

AGENDA



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

Wednesday, April 25, 2018

2:00 PM

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

Meeting Assistance: Any person requiring auxiliary aids and services, due to a disability, to address the Oversight Board, 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 Oversight Board 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 Board 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 Oversight Board meeting agenda; and (3) at the Council Chamber at the time of the meeting.

Public Comments: Members of the public desiring to address the Oversight Board 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 Secretary 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 Oversight Board has jurisdiction over. Persons wishing to address the Oversight Board regarding a Public Hearing matter will be called to the podium at the time the matter is being considered.

Manner of Addressing the Oversight Board: 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 Oversight Board. All remarks and questions should be addressed to the Oversight Board as a whole and not to individual Board Members or staff members. Any person making impertinent, slanderous, or profane remarks or who becomes boisterous while addressing the Oversight Board shall be called to order by the Chair. If such conduct continues, the Chair may order the person barred from addressing the Oversight Board any further during that meeting.

Time Limitation: Speakers must limit remarks for a total of three (3) minutes. When any group of persons wishes to address the Oversight Board 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 Oversight Board'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

2:00 PM

ROLL CALL:MEMBER BUTTERFIELD, MEMBER GUERRERO, MEMBER SANCHEZ, VICE CHAIR DUNN, CHAIR JONES

PLEDGE OF ALLEGIANCE TO THE FLAG

1. ORAL COMMUNICATIONS

2. CONSENT ITEMS

2.a. Receive and file the minutes from the meeting held on February 28, 2018.
(*Action Item*)

3. ITEMS FOR CONSIDERATION

3.a. Adoption of a Resolution approving a repayment schedule for the ERAF/SERAF loans of the Former Agency for Community Development.
(*Action Item*)

4. MATTERS FROM THE CHAIR, BOARD MEMBERS AND DIRECTOR

5. ADJOURNMENT

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles, Director From: Teresa Pomeroy
Dept.: Dept.: City Clerk
Subject: Receive and file the minutes Date: 4/25/2018
 from the meeting held on
 February 28, 2018. (*Action
 Item*)

Attached are the minutes from the February 28, 2018, Oversight Board meeting recommended to be received and filed.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Minutes - February 28, 2018 Meeting	4/17/2018	Minutes	ob-min_02_28_2018.pdf



GARDEN GROVE

MINUTES

Regular Meeting

OVERSIGHT BOARD OF THE CITY OF GARDEN GROVE AS SUCCESSOR AGENCY
TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

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

February 28, 2018

Open Session

2:06 p.m.

ROLL CALL: Member Butterfield, Member Guerrero, Member Sanchez, Chair Jones

Vice Chair Dunn absent.

PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA
Led by Member Guerrero.

1. ORAL COMMUNICATIONS: None.

2. CONSENT ITEMS:

2.a. Receive and file the minutes from the January 29, 2018 meeting.
(F: Vault)

Action: Received and filed.

Motion: Sanchez Seconded: Butterfield

The motion carried by a 4-0-1 vote as follows:

Ayes: (4) Butterfield, Guerrero, Jones, Sanchez

Noes: (0) None

Absent: (1) Dunn

3. PUBLIC HEARINGS: None.

4. ITEMS FOR CONSIDERATION:

4.a. Adoption of a Resolution to award a contract to J&G Industries, Inc.,
for Project No. S-1232 Brookhurst Triangle Demolition Project – Phase

MEMBERS: MEMBER BUTTERFIELD, MEMBER GUERRERO, MEMBER SANCHEZ,
VICE CHAIR DUNN, CHAIR JONES

II demolition of structures at 10151 Garden Grove Boulevard, 12863
and 12865 Brookhurst Street, Garden Grove.
(F: 55-J&G Industries, Inc.)(XR: A-116.7)

Action: Resolution No. 57-18 adopted; and
Director authorized to execute the contract with J&G
Industries, Inc.

Motion: Sanchez Seconded: Butterfield

The motion carried by a 4-0-1 vote as follows:

Ayes:	(4)	Butterfield, Guerrero, Jones, Sanchez
Noes:	(0)	None
Absent:	(1)	Dunn

5. MATTERS FROM CHAIR, BOARD MEMBERS, AND DIRECTOR: None.
6. ADJOURNMENT: 2:10 p.m.

Lizabeth Vasquez
Deputy Secretary

DISCUSSION

The outstanding balance from funds borrowed from the LMIHF by the Former Agency in order to pay the state mandated ERAF and SERAF payments from Fiscal Year 2003-04 to Fiscal Year 2010-11 is approximately \$13.7 million. The Former Agency was to begin repayment of these loans, but redevelopment dissolution nullified those requirements, and AB-1484 set forth new repayment requirements described above.

Prior to being able to make payments on the ERAF and SERAF loans, a Successor Agency must adopt a resolution (Attachment No. 1) creating a repayment schedule for the payback, and submit it to the Oversight Board for approval. Due to the difficulty in projecting these payments, recent correspondence from the DOF on this issue indicates that DOF would not be opposed to a repayment schedule that indicated the repayment amount for each fiscal year will be equal to the maximum amount allowed pursuant to HSC Section 34176(e)(6)(B). As such, staff has prepared the repayment schedule with that specific language.

FINANCIAL IMPACT

Approval of the Repayment Schedule will allow the Successor Agency to place loan payments on future ROPS to the LMIHF, which is now known as the Low and Moderate Income Housing Asset Fund administered by the Garden Grove Housing Authority as the Housing Successor to the Former Agency.

RECOMMENDATION

Staff recommends the Oversight Board:

- Adopt the attached Resolution approving a repayment schedule to the Low and Moderate Income Housing Fund for the ERAF/SERAF loans of the Former Agency;
- Authorize staff to transmit said Resolution to the State of California Department of Finance.

By: Monica Covarrubias, Project Manager

ATTACHMENTS:

Description	Upload Date	Type	File Name
OB Resolution	4/19/2018	Resolution	4-25-18_OB_Reso_ERAF_SERAF_Repymt_Sch.doc

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