allowance" of \$150,000 per fiscal year for the Garden Grove Housing Authority acting as the housing successor as authorized by Section 34171(p) is listed as item #51. This item has been previously included by staff and approved by the Successor Agency and Oversight Board on prior ROPS, but the DOF continues to deny funding for this line item. However, there are several cases pending in the Sacramento Superior Court with rulings both in favor and against successor agencies, so until the appellate courts resolve the statutory interpretation counsel recommends listing this item per Section 34171(p).

Line Item #55 on ROPS 18-19 A-B relates to the continued implementation of the Stipulation for Entry of Interlocutory Judgment ("Judgment") issued in the action *Marina Limon, et al v. Garden Grove Agency for Community Development*, Orange County Superior Court, Case No. 30-2009-00291597. After the Judgment was entered in early 2014, the DOF denied funding to the Successor Agency through the ROPS process, so the *Limon* plaintiffs filed suit against the DOF (Case No. 34-2014-80001994) in Sacramento Superior Court per the Dissolution Law, which action resulted in a ruling adverse to the DOF and in favor of the *Limon* plaintiffs and the Successor Agency and Housing Authority, as real parties in interest. The Court ruled the Judgment in all respects is an enforceable obligation under the Dissolution Law, including ordering that the payments due (such as award of attorneys' fees to *Limon* plaintiffs) and obligations to be performed by Garden Grove (such as development of replacement housing units) to implement the Judgment are to be funded through the ROPS process.

Further, this ROPS 18-19 A-B lists other Enforceable Obligations comparable to items in prior ROPS.

The timing for DOF's review of each annual ROPS also was amended by SB 107.

Now, new subsection (o) of Section 34177 provides that for each ROPS the department shall make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations no later than April 15, 2018. Within five business days of the department's determination, a successor agency may request additional review by the department and an opportunity to meet and confer on disputed items, except for those items which are the subject of litigation disputing the department's previous or related determination. An untimely submittal of a Recognized Obligation Payment Schedule may result in a meet and confer period of less than 30 days. The department shall notify the successor agency and the county auditor-controller as to the outcome of its review at least 15 days before the date of the first property tax distribution for that period.

In addition, the State Department of Finance previously approved an Amendment to ROPS 17-18 B period, providing an increase in budget of \$132,699 for the period of January 1, 2018 to June 30, 2018, to pay the Successor Agency's enforceable obligations. At this time, approval of an appropriation of funds for \$132,699 is needed for FY 2017-18 budget.

Successor Agency staff is available to explain ROPS 18-19 A-B and answer any questions the Board may have about this ROPS and related Successor Agency matters.

#### FINANCIAL IMPACT

None until approved by the DOF. If the DOF approves the ROPS as submitted, the Successor Agency will receive \$21,699,150 (which includes \$588,202 for the administrative budget) for the period July 1, 2018 to June 30, 2019, to pay the Successor Agency's enforceable obligations.

Also, the appropriation of \$132,699 for ROPS 17-18 B Period is for RPTTF funds previously approved by the DOF as an enforceable obligation.

#### RECOMMENDATION

It is recommended that the Successor Agency:

- Adopt the attached Resolution approving ROPS 18-19 A-B for the annual fiscal period of July 1, 2018 to June 30, 2019, subject to submittal to and review by the Oversight Board and then by the State Department of Finance, and authorizing posting and transmittal of the ROPS; and
- Further, the Community and Economic Development Director and her designees, in consultation with legal counsel, shall be authorized to request and complete meet and confer session(s) with the DOF and authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by DOF; and
- Appropriate additional funds in the amount of \$132,699 to the Successor Agency budget for Fiscal Year 2017-18 for the Department of Finance Approved Amended ROPS 2017-18 B Period.

By: Monica L. Covarrubias, Project Manager

**ATTACHMENTS:**

<b>Description</b>	<b>Upload Date</b>	<b>Type</b>	<b>File Name</b>
CC Resolution	1/16/2018	Cover Memo	1-23-18_Original_SA_Resolution_Approving_ROPS_18-19_A-B_(1).pdf
Recognized Obligation Payment Schedule 2018-19 A-B	1/18/2018	Backup Material	Garden_Grove_ROPS_18-19_Template_(1)_Final.xlsx

GARDEN GROVE SUCCESSOR AGENCY

RESOLUTION NO.

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 18-19 A-B FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2018 TO JUNE 30, 2019, SUBJECT TO SUBMITTAL TO, AND REVIEW BY THE OVERSIGHT BOARD AND THE STATE DEPARTMENT OF FINANCE UNDER CALIFORNIA HEALTH AND SAFETY CODE, DIVISION 24, PART 1.85; AND AUTHORIZING THE POSTING AND TRANSMITTAL OF THE ROPS

WHEREAS, the Garden Grove Agency for Community Development ("Former 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 and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation, and most recently by Senate Bill 107 (together, the "Dissolution Law");

WHEREAS, as of February 1, 2012 the Former Agency was dissolved pursuant to the Dissolution Law, and, as a separate public entity, corporate and politic, the Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency") administers the enforceable obligations of the former Agency and otherwise unwinds the Former Agency's affairs, all subject to the review and approval by a seven-member oversight board ("Oversight Board");

WHEREAS, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Law;

WHEREAS, Sections 34177(m), 34177(o) and 34179 provide that each ROPS is submitted to, reviewed and approved by the Successor Agency and then reviewed and approved by the Oversight Board before final review and approval by the State Department of Finance ("DOF");

WHEREAS, Section 34177(o) of the Dissolution Law requires that the annual ROPS for the 18-19 A-B fiscal period of July 1, 2018 to June 30, 2019 ("ROPS 18-19 A-B") shall be submitted to the DOF by the Successor Agency, after approval by the Oversight Board, no later than February 1, 2018;

WHEREAS, pursuant to Sections 34179.6 and 34177(l)(2)(B), the Successor Agency is required to submit the ROPS to the DOF with copies to the County Administrative Officer, the County Auditor-Controller, and the State Controller's Office at the same time that the Successor Agency submits the ROPS to the Oversight Board for review;

WHEREAS, the Successor Agency has reviewed the draft ROPS 18-19 A-B, and desires to approve the ROPS 18-19 A-B and to authorize the Successor Agency staff to transmit the ROPS to the Oversight Board; and

WHEREAS, the Successor Agency staff is directed to post the ROPS 18-19 A-B on the City/Successor Agency website: <http://www.ci.garden-grove.ca.us/>.

NOW, THEREFORE, BE IT RESOLVED BY THE SUCCESSOR AGENCY TO 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 the Dissolution Law, the Successor Agency approves the ROPS 18-19 A-B, which schedule is incorporated herein by this reference; provided however, that the ROPS 18-19 A-B is approved subject to transmittal of the ROPS to the Oversight Board for review and approval with copies of the ROPS to be sent concurrently to the DOF, the County Administrative Officer, the County Auditor-Controller, and the State Controller's Office. Further, the Community and Economic Development Director, or her designee, in consultation with legal counsel, is hereby authorized to request and complete meet and confer session(s) with the DOF and authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by DOF, and changes, if any, will be reported back to the Successor Agency and the Oversight Board.

Section 3. After approval by the Oversight Board, the Successor Agency authorizes transmittal of the approved ROPS 18-19 A-B to the DOF, the County Administrative Officer, the County Auditor-Controller, and the State Controller's Office.

Section 4. The Community and Economic Development Director, or her designee, is directed to post this Resolution, including the ROPS 18-19 A-B, on the City/Successor Agency website pursuant to the Dissolution Law.

Section 5. The Secretary of the Successor Agency shall certify to the adoption of this Resolution.



ATTACHMENT 1  
to Successor Agency Resolution No. \_\_\_-\_\_\_

RECOGNIZED OBLIGATION PAYMENT SCHEDULE 18-19 A-B  
FOR THE ANNUAL FISCAL PERIOD JULY 1, 2018 TO JUNE 30, 2019

(attached)

**Recognized Obligation Payment Schedule (ROPS 18-19) - Summary**

Filed for the July 1, 2018 through June 30, 2019 Period

Successor Agency: Garden Grove  
 County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	18-19A Total (July - December)	18-19B Total (January - June)	ROPS 18-19 Total
<b>A Enforceable Obligations Funded as Follows (B+C+D):</b>	<b>\$ 1,803,552</b>	<b>\$ 1,503,552</b>	<b>\$ 3,307,104</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	1,803,552	1,503,552	3,307,104
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):</b>	<b>\$ 8,413,905</b>	<b>\$ 9,978,141</b>	<b>\$ 18,392,046</b>
F RPTTF	8,119,804	9,684,040	17,803,844
G Administrative RPTTF	294,101	294,101	588,202
<b>H Current Period Enforceable Obligations (A+E):</b>	<b>\$ 10,217,457</b>	<b>\$ 11,481,693</b>	<b>\$ 21,699,150</b>

Certification of Oversight Board Chairman:  
 Pursuant to Section 34177 (o) of the Health and Safety code, I hereby  
 certify that the above is a true and accurate Recognized Obligation  
 Payment Schedule for the above named successor agency.

\_\_\_\_\_  
 Name Title  
 /s/ \_\_\_\_\_  
 Signature Date



**Garden Grove Recognized Obligation Payment Schedule (ROPS 18-19) - ROPS Detail**

July 1, 2018 through June 30, 2019

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	18-19A (July - December)					Q	18-19B (January - June)					W	
											Fund Sources						Fund Sources						
											L	M	N	O	P		R	S	T	U	V		
																							Bond Proceeds
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 18-19 Total						18-19A Total						18-19B Total	
77									N	\$ -						\$ -							\$ -
78									N	\$ -						\$ -							\$ -
79									N	\$ -						\$ -							\$ -
80									N	\$ -						\$ -							\$ -
81									N	\$ -						\$ -							\$ -
82									N	\$ -						\$ -							\$ -
83									N	\$ -						\$ -							\$ -
84									N	\$ -						\$ -							\$ -
85									N	\$ -						\$ -							\$ -
86									N	\$ -						\$ -							\$ -
87									N	\$ -						\$ -							\$ -
88									N	\$ -						\$ -							\$ -
89									N	\$ -						\$ -							\$ -
90									N	\$ -						\$ -							\$ -
91									N	\$ -						\$ -							\$ -
92									N	\$ -						\$ -							\$ -
93									N	\$ -						\$ -							\$ -
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97									N	\$ -						\$ -							\$ -
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100									N	\$ -						\$ -							\$ -
101									N	\$ -						\$ -							\$ -
102									N	\$ -						\$ -							\$ -
103									N	\$ -						\$ -							\$ -
104									N	\$ -						\$ -							\$ -
105									N	\$ -						\$ -							\$ -
106									N	\$ -						\$ -							\$ -
107									N	\$ -						\$ -							\$ -

**Garden Grove Recognized Obligation Payment Schedule (ROPS 18-19) - Report of Cash Balances**  
**July 1, 2015 through June 30, 2016**  
**(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [Cash Balance Tips Sheet](#)

A	B	C	D	E	F	G	H	I	
		<b>Fund Sources</b>							
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>		<b>Other</b>	<b>RPTTF</b>		
	<b>Cash Balance Information for ROPS 15-16 Actuals (07/01/15 - 06/30/16)</b>	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	<b>Comments</b>	
1	<b>Beginning Available Cash Balance (Actual 07/01/15)</b>	175,517	3,881,827			(24,306)	2,361,444		
2	<b>Revenue/Income (Actual 06/30/16)</b> RPTTF amounts should tie to the <b>ROPS 15-16</b> total distribution from the County Auditor-Controller during January 2016 and June 2016.	2,334,650	43,926,621			6,922,917	12,679,229	Other: Brookhurst Triangle Phase I proceeds from sale and remittance to Mr. Wang and City \$1,734,248 each. Bonds Issued After 01/01/2011: \$42,353,807 2014 TARB (refunding of the 2003 TAB debt)	
3	<b>Expenditures for ROPS 15-16 Enforceable Obligations (Actual 06/30/16)</b>	2,334,650	43,926,231			6,605,713	11,842,690	Other: Brookhurst Triangle Phase I proceeds from sale and remittance to Mr. Wang and City \$1,734,248 each. Bonds Issued After 01/01/2011: \$42,353,807 2014 TARB (refunding of the 2003 TAB debt)	
4	<b>Retention of Available Cash Balance (Actual 06/30/16)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	175,517	3,882,217						
5	<b>ROPS 15-16 RPTTF Balances Remaining</b>	No entry required						2,519,773	
6	<b>Ending Actual Available Cash Balance (06/30/16)</b> C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ 292,898	\$ 678,210		









Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K. Nguyen,  
Jones  
Noes: (0) None

RECEIVE AND FILE MINUTES FROM THE MEETING HELD ON DECEMBER 12, 2017  
(F: Vault)

It was moved by Chair Jones, seconded by Member Beard that:

The minutes from the meeting held on December 12, 2017, be received and filed.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, O'Neill, T. Nguyen, Bui, Klopfenstein, K. Nguyen,  
Jones  
Noes: (0) None

ADJOURNMENT

At 7:06 p.m., Chair Jones adjourned the meeting. The next Regular Meeting will be held Tuesday, January 23, 2018, at 5:30 p.m. at the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California.

Teresa Pomeroy, CMC  
Secretary




REDEVEL. SUCCESSOR AGENCY  
 CHECK REGISTER  
 01/23/18

WARRANT	VENDOR	DESCRIPTION	AMOUNT
W2065	U.S. BANK	LONG TERM DEBT	826,125.00 *
W2067	U.S. BANK	INTEREST COSTS	671,425.00 *
W2069	U.S. BANK	FA-UBOC DEBT SVC	2,300,000.00 *

PAGE TOTAL FOR "\*" LINES = 3,797,550.00

FINAL TOTAL 3,797,550.00 \*

DEMANDS WIRES W2065 - W2069 AS PRESENTED IN THE WARRANT REGISTER SUBMITTED TO THE GARDEN GROVE CITY COUNCIL JANUARY 23, 2018, HAVE BEEN AUDITED FOR ACCURACY AND FUNDS ARE AVAILABLE FOR PAYMENT THEREOF

  
 KINGSLEY C. OKEREKE - FINANCE DIRECTOR