

# Orange Countywide Oversight Board

Date: 9/26/2019

Agenda Item No. 9B

From: Successor Agency to the Garden Grove Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving Amendment to the Recognized Obligation Payment Schedule (ROPS)

## Recommended Action:

Approve resolution approving amendment to FY 2019-20B ROPS for the Garden Grove Successor Agency

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The Garden Grove Successor Agency requests approval of the Amended Recognized Obligation Payment Schedule (ROPS) 19-20B for the second half of Fiscal Year 2019-20. The amendment would increase Redevelopment Property Tax Trust Fund ("RPTTF") funding for the B period for three Line Items. The amended Line Items on ROPS 19-20 B are detailed as follows.

1. Line Item No.22 – Brookhurst Triangle DDA, increase RPTTF budget by \$28,965. Submittal of multiple change orders due to unanticipated changes in condition to the Brookhurst Triangle Project Site during Phase II demolition, resulted in a need for an amendment to increase the budget for a contract with J&G Industries, Inc., for Project No. S-1232 – Brookhurst Triangle Demolition Project – Phase II. (Attachment 4 – Change Order #1, Attachment 5 – Change Order #2).
2. Line Item No.47 – Appraisals, increase RPTTF budget by \$13,300. The County Oversight Board is requesting Successor Agencies expedite the process of disposing of any Successor Agency owned properties. Garden Grove Successor Agency still owns four properties listed as "Properties to be Sold" on the Approved Long Range Property Management Plan. The current ROPS appraisal budget of \$4,200 is not sufficient to cover the cost of conducting appraisals on all four properties to determine their value prior to the sale of each property. The Successor Agency is requesting the difference in cost to be able to appraise all four properties. (Attachment 6 – Appraisal bid for all four properties).
3. Line Item No.55 – Successor Agency Legal Fees for Limon Litigation, increase RPTTF Budget by \$25,000. New demands placed by Limon Judgment Plaintiffs' attorneys and financial issues related to the implementation of the Limon Replacement Housing units at Wesley Village result in a need for additional legal services. (Attachment 7 – Legal Counsel Memorandum).

The Garden Grove Successor Agency resolution approving the Amended ROPS 19-20B will be voted upon at the September 10, 2019 City of Garden Grove Successor Agency regularly scheduled meeting. Successor Agency approval is subject to submittal to and approval by the Countywide Oversight Board and then by the State Department and Finance (DOF). The Successor Agency also requests authorization to post the approved Resolution and Amended ROPS 19-20 B to the City's website and to transmit the Amended ROPS 19-20 B to the DOF. Further, the City of Garden Grove's Community and Economic Development Director and her designees, in consultation with legal counsel, shall be authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by DOF.

## Impact on Taxing Entities

No fiscal impact until approved by DOF. If the DOF approves the Amended ROPS as submitted, the Successor Agency will increase its previously authorized ROPS 19-20B distribution amount of \$8,647,601 to \$8,714,866, a difference of \$67,265 in RPTTF for the period of January 1, 2020 to June 30, 2020, to pay

the Successor Agency's enforceable obligations.

Staff Contact(s)

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Attachments

- Attachment 1 – Oversight Board Resolution Amending ROPS 19-20B
- Attachment 2 – Amended Recognized Obligation Payment Schedule 19-20 B
- Attachment 3 – Resolution from Garden Grove Successor Agency
- Attachment 4 – Line Item No. 22 – Brookhurst Triangle Demolition Contract Change Order #1
- Attachment 5 – Line Item No. 22 – Brookhurst Triangle Demolition Contract Change Order #2
- Attachment 6 – Line Item No. 47 – Appraisal Bid
- Attachment 7 – Line Item No. 55 – Legal Counsel Memorandum

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD APPROVING THE AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE 19-20 B FOR THE PERIOD OF JANUARY 1, 2020 TO JUNE 30, 2020 FOR THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, 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 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, 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(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”); and

WHEREAS, Section 34177(o) of the Dissolution Law requires that beginning with the annual ROPS for the 16-17 fiscal period of July 1, 2016 to June 30, 2017 (“ROPS 16-17”) inclusive, and for each period from July 1 to June 30, inclusive, thereafter, shall be submitted to

the DOF by the Successor Agency, after approval by the Oversight Board, no later than February 1, 2016, and each February 1 thereafter; and

WHEREAS, Section 34177(o)(1)(E) provides that once per ROPS period, and no later than October 1, a Successor Agency may submit one amendment to the ROPS if the Oversight Board makes a finding that a revision is necessary for payment of approved enforceable obligations during the second one-half of the ROPS period defined as January 1 to June 30, inclusive. The Successor Agency may only amend the amount requested for payment of approved enforceable obligations; and

WHEREAS, the Orange Countywide Oversight Board has reviewed the Amended ROPS 19-20 B prepared, approved, and presented by the Successor Agency and desires to approve the Amended ROPS 19-20 B, and desires to authorize the Successor Agency, to cause posting of Amended ROPS 19-20 B on the City's website: <http://www.ci.garden-grove.ca.us/> 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 THAT:

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 Orange Countywide Oversight Board hereby approves Amended ROPS 19-20 B; provided however, that the Amended ROPS 19-20 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 make augmentations, modifications, additions or revisions as may be necessary or directed by DOF.

Section 3. The Orange Countywide Oversight Board authorizes transmittal of the Amended ROPS 19-20 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 Amended ROPS 19-20 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 Orange Countywide Oversight Board shall certify to the adoption of this Resolution.

ATTACHMENT 1 TO  
OVERSIGHT BOARD RESOLUTION NO. 19-\_\_\_\_

AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE 19-20 B  
FOR THE PERIOD OF JANUARY 1, 2020 TO JUNE 30, 2020

(attached)

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

**Successor Agency:** Garden Grove

**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>ROPS 19-20B Authorized Amounts</b>	<b>ROPS 19-20B Requested Adjustments</b>	<b>ROPS 19-20B Amended Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ 12,328</b>	<b>\$ -</b>	<b>\$ 12,328</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	12,328	-	12,328
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 8,647,601</b>	<b>\$ 67,265</b>	<b>\$ 8,714,866</b>
F RPTTF	8,450,025	67,265	8,517,290
G Administrative RPTTF	197,576	-	197,576
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 8,659,929</b>	<b>\$ 67,265</b>	<b>\$ 8,727,194</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**  
**Amended Recognized Obligation Payment Schedule (ROPS 19-20B) - ROPS Detail**  
**January 1, 2020 through June 30, 2020**

Item #	Project Name	Obligation Type	Total Outstanding Obligation	Authorized Amounts					Total	Requested Adjustments					Total	Notes
				Fund Sources						Fund Sources						
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
			\$132,234,336	\$-	\$-	\$12,328	\$8,450,025	\$197,576	\$8,659,929	\$-	\$-	\$-	\$67,265	\$-	\$67,265	
2	Hyatt Regency OPA	Business Incentive Agreements	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
6	Katella Cottages OPA	OPA/DDA/ Construction	\$3,015,342	-	-	-	30,000	-	\$30,000	-	-	-	-	-	\$-	
7	Katella Cottages Note	Bonds Issued On or Before 12/31/10	\$1,125,000	-	-	-	33,750	-	\$33,750	-	-	-	-	-	\$-	
9	Coastline Lease Payments	Miscellaneous	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
14	Union Bank Loan	Third-Party Loans	\$4,066,667	-	-	-	2,033,333	-	\$2,033,333	-	-	-	-	-	\$-	
16	Sycamore Walk DDA	Remediation	\$60,000	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
18	Housing Fund Deficit	SERAF/ERAF	\$13,254,260	-	-	-	3,100,000	-	\$3,100,000	-	-	-	-	-	\$-	
19	Waterpark Hotel DDA	Business Incentive Agreements	\$10,100,000	-	-	-	1,179,119	-	\$1,179,119	-	-	-	-	-	\$-	
20	Site B2 DDA	Business Incentive Agreements	\$3,300,000	-	-	-	450,000	-	\$450,000	-	-	-	-	-	\$-	
22	Brookhurst Triangle DDA	OPA/DDA/ Construction	\$7,898,000	-	-	-	-	-	\$-	-	-	-	28,965	-	\$28,965	Increase in budget to agreement with J&G Industries, Inc., for Project No. S-1232-Brookhurst Triangle Phase II Demolition, due to change orders resulting from unanticipated changes in conditions to the project site.
24	Project Management for Item 20 - Site B2	Project Management Costs	\$300,000	-	-	-	83,216	-	\$83,216	-	-	-	-	-	\$-	
25	Project Legal for Items 19-20	Legal	\$75,000	-	-	-	25,000	-	\$25,000	-	-	-	-	-	\$-	
27	Agency Property Maint/Management	Property Maintenance	\$135,000	-	-	12,328	-	-	\$12,328	-	-	-	-	-	\$-	
31	Administrative Allowance	Admin Costs	\$4,500,000	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
33	Brookhurst Triangle DDA	Property Dispositions	\$1,790,971	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
34	Brookhurst Triangle DDA	Property Dispositions	\$1,490,971	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
37	Project Management for Item 22 -	Project Management	\$250,000	-	-	-	83,214	-	\$83,214	-	-	-	-	-	\$-	

Item #	Project Name	Obligation Type	Total Outstanding Obligation	Authorized Amounts					Total	Requested Adjustments					Total	Notes
				Fund Sources						Fund Sources						
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
	Brookhurst	Costs														
39	2014 Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	\$29,078,575	-	-	-	570,125	-	\$570,125	-	-	-	-	-	\$-	
40	Limon Law Suit Settlement	Litigation	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
47	Appraisals(s)	Admin Costs	\$46,000	-	-	-	4,200	-	\$4,200	-	-	-	13,300	-	\$13,300	Oversight Board is requesting Successor Agency expedite disposition of Successor Agency owned properties. Current approved budget not sufficient to cover the cost of appraisals for all properties owned by the Agency.
49	Limon Law Suit Settlement/ Judgement	Litigation	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
50	Limon Law Suit Settlement/ Judgement	Litigation	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
51	Housing Successor Administration	Admin Costs	\$1,500,000	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
52	Item 39 Trustee Fee (2014 TARB)	Fees	\$162,000	-	-	-	3,327	-	\$3,327	-	-	-	-	-	\$-	
53	Item 19 Trustee Fee (Waterpark Bond)	Fees	\$246,100	-	-	-	2,527	-	\$2,527	-	-	-	-	-	\$-	
54	Item 7 Trustee Fee (Katella Cottages Note)	Fees	\$17,500	-	-	-	800	-	\$800	-	-	-	-	-	\$-	
55	Successor Agency Legal Fees for Limon Litigation (Item 49 & 50)	Legal	\$70,000	-	-	-	25,000	-	\$25,000	-	-	-	25,000	-	\$25,000	Increase due to new demands placed by Limon Judgment Plaintiffs' attorneys and financial issues related to the implementation of the Limon Replacement Housing units at Wesley Village result in a need for additional legal services.
56	2016 Tax Allocation Bonds (for Waterpark Hotel, Item 19)	Bonds Issued After 12/31/10	\$49,748,250	-	-	-	826,125	-	\$826,125	-	-	-	-	-	\$-	
57	Project Management for Item 19 - Water Park	Business Incentive Agreements	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
58	Item 14 Dissemination Fees	Fees	\$4,700	-	-	-	289	-	\$289	-	-	-	-	-	\$-	
59	Unfunded CalPERS Pension Liabilities 2011-12	Unfunded Liabilities	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
60	Unfunded CalPERS Pension Liabilities 2012-13	Unfunded Liabilities	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
61	Unfunded CalPERS Pension Liabilities	Unfunded Liabilities	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	



Item #	Project Name	Obligation Type	Total Outstanding Obligation	Authorized Amounts					Total	Requested Adjustments					Total	Notes
				Fund Sources						Fund Sources						
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
	2013-14															
62	Unfunded CalPERS Pension Liabilities 2014-15	Unfunded Liabilities	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
63	Unfunded CalPERS Pension Liabilities 2015-16	Unfunded Liabilities	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
64	Unfunded CalPERS Pension Liabilities 2016-17	Unfunded Liabilities	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
65	Unfunded CalPERS Pension Liabilities 2017-18	Unfunded Liabilities	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	

GARDEN GROVE SUCCESSOR AGENCY

RESOLUTION NO. 57-19

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT APPROVING THE AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE 19-20 B FOR THE PERIOD OF JANUARY 1, 2020 TO JUNE 30, 2020, 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 an 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 beginning with the annual ROPS for the 16-17 fiscal period of July 1, 2016 to June 30, 2017 ("ROPS 16-17") inclusive, and for each period from July 1 to June 30, inclusive, thereafter, shall be submitted to the DOF by the Successor Agency, after approval by the Oversight Board, no later than February 1, 2016, and each February 1 thereafter;

WHEREAS, Section 34177(E)(o)(I) provides that once per ROPS period, and no later than October 1, a Successor Agency may submit one amendment to the ROPS if the Oversight Board makes a finding that a revision is necessary for payment of approved enforceable obligations during the second one-half of the ROPS period defined as January 1 to June 30, inclusive. The Successor Agency may only amend the amount requested for payment of approved enforceable obligations;

WHEREAS, pursuant to Sections 34179.6 and 34177(I)(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 Amended ROPS 19-20 B and desires to approve the Amended ROPS 19-20 B and to authorize the Successor Agency staff to transmit the Amended ROPS to the Oversight Board; and

WHEREAS, the Successor Agency staff is directed to post the Amended ROPS 19-20 B on the City/Successor Agency website: <https://ggcity.org/>

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 Amended ROPS 19-20 B, which schedule is incorporated herein by this reference; provided however, that the Amended ROPS 19-20 B is approved subject to transmittal of the Amended ROPS to the Oversight Board for review and approval with copies of the Amended 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 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 Amended ROPS 19-20 B to the DOF, the County Administrative Officer, the County Auditor-Controller, and the State Controller's Office.

Section 4. Community and Economic Development Director, or her designee, is directed to post this Resolution, including the Amended ROPS 19-20 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.

Adopted this 10<sup>th</sup> day of September 2019.

ATTEST:

/s/ STEVEN R. JONES

CHAIR

/s/ TERESA POMEROY, CMC

SECRETARY

STATE OF CALIFORNIA     )  
COUNTY OF ORANGE     ) SS:  
CITY OF GARDEN GROVE   )

I, TERESA POMEROY, Secretary of The City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development, do hereby certify that the foregoing Resolution was duly adopted by the Successor Agency, at a meeting held on the 10<sup>th</sup> day of September 2019, by the following vote:

AYES: MEMBERS: (7) BRIETIGAM, BUI, O'NEILL, NGUYEN T., KLOPFENSTEIN, NGUYEN K., JONES

NOES: MEMBERS: (0) NONE

ABSENT: MEMBERS: (0) NONE

/s/ TERESA POMEROY, CMC

SECRETARY

ATTACHMENT 1  
to Successor Agency Resolution No. 57-19

AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE 19-20 B  
FOR SIX-MONTH FISCAL PERIOD JANUARY 1, 2020 TO JUNE 30, 2020

(attached)

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

**Successor Agency:** Garden Grove

**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>ROPS 19-20B Authorized Amounts</b>	<b>ROPS 19-20B Requested Adjustments</b>	<b>ROPS 19-20B Amended Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ 12,328</b>	<b>\$ -</b>	<b>\$ 12,328</b>
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	12,328	-	12,328
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 8,647,601</b>	<b>\$ 67,265</b>	<b>\$ 8,714,866</b>
F RPTTF	8,450,025	67,265	8,517,290
G Administrative RPTTF	197,576	-	197,576
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 8,659,929</b>	<b>\$ 67,265</b>	<b>\$ 8,727,194</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 Amended Recognized Obligation Payment Schedule (ROPS 19-20B) - ROPS Detail**  
**January 1, 2020 through June 30, 2020**

Item #	Project Name	Obligation Type	Total Outstanding Obligation	Authorized Amounts					Total	Requested Adjustments					Total	Notes
				Fund Sources						Fund Sources						
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
			\$132,234,336	\$-	\$-	\$12,328	\$8,525,025	\$197,576	\$8,659,929	\$-	\$-	\$-	\$67,265	\$-	\$67,265	
2	Hyatt Regency OPA	Business Incentive Agreements	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
6	Katella Cottages OPA	OPA/DDA/ Construction	\$3,015,342	-	-	-	30,000	-	\$30,000	-	-	-	-	-	\$-	
7	Katella Cottages Note	Bonds Issued On or Before 12/31/10	\$1,125,000	-	-	-	33,750	-	\$33,750	-	-	-	-	-	\$-	
9	Coastline Lease Payments	Miscellaneous	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
14	Union Bank Loan	Third-Party Loans	\$4,066,667	-	-	-	2,033,333	-	\$2,033,333	-	-	-	-	-	\$-	
16	Sycamore Walk DDA	Remediation	\$60,000	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
18	Housing Fund Deficit	SERAF/ERAF	\$13,254,260	-	-	-	3,100,000	-	\$3,100,000	-	-	-	-	-	\$-	
19	Waterpark Hotel DDA	Business Incentive Agreements	\$10,100,000	-	-	-	1,179,119	-	\$1,179,119	-	-	-	-	-	\$-	
20	Site B2 DDA	Business Incentive Agreements	\$3,300,000	-	-	-	450,000	-	\$450,000	-	-	-	-	-	\$-	
22	Brookhurst Triangle DDA	OPA/DDA/ Construction	\$7,898,000	-	-	-	-	-	\$-	-	-	-	28,965	-	\$28,965	Increase in budget to agreement with J&G Industries, Inc., for Project No. S-1232-Brookhurst Triangle Phase II Demolition, due to change orders resulting from unanticipated changes in conditions to the project site.
24	Project Management for Item 20 - Site B2	Project Management Costs	\$300,000	-	-	-	83,216	-	\$83,216	-	-	-	-	-	\$-	
25	Project Legal for Items 19-20	Legal	\$75,000	-	-	-	25,000	-	\$25,000	-	-	-	-	-	\$-	
27	Agency Property Maint/Management	Property Maintenance	\$135,000	-	-	12,328	-	-	\$12,328	-	-	-	-	-	\$-	
31	Administrative Allowance	Admin Costs	\$4,500,000	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
33	Brookhurst Triangle DDA	Property Dispositions	\$1,790,971	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
34	Brookhurst Triangle DDA	Property Dispositions	\$1,490,971	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
37	Project Management for Item 22 - Brookhurst	Project Management Costs	\$250,000	-	-	-	83,214	-	\$83,214	-	-	-	-	-	\$-	

Item #	Project Name	Obligation Type	Total Outstanding Obligation	Authorized Amounts					Total	Requested Adjustments					Total	Notes
				Fund Sources						Fund Sources						
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
39	2014 Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	\$29,078,575	-	-	-	570,125	-	\$570,125	-	-	-	-	-	\$-	
40	Limon Law Suit Settlement	Litigation	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
47	Appraisals(s)	Admin Costs	\$46,000	-	-	-	4,200	-	\$4,200	-	-	-	13,300	-	\$13,300	Oversight Board is requesting Successor Agency expedite disposition of Successor Agency owned properties. Current approved budget not sufficient to cover the cost of appraisals for all properties owned by the Agency.
49	Limon Law Suit Settlement/ Judgement	Litigation	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
50	Limon Law Suit Settlement/ Judgement	Litigation	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
51	Housing Successor Administration	Admin Costs	\$1,500,000	-	-	-	75,000	-	\$-	-	-	-	-	-	\$-	
52	Item 39 Trustee Fee (2014 TARB)	Fees	\$162,000	-	-	-	3,327	-	\$3,327	-	-	-	-	-	\$-	
53	Item 19 Trustee Fee (Waterpark Bond)	Fees	\$246,100	-	-	-	2,527	-	\$2,527	-	-	-	-	-	\$-	
54	Item 7 Trustee Fee (Katella Cottages Note)	Fees	\$17,500	-	-	-	800	-	\$800	-	-	-	-	-	\$-	
55	Successor Agency Legal Fees for Limon Litigation (Item 49 & 50)	Legal	\$70,000	-	-	-	25,000	-	\$25,000	-	-	-	25,000	-	\$25,000	Increase due to new demands placed by Limon Judgment Plaintiffs' attorneys and financial issues related to the implementation of the Limon Replacement Housing units at Wesley Village result in a need for additional legal services.
56	2016 Tax Allocation Bonds (for Waterpark Hotel, Item 19)	Bonds Issued After 12/31/10	\$49,748,250	-	-	-	826,125	-	\$826,125	-	-	-	-	-	\$-	
57	Project Management for Item 19 - Water Park	Business Incentive Agreements	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
58	Item 14 Dissemination Fees	Fees	\$4,700	-	-	-	289	-	\$289	-	-	-	-	-	\$-	
59	Unfunded CalPERS Pension Liabilities 2011-12	Unfunded Liabilities	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
60	Unfunded CalPERS Pension Liabilities 2012-13	Unfunded Liabilities	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
61	Unfunded CalPERS Pension Liabilities 2013-14	Unfunded Liabilities	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	



Item #	Project Name	Obligation Type	Total Outstanding Obligation	Authorized Amounts					Total	Requested Adjustments					Total	Notes
				Fund Sources						Fund Sources						
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
62	Unfunded CalPERS Pension Liabilities 2014-15	Unfunded Liabilities	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
63	Unfunded CalPERS Pension Liabilities 2015-16	Unfunded Liabilities	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
64	Unfunded CalPERS Pension Liabilities 2016-17	Unfunded Liabilities	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	
65	Unfunded CalPERS Pension Liabilities 2017-18	Unfunded Liabilities	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-	

July 15, 2019

PHONE: 714-903-2002  
FAX: 714-903-2003

City of Garden Grove  
11122 Acacia Pkwy  
Garden Grove, CA 92842

Greg Blodgett, Sr Project Manager

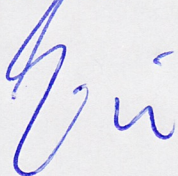
Re: Brookhurst Triangle Demolition Project- Phase II  
Project No. S-1232

In follow up to our site meeting of July 12, 2019, in regards to changed site conditions, underground transite pipe, we have prepared a Change Order request for your review.

Survey & prepare Procedure 5 Plan by a 3rd party	\$1,500.00
SCAQMD - Notification & Permit	\$1,000.00
Waste Bin	\$1,500.00
1st Day (2) Man crew	\$3,750.00
2nd Day (2) Man crew	\$2,000.00
J&G Mark-up on above	\$975.00
Excavation Costs	\$3,680.00
Water Truck / Labor	\$1,120.00
Supervision	\$1,200.00
Bonds & Insurance costs (All \$16,725.00 above)	<u>\$836.25</u>
Total Change Order Request	\$17,561.25

We would also request additional time to be added to our contract to cover additional scope of work.

Please don't hesitate to contact me with any questions.  
Thank you,



Eric Cain, VP



STATE CONTRACTORS LICENSE #571859



August 12, 2019

PHONE: 714-903-2002  
FAX: 714-903-2003

City of Garden Grove  
11122 Acacia Pkwy  
Garden Grove, CA 92842

Greg Blodgett, Sr Project Manager

Re: Brookhurst Triangle Demolition Project- Phase II  
Project No. S-1232

Per job walk on 8/9/19 to discuss additional concrete beneath the asphalt. We request a Change Order outlined below for removal of unforeseen concrete slabs/footings and block building wall.

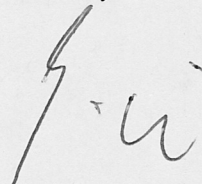
Area is approximately  $70 \times 200 = 14,000$  s.f. by up to 3' below grade surface. Note that we will leave open our previous change order for a Procedure 5 for the removal of asbestos containing underground transite pipe in the event we encounter more of this material.

Our breakdown for the above out of scope work is follows:

1/2 day exploratory work to define limits of work (8/8/19)	<u>\$1,420.00</u>
5 Days for removals including dirt, concrete, slabs, footings and block walls. Also included is breaking & processing of concrete	<u>\$13,600.00</u>
3 Days of backfilling, track rolling and rough grading of area	<u>\$23,600.00</u>
Sub Total	<u>\$38,620.00</u>
15% Mark-up	<u>\$5,793.00</u>
Total Change Order Request	<u>\$44,413.00</u>

We would also request an extension of time to our contract to cover this additional scope of work.

Please don't hesitate to contact me with any questions.  
Thank you,

  
Eric Cain, VP



STATE CONTRACTORS LICENSE #571859

Kevin Donahue, MAI  
Executive Director



August 29, 2019

Mr. Paul Guerrero  
CITY OF GARDEN GROVE  
11222 Acacia Parkway  
P.O. Box 3070  
Garden Grove, CA 92842

Re: **Proposal for Appraisal Services**  
**4 Potential Projects**  
**Garden Grove, CA**

Dear Mr. Guerrero:

Thank you for requesting our proposal for appraisal services. This letter is to provide preliminary fees only and is ***not intended to be a binding offer of professional services.***

#### I. PROBLEM IDENTIFICATION

**The Parties To This Agreement:** Cushman & Wakefield Western, Inc. ("C&W") and THE CITY OF GARDEN GROVE (the "Client").

**Intended Users:** The appraisals will be prepared for the Client and is intended only for the use specified below. The Client agrees that there are no other Intended Users.

**Intended Use:** To assist the City of Garden Grove in internal decision-making and possible disposition of the subject properties.

**Type of Opinion and Rights Appraised:** Current market value of each property's Fee Simple Interest.

**Date of Value:**

- Date of inspection

**Subject of the Assignment and Relevant Characteristics:** Site 1: This subject property is identified as APN 100-504-74 and consists of a 500' X 6" raised planter in an existing alley way. The intended use to determine the property's value for the City's internal use. ***Approximate fee: \$3,500-\$4,000.***

Site 2: This subject property is identified as APN 089-201-32 and consists of a triangular-shaped parcel of approximately 870 square feet. The intended use to determine the property's value for the City's internal use. ***Approximate fee: \$3,500-\$4,000.***

Site 3: This subject property is identified as APN 099-091-15 and consists of a trapezoidal-shaped parcel of approximately 11,000 square feet, with two auto shops and on-site parking. Shop A is approximately 800 sf and Shop B is approximately 1300 sf. The

intended use is possible disposition. **Approximate fee: \$4,500-\$5,500.**

Site 4: This subject property is identified as APN 231-471-23 and consists of a rectangular-shaped parcel of approximately 7,200 square feet. It is vacant. The intended use to determine the property's value for the City's internal use. **Approximate fee: \$3,500-\$4,000.**

**Assignment Conditions:**

The assignment is based upon the following assignment condition:

Extraordinary Assumption:

- The properties are to be appraised free and clear of hazardous wastes/ substances

It may be necessary to add additional relevant assumptions and/or conditions as the assignment progresses.

**II. ANTICIPATED SCOPE OF WORK**

**USPAP Compliance:**

C&W will develop an appraisal in accordance with USPAP and Code of Ethics and Certification Standards of the Appraisal Institute.

**General Scope of Work:**

- Property Inspections to the extent necessary to adequately identify the real estate
- Research relevant market data, in terms of quantity, quality, and geographic comparability, to the extent necessary to produce credible appraisal results
- Consider and develop those approaches relevant and applicable to the appraisal problem. Based on our discussions with the Client, we anticipate developing the following valuation approach:
  - Sales Comparison Approach

**III. REPORTING AND DISCLOSURE**

**Scope of Work Disclosure:**

The actual Scope of Work will be reported within the report.

**Reporting Option:**

The appraisals will be communicated in Appraisal Report format.

**IV. FEE, EXPENSES AND OTHER TERMS OF ENGAGEMENT**

**Additional Expenses:**

Fee quoted is inclusive of expenses related to the preparation of the report. Should it be necessary, any work beyond the appraisal assignment shall be billed at hourly rates set forth in the pending On-call service agreement between the City and Cushman & Wakefield.

Thank you for your inquiry regarding services and we look forward to working with you.

Sincerely,  
**Cushman & Wakefield Western, Inc.**

A handwritten signature in black ink, appearing to read "Kevin Donahue", written in a cursive style.

---


Kevin Donahue, MAI  
Executive Director

CELESTE STAHL BRADY  
949.725.4141  
[CSBRADY@SYCR.COM](mailto:CSBRADY@SYCR.COM)

## MEMORANDUM

**TO:** Monica Covarrubias, Project Manager  
*Successor Agency to the Garden Grove Agency for  
Community Development*

**FILE:** 200392-0020

**FROM:**  Celeste Stahl Brady, Esq., Successor Agency Counsel

**DATE:** July 15, 2019

**SUBJECT:** *Revised Budget for Estimated Fees for Stradling Legal Services for Amendment of  
ROPS 19-20, Fiscal Period July 1, 2019 to June 30, 2020; Line Item 55 Related to  
Implementation of the Limon Judgments and Monitoring, Interpretation and  
Enforcement*

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This memorandum is presented to you as our long-standing client in connection with the submittal to, and review by, the State Department of Finance's ("DOF") of the Amendment of ROPS 19-20 by the Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency"), which will be submitted to DOF by October 1, 2019 and explains the revised estimated budget and need for an amendment of the current DOF-approved ROPS 19-20 legal services provided and to be provided by Stradling Yocca Carlson & Rauth's ("Stradling") during the fiscal year 2019-2020 ("FY") for direct costs estimated and projected to be incurred for continued implementation, interpretation, monitoring, compliance, and enforcement of those certain enforceable obligations referred to as the *Limon* Judgments (Line Item 55 on the ROPS).

Line Item 55 arises from two judgments issued by California courts in two litigation matters: (1) pre-dissolution litigation entitled *Marina Limon, et al. v. Garden Grove Agency for Community Development*, Orange County Superior Court Case No. 30-2009-00291597 ("Original *Limon* Judgment"), and (2) post-dissolution entitled *Marina Limon, et al v. State of California, et al*, Sacramento Superior Court Case Number: 34-2014-80001994 ("Writ Order to DOF"), and together referred to as the "*Limon* Judgments".

In March 2014, the Successor Agency (as successor to the Former Agency in the Original *Limon* Judgment) and the Plaintiffs in that action executed, and the Superior Court approved, that certain Interlocutory Judgment that, among other obligations, required the Successor Agency: (a) to provide and pay for additional relocation assistance and monetary benefits to all former residents of the Travel Country RV Park; (b) to cause to be developed, operated, maintained and managed thirty-eight (38) additional very low- and low-income replacement housing units by new construction



with some substantial rehabilitation units based on certain conditions (together the 38 units are referred to as “*Limon Replacement Housing*”); and (c) give priority to all Plaintiffs and *all* former occupants/residents of certain property referred to as the Travel Country RV Park relating to future occupancy and encouraging application for tenancy and becoming tenants at the housing units developed and operated as the *Limon Replacement Housing* and certain other affordable housing obligations in the community.

The Original *Limon* Judgment also provided that the requirements of the judgment must be treated as “enforceable obligations” of the Former Agency to be listed on the Successor Agency’s ROPS and paid with available RPTTF property tax revenues until such judgment was fully implemented, monitored and enforced. In late 2014 to mid-2015, DOF had refused to honor and make certain payments via the ROPS process for the Original *Limon* Judgment, so the Plaintiffs and their legal counsels in the Original *Limon* Judgment filed a separate lawsuit against the DOF, the County Auditor-Controller and related parties (“DOF Defendants”), which resulted in the Superior Court issuing the Writ Order to DOF mandating that the Original *Limon* Judgment is, and always shall be treated as, an *enforceable obligation* and to make payments in the subject ROPS and in *all future ROPS* as necessary to implement, enforce, monitor the *Limon* Judgments. The Superior Court in the Writ Order to DOF affirmatively found that “*all of DOF's arguments lack merit[,] and ‘the Dissolution Law commands Respondents [DOF Defendants] to recognize that [Original Limon] Judgment as an enforceable obligation... and ‘meets the definition of an ‘enforceable obligation’ under section 34171(d)(1)(D). (See Health & Saf. Code §§ 34171(d)(1)(D), 34173(g).)’*”

Further, the Court ruled that “DOF cannot reject [this] enforceable obligation simply because it requires the expenditure of property tax funds that DOF would rather see directed to affected taxing entities.” By the Writ Order to DOF, now and in the future it is mandatory for DOF to approve payments (on current or future ROPS, including this Amendment to ROPS 19-20) related to the implementation of the *Limon Replacement Housing*.

**Amendment of ROPS 19-20, Line Item No. 55; Stradling increase of DOF-approved \$50,000.00 by \$25,000 for a total of \$75,000 during FY 19-20:**

In connection with review and approval of ROPS 19-20 submitted by the Successor Agency prior to February 1, 2019, DOF approved \$50,000 related to Stradling fees for legal services provided under line item 55; however, it is necessary to amend and increase ROPS item 55 by \$25,000 for a total of \$75,000 in Stradling legal fees during FY 19-20. The scope of necessary legal services to be provided by Stradling relates to continued implementation and enforcement of the *Limon* Judgments, in particular the *Limon Replacement Housing*, which units are part of the Wesley Village and Sycamore Court affordable housing developments.

The need for additional legal services is based on new demands by the Plaintiffs’ attorneys for additional outreach to Plaintiffs and all former tenants of the RV Park about their interest in prospective tenancy at the *Limon Replacement Housing* units. Further, financial issues exist related to the implementation of the *Limon Replacement Housing* units at Wesley Village that will require restructuring of existing and providing additional funding to maintain as long-term affordable units the *Limon Replacement Housing* units. Such financing restructuring necessitates preparation of new and amended loan documents, drafting and review of intercreditor and subordination agreements required by state and private funding sources, amendment of affordability covenants, and other financial and legal instruments that will cause the Successor Agency to incur increased costs and fees



Memorandum to Monica Covarrubias

*Amendment of ROPS 19-20 re Legal Services to Implement Limon Judgments*

July 15, 2019

Page Three

for legal services in continued implementation of the *Limon* Judgments and *Limon* Replacement Housing. Without the financing restructure, there is a potential for loss of or reduced affordability of one or more *Limon* Replacement Housing units, so the Stradling legal services are keenly necessary (as well as concurrent and coordinated consulting work by the Successor Agency's economic and housing consultant Keyser Marston Associates, which is a separate request for amendment of item 55 on ROPS 19-20.)

Stradling has been and remains lead counsel for all aspects of the *Limon* Judgments and *Limon* Replacement Housing projects, in consultation with the City Attorney's law firm, Woodruff, Spradlin & Smart, and Garden Grove management. For the *Amendment* of ROPS 19-20, fiscal period of July 1, 2019 to June 30, 2020, Stradling estimates an increase of \$25,000 (for a total of \$75,000) to provide legal services related to implementation of the *Limon* Judgments, which represents only about four hours/week, or 16 hours/month, or about 200 hours/19-20 fiscal year for Stradling's legal services relating thereto and to the *Limon* Replacement Housing.

This memorandum is directed at the pending amendment of ROPS 19-20, but we *caveat* that we present an estimate only of additional fees of \$25,000 for FY 19-20 (estimated cumulative total of \$75,000/FY) that we anticipate will be incurred, these estimates are not intended to be binding, are subject to unforeseen circumstances, and are by their nature inexact.

If there are questions about this estimate or memorandum for the amendment of ROPS 19-20, please contact me.