

Resolution No. 19-007

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH OVERSIGHT OF THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT APPROVING RECOGNIZED OBLIGATION PAYMENT SCHEDULE 19-20 A-B FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2019 TO JUNE 30, 2020, SUBJECT TO SUBMITTAL TO, AND REVIEW BY THE STATE DEPARTMENT OF FINANCE UNDER CALIFORNIA HEALTH AND SAFETY CODE, DIVISION 24, PART 1.85; AUTHORIZING THE POSTING AND TRANSMITTAL THEREOF; AND AUTHORIZING THE COMMUNITY AND ECONOMIC DEVELOPMENT DIRECTOR, IN CONSULTATION WITH LEGAL COUNSEL, TO REQUEST AND COMPLETE MEET AND CONFER SESSION WITH THE DOF AND MAKE AUGMENTATIONS, MODIFICATIONS, ADDITIONS OR REVISIONS AS MAY BE NECESSARY OR DIRECTED BY DOF.

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.*, 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”); and

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”); and

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”); and

WHEREAS, prior to July 1, 2018 under the Dissolution Law, in particular Sections 34179 and 34180, certain actions of the Successor Agency were subject to the review and approval by a local seven member oversight board, which oversaw and administered the Successor Agency’s activities during the period from dissolution until June 30, 2018; and

WHEREAS, as of, on and after July 1, 2018 under the Dissolution Law, in particular Section 34179(j), in every California county there shall be only one oversight board that is staffed by the county auditor-controller, with certain exceptions that do not apply in the County of Orange; and

WHEREAS, as of, on and after July 1, 2018 the single Orange Countywide Oversight Board (the “Oversight Board”) was established in compliance with Section 34179(j), which serves as the oversight board to all of the successor agencies existing and operating in Orange County, including the Successor Agency; and

WHEREAS, pursuant to Section 34171(h) of the Dissolution Act, a “Recognized Obligation Payment Schedule” means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each annual fiscal period as provided in Section 34177(o) of the Dissolution Act; and

WHEREAS, pursuant to Section 34177(j) of the Dissolution Act, the Successor Agency is required to prepare and submit to the Oversight Board an “Administrative Budget” for each annual fiscal period corresponding to each Recognized Obligation Payment Schedule; and

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; and

WHEREAS, Sections 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”); and

WHEREAS, Section 34177(o) of the Dissolution Law requires that the annual ROPS for the 19-20 A-B fiscal period of July 1, 2019 to June 30, 2020 (“ROPS 19-20 A-B”) shall be submitted to the DOF by the Successor Agency, after approval by the Oversight Board, no later than February 1, 2019; and

WHEREAS, pursuant to Section 34177(o) of the Dissolution Act, the Successor Agency has prepared, approved, and submitted to the Oversight Board for approval its ROPS 19-20 A-B, in the form attached to this Resolution as Attachment No. 1 and incorporated herein by this reference; and

WHEREAS, the ROPS 19-20 A-B sets forth and includes the Administrative Budget prepared by the Successor Agency for the period covering July 1, 2019 through June 30, 2020; and

WHEREAS, the Oversight Board has reviewed the ROPS 19-20 A-B prepared, approved, and presented by the Successor Agency and desires to approve the ROPS 19-20 A-B, and to authorize the Successor Agency, to cause posting of ROPS 19-20 A-B on the City’s website: <http://ggcity.org> and to direct transmittal of such ROPS to the DOF, with copies to the County Executive Officer, the County Auditor-Controller, and the State Controller’s Office;

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD, as follows:

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

Section 2. Pursuant to the Dissolution Law, the Oversight Board hereby approves ROPS 19-20 A-B, which is included as Attachment 1 and incorporated by this reference; provided however, that the ROPS 19-20 A-B is approved subject to the condition such ROPS is to be submitted to and reviewed by the State Department of Finance. 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 make augmentations, modifications, additions or revisions as may be necessary or directed by DOF.

Section 3. The Oversight Board authorizes transmittal of the ROPS 19-20 A-B to the DOF, with copies to the County Executive Officer, the County Auditor-Controller, and the State Controller's Office.

Section 4. The Community and Economic Development Director or her authorized designee is directed to post this Resolution, including the ROPS 19-20 A-B, on the City/Successor Agency website pursuant to the Dissolution Law.

Section 5. Pursuant to Section 34179(h) written notice and information about all actions taken by the Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing. An Oversight Board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review; provided however, that pursuant to Section 34177(m) as to each ROPS submitted the DOF shall make its determination of the enforceable obligations and the amounts and funding sources of the enforceable obligations thereon no later than 45 days after submittal.

Section 6. The Clerk of the Oversight Board shall certify to the adoption of this Resolution.

The foregoing was passed and adopted by the following vote of the Orange Countywide Oversight Board on TUESDAY, JANUARY 22, 2019

YES: STEVE FRANKS, CHRIS GAARDER, STEVE JONES,  
BRIAN PROBOLSKY, DEAN WEST, PHILLIP E.  
YARBROUGH


NOES:  
EXCUSED:  
ABSTAINED: CHARLES BARFIELD

  
\_\_\_\_\_  
BRIAN PROBOLSKY  
CHAIRMAN

STATE OF CALIFORNIA    )  
  )  
COUNTY OF ORANGE    )

**I, KATHY TAVOULARIS, Clerk of the Orange Countywide Oversight Board, Orange County, California, hereby certify that a copy of this document has been delivered to the Chairman of the Board and that the above and foregoing Resolution was duly and regularly adopted by the Orange Countywide Oversight Board.**

**IN WITNESS WHEREOF, I have hereto set my hand.**

  
\_\_\_\_\_  
KATHY TAVOULARIS  
Clerk  
Orange Countywide Oversight Board

Resolution No: 19-007

Agenda Date: Tuesday, January 22, 2019

Item No: 5F

ATTACHMENT 1

RECOGNIZED OBLIGATION PAYMENT SCHEDULE 19-20 A-B  
FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2019 TO JUNE 30, 2020

(attached)

**Recognized Obligation Payment Schedule (ROPS 19-20) - Summary**  
 Filed for the July 1, 2019 through June 30, 2020 Period

**Successor Agency:** Garden Grove  
**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>19-20A Total (July - December)</b>	<b>19-20B Total (January - June)</b>	<b>ROPS 19-20 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D):</b>	<b>\$ 3,294,271</b>	<b>\$ 12,328</b>	<b>\$ 3,306,599</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	3,294,271	12,328	3,306,599
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):</b>	<b>\$ 11,551,921</b>	<b>\$ 8,722,601</b>	<b>\$ 20,274,522</b>
F RPTTF	11,354,344	8,525,025	19,879,369
G Administrative RPTTF	197,577	197,576	395,153
<b>H Current Period Enforceable Obligations (A+E):</b>	<b>\$ 14,846,192</b>	<b>\$ 8,734,929</b>	<b>\$ 23,581,121</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.

Brian Probolsky, Chairman  
 Name Title  
 /s/ Brsky 1/24/19  
 Signature Date

Garden Grove Recognized Obligation Payment Schedule (ROPS 19-20) - ROPS Detail

July 1, 2019 through June 30, 2020

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	19-20A (July - December)					19-20B (January - June)					W	
											Fund Sources					Fund Sources						
											L	M	N	O	P	Q	R	S	T	U		V
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 19-20 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	19-20A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	19-20B Total
2	Hyatt Regency OPA	Business Incentive	6/1/2000	9/1/2018	OPA, LLC (Performance	Cost of Project Improvements	C.P.A.	\$ 132,234,336	Y	\$ 23,581,121	\$ 0	\$ 0	\$ 3,294,271	\$ 11,354,344	\$ 197,577	\$ 14,846,192	\$ 0	\$ 0	\$ 12,328	\$ 8,525,025	\$ 197,576	\$ 8,734,929
6	Katella Cottages OPA	OPA/DDA/Construction	6/10/2008	10/1/2027	Heritage Village Note Investors (Performance Based)	Land Acquisition and Project Improvements	C.P.A.	3,015,342	N	\$ 30,000						\$ -				30,000		\$ 30,000
7	Katella Cottages Note	Bonds Issued On or Before 12/31/10	6/10/2008	10/1/2027	U.S. Bank	Land Acquisition and Project Improvements	C.P.A.	1,125,000	N	\$ 175,650				141,900		\$ 141,900				33,750		\$ 33,750
9	Coastline Lease Payments	Miscellaneous	3/4/1994	7/31/2017	Coast Community College District	Office Space Rent (Payments in Aug and Feb)	C.P.A.		Y	\$ -						\$ -						\$ -
14	Union Bank Loan	Third-Party Loans	5/1/2008	6/1/2020	Union Bank of California	Land Acquisition - Estimated Monthly Payments - Variable Interest	C.P.A.	4,066,667	Y	\$ 4,066,667				2,033,334		\$ 2,033,334				2,033,333		\$ 2,033,333
16	Sycamore Walk DDA	Remediation	11/12/1996	6/30/2023	Olson Urban Housing	Quarterly Soil/Ground Water Monitoring Events	C.P.A.	60,000	N	\$ 15,203				15,203		\$ 15,203						\$ -
18	Housing Fund Deficit	SERAF/ERAF	2/1/2012	12/31/2020	Garden Grove Hsgng Auth.	Repayment of Housing Fund from SERAF/ERAF	n/a	13,254,260	N	\$ 3,100,000						\$ -				3,100,000		\$ 3,100,000
19	Waterpark Hotel DDA	Business Incentive Agreements	5/12/2009	12/31/2026	Garden Grove MXD & Various	Site Assembly/Project Assistance	C.P.A.	10,100,000	N	\$ 1,179,119						\$ -				1,179,119		\$ 1,179,119
20	Site B2 DDA	Business Incentive Agreements	6/26/2001	6/26/2025	Kam Sang Inc.	Project Assistance & Site Assembly & Preparation Costs	C.P.A.	3,300,000	N	\$ 450,000						\$ -				450,000		\$ 450,000
22	Brookhurst Triangle DDA	OPA/DDA/Construction	11/23/2010	12/31/2020	New Age Brookhurst, LLC & Various	Site Preparation Costs	C.P.A.	7,898,000	N	\$ 6,798,055				6,798,055		\$ 6,798,055						\$ -
24	Project Management for Item 20 - Site B2	Project Management Costs	6/26/2001	6/26/2025	City of Garden Grove	Labor associated w/ project coordination / management	C.P.A.	300,000	N	\$ 166,430				83,214		\$ 83,214				83,216		\$ 83,216
25	Project Legal for Items 19-20	Legal	6/26/2001	12/31/2026	SYCR and WSS Firms	Legal Costs Associated with project items 19 & 20	C.P.A.	75,000	N	\$ 50,000				25,000		\$ 25,000				25,000		\$ 25,000
27	Agency Property Maint/Management	Property Maintenance	2/1/2012	12/31/2020	Various	Management and Maintenance of Successor Agency Owned Property Awaiting Development or Disposal	C.P.A.	135,000	N	\$ 24,657			12,329			\$ 12,329			12,328			\$ 12,328
31	Administrative Allowance	Admin Costs	1/1/2014	6/30/2019	City of Garden Grove	Administrative Allowance per AB 1484	n.a.	4,500,000	N	\$ 395,153					197,577	\$ 197,577				197,576		\$ 197,576
33	Brookhurst Triangle DDA	Property Dispositions	7/29/2002	12/31/2020	Wang	See Notes.	C.P.A.	1,790,971	N	\$ 1,790,971			1,790,971			\$ 1,790,971						\$ -
34	Brookhurst Triangle DDA	Property Dispositions	7/29/2002	12/31/2020	City of Garden Grove	See Notes.	C.P.A.	1,490,971	N	\$ 1,490,971			1,490,971			\$ 1,490,971						\$ -
37	Project Management for Item 22 - Brookhurst	Project Management Costs	11/23/2010	12/31/2020	City of Garden Grove	Labor associated w/ project coordination / management	C.P.A.	250,000	N	\$ 166,430				83,216		\$ 83,216				83,214		\$ 83,214
39	2014 Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	6/26/2014	10/1/2029	U.S. Bank National Association	Refunding of 2003 Tax Allocation Bonds	C.P.A.	29,078,575	N	\$ 2,224,538				1,654,413		\$ 1,654,413				570,125		\$ 570,125
40	Limón Law Suit Settlement	Litigation	9/20/2013	6/30/2015	Various	Settlement of Former Agency Lawsuit Associated with Item 19	C.P.A.		N	\$ -						\$ -						\$ -
47	Appraisals(s)	Admin Costs	7/1/2015	12/31/2018	TBD	Appraisals for Properties on the Long Range Property Management Plan	C.P.A.	46,000	N	\$ 4,200						\$ -				4,200		\$ 4,200
49	Limón Law Suit Settlement/Judgement	Litigation	6/5/2015	6/5/2020	Public Counsel	Attorneys Fees per Judgement/Court Ruling	C.P.A.		N	\$ -						\$ -						\$ -
50	Limón Law Suit Settlement/Judgement	Litigation	6/5/2015	6/5/2020	Various	Replacement Housing Obligation per Judgement/Court Ruling	C.P.A.		N	\$ -						\$ -						\$ -
51	Housing Successor Administration	Admin Costs	1/1/2016	6/30/2016	Garden Grove Housing Authority	Administration of the Housing Successor		1,500,000	N	\$ 150,000				75,000		\$ 75,000				75,000		\$ 75,000
52	Item 39 Trustee Fee (2014 TAR)	Fees	6/26/2014	10/1/2029	U.S. Bank National Association	Fees associated with Bond payment	C.P.A.	162,000	N	\$ 6,655				3,328		\$ 3,328				3,327		\$ 3,327
53	Item 19 Trustee Fee (Waterpark Bond)	Fees	5/12/2009	12/31/2026	U.S. Bank National Association	Fees associated with Bond payment	C.P.A.	246,100	N	\$ 5,055				2,528		\$ 2,528				2,527		\$ 2,527
54	Item 7 Trustee Fee (Katella Cottages Note)	Fees	6/10/2008	10/1/2027	U.S. Bank National Association	Fees associated with Note	C.P.A.	17,500	N	\$ 1,600				800		\$ 800				800		\$ 800
55	Successor Agency Legal Fees for Limón Litigation (Item 49 & 50)	Legal	6/5/2015	6/5/2020	SYCR and WSS Firms	Attorneys Fees per Judgement/Court Ruling	C.P.A.	70,000	N	\$ 50,000				25,000		\$ 25,000				25,000		\$ 25,000
56	2016 Tax Allocation Bonds (for Waterpark Hotel, Item 19)	Bonds Issued After 12/31/10	10/1/2016	10/1/2033	U.S. Bank	Refunding Bonds issued associated with project item 19	C.P.A.	49,748,250	N	\$ 1,239,188				413,063		\$ 413,063				826,125		\$ 826,125
57	Project Management for Item 19 - Water Park	Business Incentive Agreements	6/26/2009	12/31/2026	City of Garden Grove	Labor associated w/ project coordination / management	C.P.A.		N	\$ -						\$ -						\$ -
58	Item 14 Dissemination Fees	Fees	5/1/2008	6/1/2020	Union Bank of California	Fees associated with loan	C.P.A.	4,700	N	\$ 579				290		\$ 290				289		\$ 289
59	Unfunded CalPERS Pension Liabilities 2011-12	Unfunded Liabilities	2/1/2012	6/30/2018	City of Garden Grove	Reimbursement of unfunded CalPERS Pension Liabilities			N	\$ -						\$ -						\$ -
60	Unfunded CalPERS Pension Liabilities 2012-13	Unfunded Liabilities	7/1/2012	6/30/2018	City of Garden Grove	Reimbursement of unfunded CalPERS Pension Liabilities			N	\$ -						\$ -						\$ -
61	Unfunded CalPERS Pension Liabilities 2013-14	Unfunded Liabilities	7/1/2013	6/30/2018	City of Garden Grove	Reimbursement of unfunded CalPERS Pension Liabilities			N	\$ -						\$ -						\$ -
62	Unfunded CalPERS Pension Liabilities 2014-15	Unfunded Liabilities	7/1/2014	6/30/2018	City of Garden Grove	Reimbursement of unfunded CalPERS Pension Liabilities			N	\$ -						\$ -						\$ -
63	Unfunded CalPERS Pension Liabilities 2015-16	Unfunded Liabilities	7/1/2015	6/30/2018	City of Garden Grove	Reimbursement of unfunded CalPERS Pension Liabilities			N	\$ -						\$ -						\$ -
64	Unfunded CalPERS Pension Liabilities 2016-17	Unfunded Liabilities	7/1/2016	6/30/2018	City of Garden Grove	Reimbursement of unfunded CalPERS Pension Liabilities			N	\$ -						\$ -						\$ -
65	Unfunded CalPERS Pension Liabilities 2017-18	Unfunded Liabilities	7/1/2017	10/1/2033	Cal PERS	Unfunded CalPERS Pension Liabilities			N	\$ -						\$ -						\$ -
66									N	\$ -						\$ -						\$ -
67									N	\$ -						\$ -						\$ -
68									N	\$ -						\$ -						\$ -
69									N	\$ -						\$ -						\$ -
70									N	\$ -						\$ -						\$ -
71									N	\$ -						\$ -						\$ -
72									N	\$ -						\$ -						\$ -
73									N	\$ -						\$ -						\$ -
74									N	\$ -						\$ -						\$ -
75									N	\$ -						\$ -						\$ -
76									N	\$ -						\$ -						\$ -
77									N	\$ -						\$ -						\$ -
78									N	\$ -						\$ -						\$ -
79									N	\$ -						\$ -						\$ -
80									N	\$ -						\$ -						\$ -





**Garden Grove Recognized Obligation Payment Schedule (ROPS 19-20) - Report of Cash Balances**  
**July 1, 2016 through June 30, 2017**  
**(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 <a href="#">Cash Balance Tips Sheet</a> .								
A	B	C	D	E	F	G	H	
		<b>Fund Sources</b>						
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>	<b>Other Funds</b>	<b>RPTTF</b>		
	<b>ROPS 16-17 Cash Balances (07/01/16 - 06/30/17)</b>	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, Grants, Interest, etc.	Non-Admin and Admin	<b>Comments</b>	
1	<b>Beginning Available Cash Balance (Actual 07/01/16)</b> RPTTF amount should exclude "A" period distribution amount	175,517	3,881,440		99,681	2,912,771	Beginning balance as per determination letter dated April 13, 2018.	
2	<b>Revenue/Income (Actual 06/30/17)</b> RPTTF amount should tie to the ROPS 16-17 total distribution from the County Auditor-Controller				397,062	19,384,381	Other funds collected are from rental income and interest income received.	
3	<b>Expenditures for ROPS 16-17 Enforceable Obligations (Actual 06/30/17)</b>				33,248	16,155,051		
4	<b>Retention of Available Cash Balance (Actual 06/30/17)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)					2,020,062	This amount represents half of the October 2017 debt service payments due for Line Item #39 of \$1,607,000 and Line Items #56 of \$413,062.	
5	<b>ROPS 16-17 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 16-17 PPA form submitted to the CAC	<b>No entry required</b>					1,659,448	
6	<b>Ending Actual Available Cash Balance (06/30/17)</b> <b>C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)</b>	\$ 175,517	\$ 3,881,440	\$ 0	\$ 463,495	\$ 2,462,591	As per the determination letter dated April 13, 2018, \$2,912,771 of the cash balance will be applied to Line #2 on ROPS 18-19.	



**Garden Grove Recognized Obligation Payment Schedule (ROPS 19-20) - Notes July 1, 2019 through June 30, 2020**

Item #	Notes/Comments