

Orange Countywide Oversight Board

Agenda Item No. 9a

Date: 9/20/2022

From: Successor Agency to the former Redevelopment Agency of the City of Santa Ana

Subject: Resolution of the Countywide Oversight Board Approving the Disposition Transfer of Certain Real Property to the City of Santa Ana and Taking Related Actions

Recommended Action:

Adopt a resolution directing the Successor Agency to the former Redevelopment Agency of the City of Santa Ana to the disposition transfer Real Property located at 915 North Flower Street (APN 005-142-58), 921 North Flower Street (APN 005-142-35), and 842 North Garnsey Street (APN 005-142-47) to the City of Santa Ana and taking related actions.

The Santa Ana Successor Agency requests that the Oversight Board adopt a Resolution (attachment) to approve the disposition transfer of vacant properties located at 915 North Flower Street (APN 005-142-58), 921 North Flower Street (APN 005-142-35), and 842 North Garnsey Street (APN 005-142-47) to the City of Santa Ana, in furtherance of its wind-down of the Former Agency's affairs, pursuant to HSC section 34181(a).

The properties are identified in the Successor Agency Long Range Management Plan (LRPMP) for disposition via sale to benefit the taxing agencies. In June 2022, the City acquired three properties adjacent to the three Successor Agency properties for park space. The newly acquired City properties (0.38 acres), combined with the Successor Agency properties (0.27 acres), would provide a new walkable 0.65-acre neighborhood park on 10th and Flower (attachment) and furthers the City's goal to provide parkland within a 10-minute walk for all residents, and three acres of parkland per 1,000 residents citywide.

The fair market value and purchase price was established as \$598,000 by an appraisal conducted on April 29, 2022 (attachment).

On September 6, 2022, the governing board of the Successor Agency and the City Council held a joint public hearing and approved the disposition transfer via a Successor Agency Resolution (attachment), a City Council Resolution (attachment), and a Purchase and Sale Agreement (attachment). The Successor Agency seeks the Oversight Board to 1) adopt a Resolution (attachment) to approve the transfer of certain Real Property to the City of Santa Ana pursuant to LRPMP, 2) authorize the Successor Agency Executive Director to execute all pertinent documents, and 3) authorize staff to transmit the approved Resolution and documents to the State Department of Finance.

Impact on Taxing Entities

Taxing entities will receive a distribution of \$598,000 generated by the sale of the properties. The distribution in the amount of \$598,000 will benefit the taxing entities.

Staff Contact(s)

Sylvia Vazquez, Economic Development Specialist II, 714-647-5445, svazquez@santa-ana.org

Marc Morley, Economic Development Manager, 714-647-6588, mmorley@santa-ana.org

Attachments

- Oversight Board Resolution
- Location Map
- Appraisal Report
- Successor Agency Resolution
- City of Santa Ana Resolution
- Purchase and Sale Agreement

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
RESOLUTION NO. 22-035**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD WITH OVERSIGHT OF THE SUCCESSOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SANTA ANA DIRECTING THE DISPOSITION AND TRANSFER OF PROPERTY LOCATED AT 915 NORTH FLOWER STREET (APN 005-142-58), 921 NORTH FLOWER STREET (APN 005-142-35), AND 842 NORTH GARNSEY STREET (APN 005-142-47) TO THE CITY OF SANTA ANA AND TAKING RELATED ACTIONS

WHEREAS, pursuant to AB X1 26 (enacted in June 2011 and amended from time to time, the “Dissolution Act”) and the California Supreme Court’s decision in California Redevelopment Association, et al. v. Ana Matosantos, et al., 53 Cal. 4th 231 (2011), all redevelopment agencies within the State of California, including the Community Redevelopment Agency of the City of Santa Ana (“Former Agency”), were dissolved; and

WHEREAS, on January 9, 2012, pursuant to section 34173 of the California Health and Safety Code (“HSC”), the City of Santa Ana (“City”) elected to serve as the Successor Agency to the dissolved Former Agency (“Successor Agency”); and

WHEREAS, the Successor Agency is tasked with winding down the Former Agency’s affairs; and pursuant to HSC section 34175(b), all assets, including real properties, of the Former Agency transferred to the control of the Successor Agency by operation of law; and

WHEREAS, the Former Agency acquired certain sites, delineated as follows: (i) 915 North Flower Street, APN 005-142-58; (ii) 921 North Flower Street, APN 005-142-35; and (iii) 842 North Garnsey Street, APN 005-142-47 (collectively referred to herein as the “Properties”); and

WHEREAS, the Properties are included in the Long Range Property Management Plan identified for disposition via sale for the benefit of taxing agencies, and the City believes that the Properties will be useful in pursuing the public purpose activities of the City, including park space; and

WHEREAS, accordingly, in furtherance of its wind-down of the Former Agency’s affairs, the Successor Agency desires to transfer the Properties to the City pursuant to HSC section 34181(a); and

WHEREAS, the fair market value and purchase price was established as \$598,000 by an appraisal conducted on April 29, 2022, and the City and the Successor Agency have reviewed the fair market value of the Properties, as aggregated, and have concluded that the value of such Properties are consistent with the purchase price as set forth in a “Purchase and Sale Agreement” (the “Agreement”); and

WHEREAS, on September 6, 2022, the governing board of the Successor Agency and the City Council held a joint public hearing on the proposed Agreement, at which time the City

Council and the Successor Agency reviewed and evaluated all of the information, testimony, and evidence presented during the joint public hearing; and

WHEREAS, the Successor Agency has considered all of the terms and conditions of the proposed Agreement and believes that the sale of the Properties pursuant to the Agreement complies with the Oversight Board's direction to dispose of all assets and properties of the Former Agency pursuant to HSC section 34181(a), and in accord with the public purposes and provisions of applicable State and local laws and requirements; and

WHEREAS, the Successor Agency approved the Agreement via Resolution No. 2022-074 and the City approved the Agreement via Resolution No. 2022-074; and

WHEREAS, pursuant to HSC Section 34179(j), commencing on and after July 1, 2018, the Orange Countywide Oversight Board (the "Oversight Board") has jurisdiction over the Successor Agency; and

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD;

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

Section 2. The Oversight Board hereby authorizes and directs the Successor Agency to transfer of the Property to the City and authorizes the Successor Agency to execute and deliver a deed (the "Deed"), substantially in the form attached as Exhibit A, for such transfer.

Section 3. The members of this Oversight Board and the staff of the Successor Agency are hereby authorized, jointly and severally, to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution.

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

EXHIBIT A

DEED

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

City of Santa Ana
20 Civic Center Plaza
Santa Ana, CA 92701
Attn: _____

APN: 005-142-35; 005-142-47; and 005-142-58 [Space above for recorder.]

EXEMPT FROM PAYMENT OF DOCUMENTARY
TRANSFER TAX (TRANSFER BETWEEN PUBLIC
AGENCIES)

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Successor Agency to the Former Community Redevelopment Agency of the City of Santa Ana (“Grantor”), hereby grants to the City of Santa Ana, a charter city and municipal corporation organized under the Constitution and laws of the State of California, that certain real property located in the County of Orange, State of California, more particularly described on **Attachment No. 1** attached hereto and incorporated herein by this reference (the “Property”), subject to existing easements, restrictions and covenants of record.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of _____, 2022.

**SUCCESSOR AGENCY TO THE FORMER
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF SANTA ANA**

By: _____
Name: _____
Its: Executive Director

ATTACHMENT NO. 1 TO GRANT DEED

LEGAL DESCRIPTION

EXHIBIT A

In the City of Santa Ana, County of Orange, State of California, being all of Lot 13 of the Wakeham Tract per map filed in Book 8, page 3 of Miscellaneous Maps records of said County;

Together with that portion of Lot 9 of said Tract Map, described in a Deed per Book 14019, pages 872 through 874 records of said County;

Together with Lot 8 of said Tract Map, except that portion described in a Deed per Book 12192, page 1249 records of said County, also except that portion per Parcel Map 83-877 filed in Parcel Map Book 188, pages 2 and 3, records of said County,

Described as a whole.

Containing 11955.8 square feet, more or less.

Subject to all Covenants, Conditions, Reservations, Restrictions, Rights of Way and Easements of record, if any.

All as shown on Exhibit B, attached hereto and by this reference made a part hereof.

Prepared by me, or under my direction on 7/30/2019.

John M. Gonzales

John M. Gonzales, PLS 9065



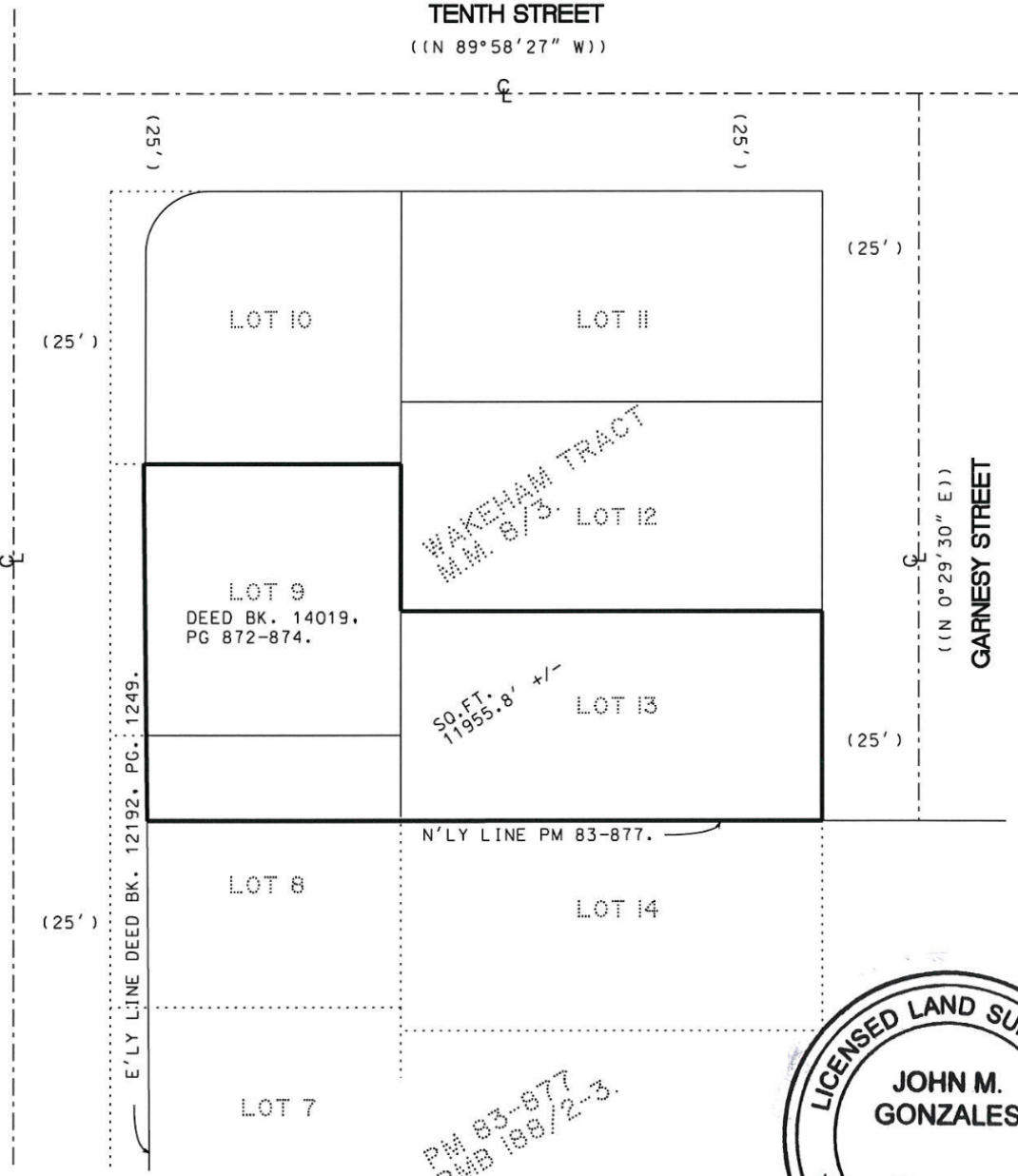
EXHIBIT 'B'
SKETCH TO ACCOMPANY LEGAL DESCRIPTION

TENTH STREET
 ((N 89°58'27" W))



FLOWER STREET
 ((N 0°29'55" E))

GARNESY STREET
 ((N 0°29'30" E))



NOTES:
 () = WAKEHAM TRACT, M.M. 8/3.
 (()) = PM 83-877, PMB. 188/2-3.



John M. Gonzales

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed under the foregoing Grant Deed by the Successor Agency to the Former Community Redevelopment Agency of the City of Santa Ana to the City of Santa Ana, a charter city and municipal corporation organized under the Constitution and laws of the State of California (“City”) as to the following property:

Real property in the City of Santa Ana, County of Orange, State of California, described as follows:

In the City of Santa Ana, County of Orange, State of California, being all of Lot 13 of the Wakeham Tract per map filed in Book 8, page 3 of Miscellaneous Maps records of said County;

Together with that portion of Lot 9 of said Tract Map, described in a Deed per Book 14019, pages 872 through 874 records of said County;

Together with Lot 8 of said Tract Map, except that portion described in a Deed per Book 12192, page 1249 records of said County, also except that portion per Parcel Map 83-877 filed in Parcel Map Book 188, pages 2 and 3, records of said County,

Described as a whole. Containing 11955.8 square feet, more or less. Subject to all Covenants, Conditions, Reservations, Restrictions, Rights of Way and Easements of record, if any.

APN: 005-142-35; 005-142-47; and 005-142-58

is hereby accepted by the City Manager of the City on behalf of the City pursuant to authority conferred by action of the City Council of the City by Resolution No. 2022-074 of the City Council, and the City as grantee consents to recordation thereof by its duly authorized officer.

CITY OF SANTA ANA

Kristine Ridge
City Manager

ATTEST:

Clerk of the Council





APPROVED AS TO FORM:
Sonia R. Carvalho
City Attorney

By: _____
Ryan O. Hodge
Assistant City Attorney

LOCATION MAP



LEGEND

-  SUCCESSOR AGENCY PROPERTY
-  SUCCESSOR AGENCY PROPERTY LINES
-  CITY PROPERTY
-  CITY PROPERTY LINES



Restricted Appraisal Report

**City of Santa Ana Ownership
Parcel P3
APNs 005-142-35, -47, -58
915-921 N. Flower Street
& 842 N. Garnsey Street
Santa Ana, California**

**Effective Date of Appraisal:
April 29, 2022**

Hennessey & Hennessey LLC
17602 17th Street, Suite 102-246
Tustin, CA 92780-7915
(714) 730-0744
appraisals@h-hllc.com

HENNESSEY & HENNESSEY LLC

A California Limited Liability Company
Real Estate Appraisers

17602 17th Street, Suite 102- 246 • Tustin, California 92780-7915
(714) 730-0744 • e-mail: Appraisals@h-hllc.com

Sharon A. Hennessey, MAI, SR/WA, AI-GRS

Certified General Real Estate Appraiser

MAI Designated Member of the Appraisal Institute

AI-GRS Designated Member of the Appraisal Institute

Senior Member, International Right of Way Association

Joseph A. Hennessey, SR/WA (1928-2016)

Senior Member, International Right of Way Association

April 29, 2022

Sean Thomas, Senior Civil Engineer
City of Santa Ana - Public Works Agency
20 Civic Center Plaza (M-30)
Santa Ana, California 92702

RE: Restricted Appraisal Report covering
City of Santa Ana Ownership
Parcel P3
APNs 005-142-35, -47, -58
915-921 N. Flower Street & 842 N. Garnsey Street
Santa Ana, CA

At your request and authorization, herewith is submitted a Restricted Appraisal Report, as defined by the *Uniform Standards of Professional Appraisal Practice*, covering the above-referenced subject property. A Restricted Appraisal Report is appropriate in this instance because this report is for the client's use only.

The subject property is a ±11,955.8-square-foot (±0.27 acres) City-owned vacant lot.

The purpose of this appraisal is to create a baseline estimate to support negotiations with a potential buyer. The intended use of the appraisal is to provide our client, the City of Santa Ana, with the market value for the subject property for negotiation purposes. The intended users of this report are the employees and duly authorized representatives of the City of Santa Ana.

The effective date of the appraisal is April 29, 2022. The date of the report is April 29, 2022.

Opinion of Value

It is the Appraiser's opinion that the market value of the subject property as of the date of value, April 29, 2022, subject to the assumptions and limited conditions state herein, is:

Five Hundred Ninety Eight Thousand Dollars
\$598,000

The following analysis, opinions, and conclusion were developed in conformance with the *Uniform Standards of Professional Appraisal Practice (USPAP)* and the "Code of Professional Ethics" and the "Standards of Professional Practice" of the Appraisal Institute. Any data, reasoning, and analysis not discussed in this Restricted Appraisal Report have been retained in the Appraiser's work file.

HENNESSEY & HENNESSEY LLC

by Sharon A. Hennessey
Sharon A. Hennessey, MAI, SR/WA, AI-GRS
State of California AG003323

Requirements for Restricted Appraisal Reports

USPAP Standards Rule 2-2(b)

The following items are required to be included in a Restricted Appraisal Report:

- i. State the identity of the client, or if the client requested anonymity, state that the identity is withheld at the client's request but is retained in the appraiser's workfile;
- ii. State the identity of any other intended user(s) by name;
- iii. Clearly and conspicuously state a restriction that limits use of the report to the client and the named intended user(s);
- iv. Clearly and conspicuously warn that the report may not contain supporting rationale for all of the opinions and conclusions set forth in the report;
- v. State the intended use of the appraisal;
- vi. State information sufficient to identify the real estate involved in the appraisal;
- vii. State the real property interest appraised;
- viii. State the type of value and cite the source of its definition;
- ix. State the effective date of the appraisal and the date of the report;
- x. State the scope of work used to develop the appraisal;
- xi. State the extent of any significant real property appraisal assistance;
- xii. Provide sufficient information to indicate that the appraiser complied with the requirements of Standard 1 by:
 - 1) stating the appraisal methods and techniques employed;
 - 2) stating the reasons for excluding the sales comparison, cost, or income approach(es) if any have not been developed;
 - 3) summarizing the results of analyzing the subject sales, agreements of sale, options, and listings in accordance with Standards Rule 1-5; and
 - 4) stating value opinion(s) and conclusion(s);
- xiii. State the use of the real estate existing as of the effective date and the use of the real estate reflected in the appraisal;
- xiv. When an opinion of the highest and best use was developed by the appraiser, state that opinion;
- xv. Clearly and conspicuously:
 - State all extraordinary assumptions and hypothetical conditions; and
 - State that their use might have affected the assigned results; and
- xvi. Include a signed certification in accordance with Standards Rule 2-3.

Preface

This is a Restricted Appraisal Report as defined in the *Uniform Standards of Professional Appraisal Practice* (USPAP). By prior agreement, the client has determined that a Restricted Appraisal Report is appropriate in this instance.

This report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of USPAP for a Restricted Appraisal Report. As such, it does not present discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the Appraiser's opinion of value. Rather, only brief statements are presented. The supporting documentation concerning the data, reasoning, and analyses is retained in the Appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use of this report.

Per the legal description, the subject property is a $\pm 11,955.8$ -square-foot (± 0.27 acres) City-owned vacant lot. Only the Sales Comparison Approach was used to value the subject property. This approach was considered to be the most likely approach a potential purchaser of the subject property would use. The Income Capitalization Approach and the Cost Approach were not used, because this parcel is a vacant lot and these approaches are not pertinent in this instance.

Standards Rule 2-2(b) of USPAP specifies that a Restricted Appraisal Report address 16 specific issues. The following sections of this report are presented in a manner so as to comply with the 16 requirements that are specified on the previous page.

- i. State the identity of the client, or if the client requested anonymity, state that the identity is withheld at the client's request but is retained in the appraiser's workfile;

City of Santa Ana

- ii. State the identity of any other intended user(s) by name;

None

- iii. Clearly and conspicuously state a restriction that limits use of the report to the client and the named intended user(s);

The use of this report is limited to the client and intended user, City of Santa Ana. There is no other intended user.

- iv. Clearly and conspicuously warn that the report may not contain supporting rationale for all of the opinions and conclusions set forth in the report.

This report is restricted in that it does not present discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the Appraiser's opinion of value. This report cannot be thoroughly understood without this information. This information has been retained in the Appraiser's file.

- v. State the intended use of the appraisal;

The intended use of this report is to establish the market value for the subject property as of the effective date of the appraisal. This report is to be used by the City of Santa Ana for negotiation purposes with a potential buyer.

vi. State information sufficient to identify the real estate involved in the appraisal;

Per the legal description, the subject property is a ±11,955.8-square-foot (±0.27 acres) City-owned vacant lot. It is located on the east side of North Flower Street and the west side of North Garnsey Street, south of 10th Street. The addresses of subject are 915-921 N. Flower Street and 842 N. Garnsey Street, Santa Ana, California. The subject comprises APNs 005-142-35, 005-142-47, 005-142-58.

vii. State the real property interest appraised;

The property rights being appraised are fee simple interest.

The Dictionary of Real Estate Appraisal, 7th Edition, published in 2022 by the Appraisal Institute defines “fee simple estate” on page 73 as follows:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

The fee simple estate valued in this report is appraised as though free and clear of existing leases and all other encumbrances except those noted in the valuation section of this report.

viii. State the type of value and cite the source of its definition;

The purpose of this appraisal is to estimate the market value of the subject property.

Definition of Market Value

The Dictionary of Real Estate Appraisal, 7th Edition, published in 2022 by the Appraisal Institute defines “market value” on page 118 as follows:

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

ix. State the effective date of the appraisal and the date of the report;

The effective date of the appraisal is April 29, 2022.

The date of the report is April 29, 2022.

x. State the scope of work used to develop the appraisal;

The scope of the appraisal is the extent of the process of collecting, confirming, analyzing, and reporting data. The following were completed for this assignment:

1. Accepted the assignment to make an objective appraisal of the subject property and to report the estimated market value.
2. Toured the general area by automobile to get acquainted with the extent, condition, and quality of nearby developments, sales and offerings, density and type of development, topographical features, economic conditions, and trends toward change.
3. Viewed the subject property to get acquainted with the current particular attributes or shortcomings of the subject property.
4. Made a visual observation concerning public streets, access, drainage, and topography of the subject property.
5. Photographed the subject property and the immediate environs.
6. Obtained from qualified sources calculations of the area of land contained within the subject property.
7. Reviewed current maps, zoning ordinances, and other material for additional background information pertaining to the subject property and the sale properties.
8. Formed an opinion of the highest and best use applicable to the subject property appraised herein.
9. Searched public records for factual information regarding recent sales of the subject property, and for recent sales of comparable properties.
10. Viewed and confirmed, when possible, the sales price and other particulars pertaining to each comparable sale contained in this report.
11. Analyzed the data to arrive at a conclusion via the Sales Comparison Approach. This was the only applicable approach. The Cost Approach and the Income Capitalization Approach were not applicable, because the subject is a vacant site.
12. Reconciled the results of the analysis into an estimate of value.
13. Prepared and delivered this Restricted Appraisal Report.

xi. State the extent of any significant real property appraisal assistance;

Joseph Montano provided assistance in the preparation of the report with comparable sales collection and report preparation.

Land Sales Comparison Grid

Elements of Comparison	Subject	938 E. 2nd Street Santa Ana		4518 W. 1 st Street Santa Ana		5619 Ball Road Cypress		150 N. Myrtle Avenue Tustin		1916 S. Flower Street Santa Ana	
		Sale 1	Adj.	Sale 2	Adj.	Sale 3	Adj.	Sale 4	Adj.	Sale 5	Adj.
Zoning	P	SD-84 & M2	-	C5	-	CG	-	PO	-	C1	-
Traffic count	±17,000	NA	-	±28,000	-	±23,000	-	NA	-	±11,000	-
Transactional Adjustments											
Sale price	--	\$1,660,000	\$65.93	\$1,175,000	\$66.95	\$1,000,000	\$61.73	\$1,250,000	\$43.41	\$615,000	\$64.18
Property rights conveyed	--	fee simple	--	fee simple	--	fee simple	--	fee simple	--	fee simple	-
Financing	--	cash	--	cash	--	conventional	--	conventional	--	cash	-
Conditions of sale	--	market	--	market	--	market	--	market	--	market	-
Expenditures made immediately after purchase	--	none	--	none	--	none	--	none	--	none	--
Normalized sale price	--		\$65.93		\$66.95		\$61.73		\$43.41		\$64.18
Market conditions	--	1/22	+0.00	12/21	+0.00	12/21	+0.00	12/21	+0.00	9/20	+0.00
Adjusted sale price per SF	--		\$65.93		\$66.95		\$61.73		\$43.41		\$64.18
Property Characteristics											
Location	average	similar		similar		superior		similar		similar	
Site size (SF)	11,955.8	similar		similar		similar		similar		similar	
Visibility	fair	superior		superior		superior		inferior		similar	
Accessibility	average	superior		similar		similar		similar		similar	
Site condition	finished	similar		similar		similar		similar		similar	
Shape / corner influence	L-shaped / no	similar / superior		superior / similar		superior / similar		superior / similar		superior / similar	
Topography	level	similar		similar		similar		similar		similar	
Zoning	P (Professional)	slightly superior		slightly superior		slightly superior		similar		slightly superior	
Utilities	available	similar		similar		similar		similar		similar	
Overall comparison		superior		superior		superior		slightly inferior		superior	

- xii. Provide sufficient information to indicate that the appraiser complied with the requirements of Standard 1 by:
- 1) stating the appraisal methods and techniques employed;
 - 2) stating the reasons for excluding the sales comparison, cost, or income approach(es) if any have not been developed;
 - 3) summarizing the results of analyzing the subject sales, agreements of sale, options, and listings in accordance with Standards Rule 1-5; and
 - 4) stating value opinion(s) and conclusion(s);

Appraisal Procedures

The Cost Approach and the Income Capitalization Approach were not used in this analysis, because the subject property is vacant land. The Sales Comparison Approach was used to value the subject property.

General - Subject Property

The subject property is a ±11,955.8-square-foot (±0.27 acres) City-owned vacant lot. The subject property has been owned by the City for more than 3 years. There are no known listings to sell, or offers to purchase, this property during this time frame.

The subject's General Plan land use designation is Professional and Administrative Office. It is zoned P, Professional, which permits such uses as professional, business and administrative office, medical and dental offices, pharmacies, art galleries, museums, and freestanding restaurants. A complete list of permitted uses is in the Appraiser's files.

Valuation - Subject Property

A search for comparable sales was conducted within the City of Santa Ana and then expanded to surrounding cities. The most relevant sales were used to arrive at the value conclusion. Price per square foot was used as the unit of comparison. The indicated value of the subject property is \$50.00 per square foot.

$$\begin{aligned} \$50.00/\text{SF} \times \pm 11,955.8 \text{ SF} &= \$597,790 \\ &\text{rounded to } \$598,000 \end{aligned}$$

Opinion of Value

It is the Appraiser's opinion that the market value of the subject property as of the date of value, April 29, 2022, subject to the assumptions and limited conditions stated herein, is:

Five Hundred Ninety Eight Thousand Dollars
\$598,000

Exposure Time

Exposure time is the amount of time necessary to expose a property in the open market to achieve a sale at the "as is" value conclusion, as of the date of the "as is" value. A reasonable exposure time for the subject property is estimated to be between 6 and 24 months.

File Information

As previously stated, this is a Restricted Appraisal Report; therefore, details of the comparable sales and the valuation analyses that have not been included in this report have been retained in the Appraiser's work files.

- xiii. State the use of the real estate existing as of the effective date and the use of the real estate reflected in the appraisal;

The subject property is vacant land.

- xiv. When an opinion of the highest and best use was developed by the appraiser, state that opinion;

The conclusion of the highest and best use is based on consideration of those uses that are physically possible, legally permitted, and financially feasible. It is further limited by the use or uses that are maximally productive. After considering these factors, the highest and best use of the subject property is a medical/office development when market conditions support development.

- xv. Clearly and conspicuously:

- State all extraordinary assumptions and hypothetical conditions; and
- State that their use might have affected the assigned results; and

The value conclusion is subject to the following hypothetical condition that may affect assignment results:

- None

Hypothetical conditions are contrary to known facts about the physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

The value conclusion is subject to the following extraordinary assumption that may affect assignment results:

- None

An extraordinary assumption is uncertain information accepted as fact. If an extraordinary assumption is found to be false as of the effective date of the appraisal, I reserve the right to modify my value conclusions.

- xvi. Include a signed certification in accordance with Standards Rule 2-3.

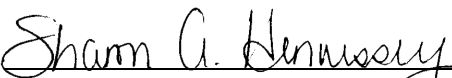
Please see the following page for the signed certification.

Certification

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed services as an appraiser regarding the property that is the subject of this report within the 3-year period immediately preceding the agreement to perform this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- Joseph Montano provided significant real property appraisal assistance to the person signing this certification.
- the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- as of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.

HENNESSEY & HENNESSEY LLC

by 
Sharon A. Hennessey, MAI, SR/WA, AI-GRS
State of California AG003323

Dated: April 29, 2022

Appendix

Assumptions and Limiting Conditions

Standards Rule (S.R.) 2-1 of the *Standards of Professional Appraisal Practice* of the Appraisal Institute requires the appraiser to “clearly and accurately disclose any extraordinary assumption or limiting condition that directly affects the appraisal and indicate its impact on value.” In compliance with S.R. 2-1, and to assist the reader in interpreting this report, such Assumptions and Limiting Conditions are set forth as follows:

1. *This report is restricted in that it does not present discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser’s opinion of value. This report cannot be thoroughly understood without this information. This information has been retained in the appraiser’s file.*
2. ***The global outbreak of novel coronavirus disease known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. The reader is cautioned and reminded that the conclusions presented in this appraisal report apply only as of the effective date indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen events subsequent to the effective date of the appraisal.***
3. The appraiser assumes no responsibility for hidden or unapparent conditions of the property, subsoil, groundwater, or structures that render the subject property more or less valuable. No responsibility is assumed for arranging for engineering, geologic, or environmental studies that may be required to discover such hidden or unapparent conditions.
4. Hennessey & Hennessey LLC’s liability is limited to the amount of the fee. The firm and the appraiser preparing the report are not responsible for erroneous information provided by others. There is no accountability or liability to a third party.
5. The contract for appraisal, consultation, or analytical services is fulfilled and the total fee is due upon completion of the report. The appraiser or those assisting in the preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal in full or in part, nor will they be asked or required to engage in post-appraisal consultation with client or third parties except under separate and special arrangements made a reasonable time in advance and at an additional fee for time and expenses.
6. The client shall notify the appraiser of any error, omission, or invalid data herein within 10 days of receipt and return the report, along with all copies, to the appraiser for corrections prior to any use whatsoever.
7. Neither the appraiser’s name nor this report may be used in connection with any financing plans that would be classified as a public offering under state or federal security laws.
8. Unless otherwise stated, the subject property is appraised assuming it to be in full compliance with all applicable zoning and land use regulations and restrictions. The property is appraised assuming that all required licenses, permits, certificates, consents, or other legislative and/or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
9. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to the size and area of the subject property was taken from information provided by the City of Santa Ana, and no encroachment of the subject property is considered to exist.
10. In preparing this report, the appraiser was required to rely on information furnished by other individuals or found in existing records and/or documents. Unless otherwise indicated, such information is presumed to be reliable. However, no warranty, either expressed or implied, is given by the appraiser for the accuracy of such information, and the appraiser assumes no responsibility

for information relied upon later found to have been inaccurate. The appraiser reserves the right to make such adjustments to the analyses, opinions, and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

11. Maps, plats, and exhibits included in this report are for illustration only to serve as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from the report.
12. The appraiser has not been provided any information regarding the presence of any material or substance on or in any portion of the subject property or improvements thereon, which material or substance possesses or may possess toxic, hazardous, and/or other harmful and/or dangerous characteristics. Unless otherwise stated in the report, the appraiser did not become aware of the presence of any such material or substance during the inspection of the subject property. However, the appraiser is not qualified to investigate or test for the presence of such materials or substances. The presence of such materials or substances may adversely affect the value of the subject property. The value estimated in this report is predicated on the assumption that no such material or substance is present on or in the subject property or in such proximity thereto that it would cause a loss in value. The appraiser assumes no responsibility for the presence of any such substance or material on or in the subject property, nor for any expertise or engineering knowledge required to discover the presence of such substance or material. Unless otherwise stated, this report assumes the subject property is in compliance with all federal, state, and local environmental laws, regulations, and rules.
13. No opinion as to the title of the subject property is rendered. Data related to ownership and legal description was obtained from the City of Santa Ana and is considered reliable. Title is assumed to be marketable and free and clear from any encumbrances, easements, and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management, and available for its highest and best use.
14. Possession of this report, or a copy of it, does not carry with it the right of publication. This report may not be used for any purposes by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with properly written qualification and only in its entirety. In particular, it may not be referred to in any report or financial statement or in any documents filed with a governmental agency without prior written consent of the appraiser.
15. The Regulations and Bylaws of the Appraisal Institute require each member and/or candidate to control the use and distribution of each appraisal by such member or candidate. Therefore, except as may hereinafter be provided, the party for whom this appraisal was prepared may distribute copies of this appraisal, in its entirety, to such third parties as may be selected by the party for whom this appraisal was prepared; however, selected portions of this appraisal shall not be given to third parties without the prior written consent of the signatory of this appraisal.
16. Further, neither all nor any part of this appraisal shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media, or other media for public communication without the prior written consent of the signatory of this appraisal.
17. The appraiser assumes no responsibility for hidden defects or non-conformity with specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, unless inspections by qualified independent professionals or governmental agencies were provided to the appraiser. Further, the appraiser is not a licensed engineer or architect and assumes no responsibility for structural deficiencies not apparent to the appraiser at the time of inspection.

Exhibit A - Legal Description

EXHIBIT A

In the City of Santa Ana, County of Orange, State of California, being all of Lot 13 of the Wakeham Tract per map filed in Book 8, page 3 of Miscellaneous Maps records of said County;

Together with that portion of Lot 9 of said Tract Map, described in a Deed per Book 14019, pages 872 through 874 records of said County;

Together with Lot 8 of said Tract Map, except that portion described in a Deed per Book 12192, page 1249 records of said County, also except that portion per Parcel Map 83-877 filed in Parcel Map Book 188, pages 2 and 3, records of said County,

Described as a whole.

Containing 11955.8 square feet, more or less.

Subject to all Covenants, Conditions, Reservations, Restrictions, Rights of Way and Easements of record, if any.

All as shown on Exhibit B, attached hereto and by this reference made a part hereof.

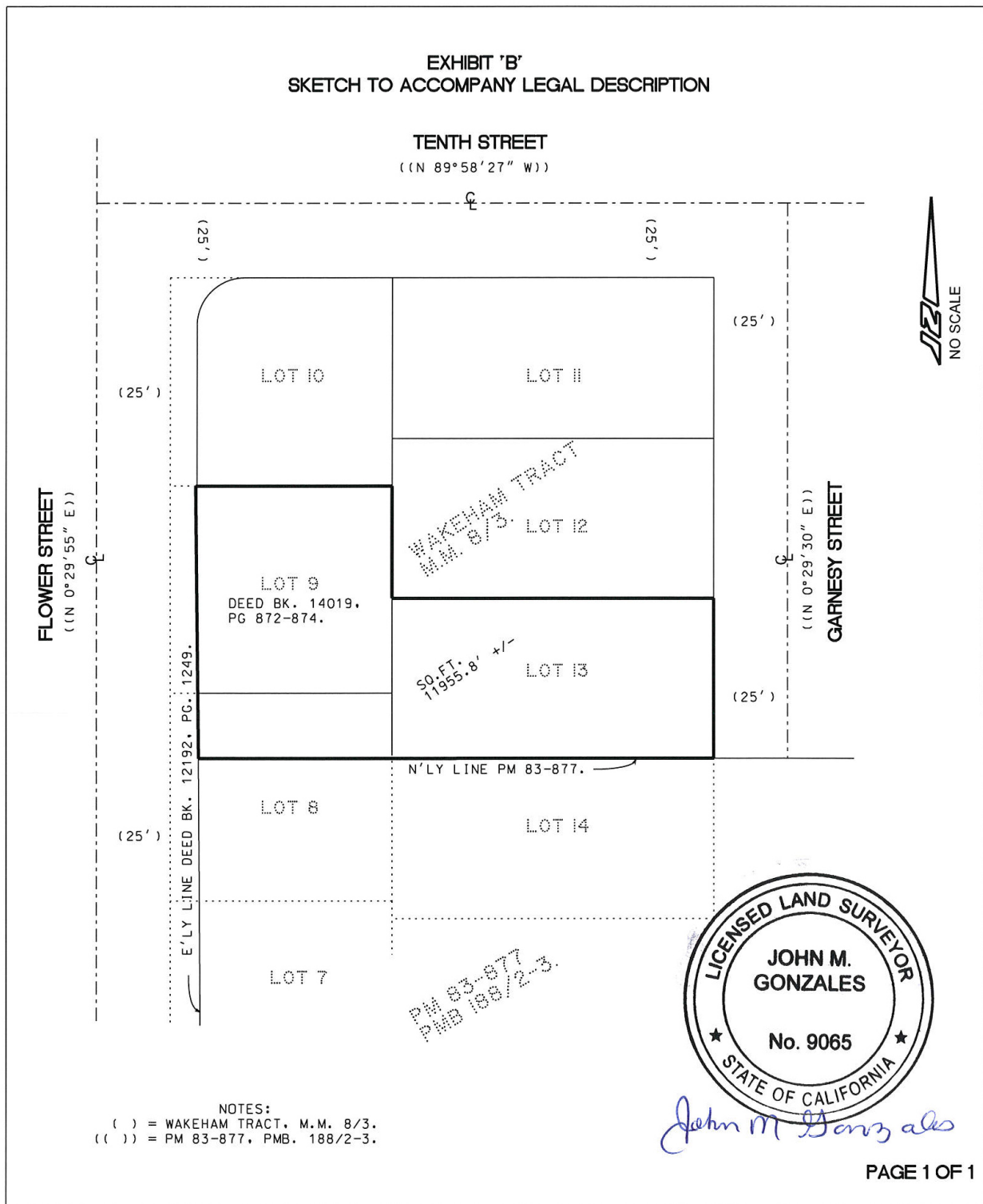
Prepared by me, or under my direction on 7/30/2019.



John M. Gonzales, PLS 9065



Exhibit B - Plat Map



HENNESSEY & HENNESSEY LLC

A California Limited Liability Company
Real Estate Appraisers

17602 17th Street, Suite 102-246 • Tustin, California 92780-7915
(714) 730-0744 • e-mail: Appraisals@h-hllc.com

Sharon A. Hennessey, MAI, SR/WA, AI-GRS

Certified General Real Estate Appraiser

MAI Designated Member of the Appraisal Institute

AI-GRS Designated Member of the Appraisal Institute

Senior Member, International Right of Way Association

Joseph A. Hennessey, SR/WA (1928-2016)

Senior Member, International Right of Way Association

Qualifications of Sharon A. Hennessey, MAI, SR/WA, AI-GRS

Experience

1984 to present Hennessey & Hennessey LLC, Independent Fee Appraiser - Appraise vacant land, commercial, industrial, residential, rights of way, and special purpose properties for governmental agencies, corporations, law firms, and private parties.

License

Certified General Real Estate Appraiser, State of California License No. AG 003323

Expert Witness

Qualified as an expert witness in the Orange County Superior Court

Professional Affiliations

MAI Designated Member of the Appraisal Institute, Certificate No. 11108
AI-GRS Designated Member of the Appraisal Institute
Senior Member of the International Right of Way Association, Registration Number 3975
President of Chapter 67 International Right of Way Association, 1990
International Director of Chapter 67, International Right of Way Association, 1991
Membership Chairman, International Right of Way Association, 1992 and 1993
Hospitality Chairman, Southern California Chapter Appraisal Institute, 1993 and 1994, 1995, 1996, and 1997
Co-Education Chairman, Southern California Chapter Appraisal Institute, 1998, 1999, 2000, 2001

Education

Bachelor of Arts - University of California, Berkeley
Currently meets the education requirements of the Bureau of Real Estate Appraisers, the Appraisal Institute, and the International Right of Way Association
Partial List of Continuing Education:

Appraisal Institute	
USPAP - 1986, 1993, 2000, 2004, 2006, 2008, 2012, 2010, 2014, 2016, 2018, 2020	Highest & Best Use and Market Analysis - 1996
Business Practice and Ethics - 2011, 2015	Advanced Applications - 1996
Federal and California Statutory and Regulatory Law - 2015, 2017	The Appraisers Complete Review - 1996
Review Theory - General - 2014	Advanced Income Capitalization - 1993
Complex Litigation Case Studies - 2013	Report Writing and Valuation Analysis - 1989
Litigation Appraising: Specialized Topics and Applications - 2013	Case Studies in Real Estate Valuation - 1988
The Appraiser as an Expert Witness - 2000, 2013	Capitalization Theory & Techniques, Parts A and B - 1987
Valuation of Detrimental Conditions - 2011	Real Estate Appraisal Principles - 1985
Appraisal Curriculum Overview - 2010	Basic Valuation Procedures - 1985
Hotel/Motel Valuation - 1997	
International Right of Way Association	
403 Easement Valuation - 1990, 2013	101 Principles of Real Estate Acquisition - 1989
104 Standards of Practice for the Right of Way Professional - 2012	401 Appraisal of Partial Acquisitions - 1988
103 Ethics and the Right of Way Profession - 1992, 2004, 2008	901 Interpreting Engineering Drawings - 1986
206 Presentation Skills - 1992	902 Property Descriptions - 1986
203 Communications in Real Estate Acquisition - 1991	801 Land Titles - 1986
214 Skills of Expert Testimony - 1990	

Representative Clients - Partial Listing

Attorneys and Law Firms

Best Best & Krieger LLP	Lillick, McHose & Charles	Parker & Covert
Bowie, Arneson, Kadi & Dixon	Lozano Smith	Redwine & Sherrill
Dreyfuss, Ryan, Weifenbach	Meserve, Mumper & Hughes	Richard L. Riemer, Law Offices of
Durst & Landeros	Marjorie Mize Le Gaye, Esq.	Rutan & Tucker
Fullerton, Lemann, Schaefer &	Nichols, Stead, Boileau & Kostoff	Sheppard, Muller, Richter & Hampton
Dominick	Oliver, Vose, Sandifer, Murphy & Lee	Wilson, Elser, Moskowitz, Edelman &
Jones & Mayer	Palmieri, Tyler, Wiener, Wilhelm &	Dicker
Kindel & Anderson	Waldron	Woodruff, Spradlin & Smart

Corporate Clients

Associated Right of Way Services, Inc.	HDR Engineering	Overland Resources	Rockwell International
Brother International	Hoag Foundation	Pacific Bell (SBC)	Sisters of the Sacred Heart
California Property Specialists Inc.	Hughes Aircraft Company	Pacific Relocation Consultants	Southern California Edison
Continental Development Corp.	Kaiser Foundation Health Plan, Inc.	Paragon Partners	Tetra Tech, Inc.
Cutler & Associates	Metzger & Associates, Inc.	Poseidon Resources	Universal Field Services
DGA Consultants	NBS/Lowry Engineers	Psomas	Western Industrial Properties, Inc.
Diocese of Orange	Overland, Pacific & Cutler, LLC	Robert Bein, William Frost & Associates	Willdan Associates

Individual Clients

Leo Beus	Genji Kawamura	Rita M. Loosemore	John P. Sheffield
Carl Brandstetter	Kawamura Family Trust	Kim Vu Nguyen	Yoram S. Shily
Candace Campbell	William E. Kibbie	Steven H. Price	Carl Stevens
Samuel B. Corliss, Jr.	Paul Kiely	Constance C. Quarré	Katherine E. Thompson
Thomas W. Cosgrove	Sang Moon Kim	Jean L. Roane	Tustin Village Community Association
Harbor Pine Creek Homeowners Assoc.	James Kindel Jr.	E.O. Rodeffer	Charles E. Wheeler
John Iloulian	Dorothy E. Lamb	Larry L. Root	Erv Yoder
	Andrea Lombard	Dwight C. Schroeder	

Public Entities

County of Orange	City of Riverside	Magnolia School District	Caltrans
City of Anaheim	City of Santa Ana	Orange Unified School District	Eastern Transportation Corridor
City of Corona	City of Torrance	Pajaro Valley Unified School District	Orange County Transportation Authority
City of Costa Mesa	City of Upland	Tustin Unified School District	Riverside Transit Agency
City of Fullerton	Charter Oak Unified School District	Walnut Valley Unified School District	Riverside County Flood Control and Water Conservation District
City of Garden Grove	Chino Unified School District	Mesa Consolidated Water District	Riverside County Transportation Commission
City of Glendale	Corona-Norco Unified School District	Murrieta County Water District	San Bernardino County Transportation Authority (formerly SANBAG)
City of Huntington Beach	Covina-Valley Unified School District	Trabuco Canyon Water District	
City of Laguna Niguel	Cucamonga School District	California High-Speed Rail Authority	
City of Lake Forest	Eastern Municipal Water District		
City of Mission Viejo	Fullerton Joint Union High School District		
City of Ontario			
City of Pasadena			
City of Pico Rivera			
City of Pomona			

SUCCESSOR AGENCY RESOLUTION NO. 2022-002

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SANTA ANA APPROVING THE PURCHASE AND SALE AGREEMENT FOR THE DISPOSITION OF PROPERTY TO THE CITY OF SANTA ANA LOCATED AT 915 NORTH FLOWER STREET, 921 NORTH FLOWER STREET, AND 842 NORTH GARNSEY STREET

BE IT RESOLVED BY THE GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SANTA ANA AS FOLLOWS:

Section 1: The Governing Board of the Successor Agency to the Former Community Redevelopment Agency of the City of Santa Ana hereby finds, determines and declares as follows:

- A. Pursuant to AB X1 26 (enacted in June 2011 and amended from time to time, the "Dissolution Act") and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), all redevelopment agencies within the State of California, including the Community Redevelopment Agency of the City of Santa Ana ("Former Agency"), were dissolved.
- B. On January 9, 2012, pursuant to section 34173 of the California Health and Safety Code ("HSC"), the City of Santa Ana ("City") elected to serve as the Successor Agency to the dissolved Former Agency ("Successor Agency").
- C. The Successor Agency is tasked with winding down the Former Agency's affairs.
- D. Pursuant to HSC section 34175(b), all assets, including real properties, of the Former Agency transferred to the control of the Successor Agency by operation of law.
- E. The Former Agency acquired certain sites, delineated as follows: (i) 915 North Flower Street, APN 005-142-58; (ii) 921 North Flower Street, APN 005-142-35; and (iii) 842 North Garnsey Street, APN 005-142-47 (collectively referred to herein as the "Properties").
- F. The Properties are not suitable for use by the Successor Agency. However, the City believes that the Properties will be useful in pursuing the public purpose activities of the City, including park space.

- G. Accordingly, in furtherance of its wind-down of the Former Agency's affairs, the Successor Agency desires to transfer the Properties to the City pursuant to HSC section 34181(a).
- H. The City and the Successor Agency have reviewed the fair market value of the Properties, as aggregated, and have concluded that the value of such Properties are consistent with the purchase price as set forth in the draft "Purchase and Sale Agreement" in the form submitted to the City and the Successor Agency concurrently herewith (the "Agreement").
- I. The fair market value and purchase price was established as \$598,000 by an appraisal conducted on April 29, 2022.
- J. A joint public hearing of the Successor Agency and City Council on the proposed Agreement was duly noticed in accordance with HSC sections 33431.
- K. On September 6, 2022, the governing board of the Successor Agency and the City Council held a joint public hearing on the proposed Agreement, at which time the City Council and the Successor Agency reviewed and evaluated all of the information, testimony, and evidence presented during the joint public hearing.
- L. All actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner.
- M. The Successor Agency has reviewed the staff report in connection with this matter and has evaluated other information provided to it pertaining to the findings proposed to be made hereunder.
- N. The Successor Agency has considered all of the terms and conditions of the proposed Agreement and believes that the sale of the Properties pursuant to the Agreement complies with the Oversight Board's direction to dispose of all assets and properties of the Former Agency pursuant to HSC section 34181(a), and in accord with the public purposes and provisions of applicable State and local laws and requirements.

Section 2. The Successor Agency hereby finds and determines that the disposition by sale of the Properties by the Successor Agency to the City pursuant to the Agreement will further the achievement of the Successor Agency's purpose of winding down the Former Agency's affairs in compliance with the Oversight Board's direction to dispose of all assets and properties of the Former Agency pursuant to HSC section 34181(a).

Section 3. The Successor Agency finds and determines that, based upon substantial evidence provided in the record, the consideration for the Successor

Agency's sale of the Properties to the City pursuant to the terms and conditions of the Agreement is not less than the fair market value of the Properties.

Section 4. The Successor Agency hereby approves the Agreement in substantially the form presented to the Successor Agency, subject to such revisions as may be made by the Executive Director of the Successor Agency, or designee. The Executive Director of the Successor Agency is hereby authorized to execute the Agreement, as so revised (including without limitation all attachments thereto), on behalf of the Successor Agency, together with any instruments necessary or convenient to implement the Agreement. A copy of the Agreement shall, when executed by the Successor Agency, be placed on file in the Office of the Secretary of the Successor Agency.

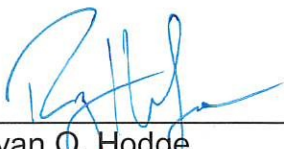
Section 5. The Executive Director of the Successor Agency, or designee, is hereby authorized, on behalf of the Successor Agency, to make revisions to the Agreement that do not materially or substantially increase the Successor Agency's obligations thereunder or materially or substantially change the uses or development permitted on the Properties, to sign all documents, to make all approvals and take all actions necessary or appropriate to carry out and implement the Agreement and to administer the Successor Agency's obligations, responsibilities and duties to be performed under the Agreement and related documents.

ADOPTED this 6th day of September, 2022.



Vicente Sarmiento
Mayor

APPROVED AS TO FORM:
Sonia R. Carvalho, City Attorney

By: 

Ryan O. Hodge
Assistant City Attorney

AYES: Councilmembers Hernandez, Lopez, Mendoza, Penaloza, Phan, Bacerra, Sarmiento (7)

NOES: Councilmembers None (0)

ABSTAIN: Councilmembers None (0)

NOT PRESENT: Councilmembers None (0)

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, Secretary of the Successor Agency, do hereby attest to and certify the attached Resolution No. 2022-002 to be the original resolution adopted by the Governing Board of the Successor Agency to the Former Community Redevelopment Agency of the City of Santa Ana on September 6, 2022.

Date: 9/8/22

N. A. Ojeda
for Recording Secretary
City of Santa Ana

RESOLUTION NO. 2022-074

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA APPROVING THE PURCHASE AND SALE AGREEMENT FOR THE ACQUISITION OF PROPERTY FROM THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF SANTA ANA LOCATED AT 915 NORTH FLOWER STREET, 921 NORTH FLOWER STREET, AND 842 NORTH GARNSEY STREET

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA ANA AS FOLLOWS:

Section 1: The City Council of the City of Santa Ana hereby finds, determines and declares as follows:

- A. Pursuant to AB X1 26 (enacted in June 2011 and amended from time to time, the "Dissolution Act") and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), all redevelopment agencies within the State of California, including the Community Redevelopment Agency of the City of Santa Ana ("Former Agency"), were dissolved.
- B. On January 9, 2012, pursuant to section 34173 of the California Health and Safety Code ("HSC"), the City of Santa Ana ("City") elected to serve as the Successor Agency to the dissolved Former Agency ("Successor Agency").
- C. The Successor Agency is tasked with winding down the Former Agency's affairs.
- D. Pursuant to HSC section 34175(b), all assets, including real properties, of the Former Agency transferred to the control of the Successor Agency by operation of law.
- E. The Former Agency acquired certain sites, delineated as follows: (i) 915 North Flower Street, APN 005-142-58; (ii) 921 North Flower Street, APN 005-142-35; and (iii) 842 North Garnsey Street, APN 005-142-47 (collectively referred to herein as the "Properties").
- F. The Properties are not suitable for use by the Successor Agency. However, the City believes that the Properties will be useful in pursuing the public purpose activities of the City, including park space.
- G. Accordingly, in furtherance of its wind-down of the Former Agency's affairs, the Successor Agency desires to transfer the Properties to the City pursuant to HSC section 34181(a).

- H. The City and the Successor Agency have reviewed the fair market value of the Properties, as aggregated, and have concluded that the value of such Properties are consistent with the purchase price as set forth in the draft "Purchase and Sale Agreement" in the form submitted to the City and the Successor Agency concurrently herewith (the "Agreement").
- I. The fair market value and purchase price was established as \$598,000 by an appraisal conducted on April 29, 2022.
- J. A joint public hearing of the Successor Agency and City Council on the proposed Agreement was duly noticed in accordance with HSC sections 33431.
- K. On September 6, 2022, the governing board of the Successor Agency and the City Council held a joint public hearing on the proposed Agreement, at which time the City Council and the Successor Agency reviewed and evaluated all of the information, testimony, and evidence presented during the joint public hearing.
- L. All actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner.
- M. The City Council has reviewed the staff report in connection with this matter and has evaluated other information provided to it pertaining to the findings proposed to be made hereunder.
- N. The City Council has considered all of the terms and conditions of the proposed Agreement and believes that the sale of the Properties pursuant to the Agreement is in the best interests of the City and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local laws and requirements.

Section 2. The City Council hereby finds and determines that the disposition by sale of the Properties by the Successor Agency to the City pursuant to the Agreement will further the achievement of the City's public purposes by making property available for use by the City for park space.

Section 3. The City Council finds and determines that, based upon substantial evidence provided in the record, the consideration for the Successor Agency's sale of the Properties to the City pursuant to the terms and conditions of the Agreement is not less than the fair market value of the Properties.

Section 4. The City Council hereby approves the Agreement in substantially the form presented to the City Council, subject to such revisions as may be made by the City Manager, or designee. The City Manager is hereby authorized to execute the Agreement, as so revised (including without limitation all attachments thereto), on behalf

of the City, together with any instruments necessary or convenient to implement the Agreement. A copy of the Agreement shall, when executed by the City, be placed on file in the Office of the Clerk of the Council.

Section 5. The City Manager, or designee, is hereby authorized, on behalf of the City, to make revisions to the Agreement that do not materially or substantially increase the City's obligations thereunder or materially or substantially change the uses or development permitted on the Properties, to sign all documents, to make all approvals and take all actions necessary or appropriate to carry out and implement the Agreement and to administer the City's obligations, responsibilities and duties to be performed under the Agreement and related documents.

ADOPTED this 6th day of September, 2022.

Vicente Sarmiento
Mayor

APPROVED AS TO FORM:
Sonia R. Carvalho, City Attorney

By:

Ryan O. Hodge
Assistant City Attorney

AYES:	Councilmembers	<u>Hernandez, Lopez, Mendoza, Penaloza, Phan, Bacerra, Sarmiento (7)</u>
NOES:	Councilmembers	<u>None (0)</u>
ABSTAIN:	Councilmembers	<u>None (0)</u>
NOT PRESENT:	Councilmembers	<u>None (0)</u>

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, Clerk of the Council, do hereby attest to and certify the attached Resolution No. 2022-074 to be the original Resolution adopted by the City Council of the City of Santa Ana on September 6, 2022.

Date: 9/8/22

N. A. Oy
for Clerk of the Council
City of Santa Ana

PURCHASE AND SALE AGREEMENT

SELLER: Successor Agency to the Former Community
Redevelopment Agency of the City of Santa
Ana

BUYER: City of Santa Ana

DATED: September 6, 2022

**(915 N. Flower Street, APN 005-142-58;
921 N. Flower Street, APN 005-142-35;
and 842 N. Garnsey Street, APN 005-142-47)**

BASIC TERMS

Buyer: City of Santa Ana, a charter city and municipal corporation organized under the Constitution and laws of the State of California

Buyer's Address: City of Santa Ana
Attention: Clerk of the Council
20 Civic Center Plaza
Santa Ana, CA 92701
Tel. (714) 647-6520

Closing Date (or Closing): Estimated to occur by November 1, 2022, but not later than the Outside Date

Contingency Date: Sixty (60) days after the Effective Date

Deed: A grant deed in the form of Exhibit B hereto

Effective Date: September 6, 2022

Outside Date: 60 days after Oversight Board and Department of Finance Approval

Oversight Board: The Oversight Board to the Successor Agency to the Former Community Redevelopment Agency of the City of Santa Ana approval is a condition of closing

Purchase Price: Five-Hundred and Ninety-Eight Thousand Dollars (\$598,000)

Real Property: That property described in Exhibit A hereto; the subject property consists of: (i) 915 North Flower Street, APN 005-142-58; (ii) 921 North Flower Street, APN 005-142-37; and (iii) 842 North Garnsey, APN 005-142-47

Seller: Successor Agency to the Former Community Redevelopment Agency of the City of Santa Ana

Seller's Address: 20 Civic Center Plaza
Santa Ana, California 92701
Attention: Director of Community Development Agency
Tel. (714) 647-5360

Title Company: First American Title Insurance Company
5 First American Way
Santa Ana, CA 92707
Tel: (714) ___ - ___
Attention: _____, _____
(direct: (714) ___ - ___; email: _____@firstam.com)
(or another title insurer mutually acceptable to Buyer and Seller)

PURCHASE AND SALE AGREEMENT

This **PURCHASE AND SALE AGREEMENT** (“Agreement”) is made and entered into as of the Effective Date by and between Seller and Buyer.

RECITALS

A. Seller is the fee owner of that real property which is legally described on Exhibit A attached hereto and made a part hereof (the “Real Property”). The Real Property is unimproved and unoccupied vacant lots.

B. Seller has offered to sell to Buyer the Real Property described herein for the price and subject to the terms set forth below. Buyer has considered the offer by Seller and agrees to buy from Seller the Real Property, as more specifically described below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. Purchase and Sale. Seller hereby agrees to sell the Real Property to Buyer, and Buyer hereby agrees to purchase the Real Property from Seller, on the terms and conditions set forth in this Agreement. The term Real Property is defined collectively as the following:

(a) The fee interest in the Real Property to be conveyed by the Deed (defined in Section 8(a) below);

(b) All rights, privileges, easements, licenses and interests appurtenant to the Real Property. Such rights shall be deemed to include, without limitation, all royalties, minerals, oil and gas rights and profits, water and water rights (whether or not appurtenant) owned by Seller; and

(c) All personal property, equipment, supplies, and fixtures owned by Seller and located at the Real Property; and

(d) All of Seller’s interest under contracts, leases, and other agreements associated with the Real Property, subject to a power of termination as set forth in the Deed.

2. Payment of Consideration. As consideration for the sale of the Real Property from Seller to Buyer, Buyer shall, at the Closing (as defined below), pay to Seller the Purchase Price of Five-Hundred and Ninety-Eight Thousand Dollars (\$598,000) for the Real Property.

3. Closing without Escrow.

(a) Closing without use of Escrow. At the election of Seller, the parties will effect the conveyance of the Property and payment of the Purchase Price without use of an escrow holder provided that: (i) Seller confirms to Buyer that Seller agrees that the Deed may be recorded among the official records of the County Recorder of the County of Orange after Buyer confirms to Seller that Buyer holds moneys equal to the Purchase Price and will transfer such moneys to City within one (1) business day after the Deed is recorded, and (ii) Seller confirms to Buyer that the Title Company

has committed to issue the “Buyer’s Title Policy” (as described in Section 6 hereof) in a form and subject only to exceptions that are acceptable to Buyer.

(b) Closing. For purposes of this Agreement, the “Closing” or “Closing Date” shall be the date the Deed (as defined below) is recorded pursuant to applicable law in the county in which the Real Property is located. Unless changed in writing by Buyer and Seller, the Closing shall occur on the Closing Date, or as soon thereafter as the conditions precedent to closing are satisfied pursuant to Sections 6 and 7 of this Agreement. If the Closing has not, for any reason, occurred by the Closing Date, then either Buyer or Seller may terminate this Agreement by delivering written notice to the other at any time after the outside Closing Date; provided, however, that if either party is in default under this Agreement at the time of such termination, then such termination shall not affect the rights and remedies of the non-defaulting party against the defaulting party.

4. Seller’s Delivery of Real Property and Formation Documents. Within ten (10) days after the Effective Date, Seller shall deliver to Buyer the following items (collectively, the Property Documents”):

(a) Copies of tax bills.

(b) Such proof of Sellers’ authority and authorization to enter into this Agreement and to consummate this transaction as may be reasonably requested by Buyer and the Title Company consistent with the terms of this Agreement.

5. Buyer’s Right of Entry. From and after the Effective Date through the earlier to occur of the termination of this Agreement or the Closing, Buyer and Buyer’s employees, agents, consultants and contractors shall have the right to enter upon the Real Property during normal business hours, provided reasonable prior notice has been given to Seller.

(a) Investigation of the Real Property. In addition to the foregoing, the Buyer shall have the right, at its sole cost and expense, prior to the Contingency Date, to engage its own environmental consultant (the “Environmental Consultant”) to make such investigations as Buyer deems necessary or appropriate, including any “Phase 1” or “Phase 2” investigations of the Real Property. If, based upon such evaluation, inspections, tests or investigation, Buyer determines that it, in its discretion, does not wish to proceed with purchase of the Real Property based upon the condition of the Real Property, Buyer may cancel this Agreement by giving written notice of termination to Seller on or before the Contingency Date which specifically references this Section 5. If Buyer does not cancel this Agreement by the time allowed under this Section 5, Buyer shall be deemed to have approved the evaluation, inspections and tests as provided herein and to have elected to proceed with this transaction on the terms and conditions of this Agreement. Buyer shall be provided a copy of all reports and test results provided by Buyer’s Environmental Consultant promptly after receipt by the Buyer of any such reports and test results.

Buyer shall bear all costs, if any, associated with restoring the Real Property to the condition prior to its testing by or on behalf of Buyer if requested to so do by Seller.

(b) No Warranties as To the Real Property. The physical condition and possession of the Real Property, is and shall be delivered from Seller to Buyer in an “as is” condition, with no warranty expressed or implied by Seller, including without limitation, the presence of

Hazardous Materials or the condition of the soil, its geology, the presence of known or unknown seismic faults, or the suitability of the Real Property for development purposes.

(c) Buyer Precautions after Closing. Upon and after the Closing, Buyer shall take all necessary precautions to prevent the release into the environment of any Hazardous Materials which are located in, on or under the Real Property. Such precautions shall include compliance with all laws, ordinances, statutes, codes, rules, regulations, orders, and decrees of the United States, the state, the County, the City, or any other political subdivision in which the Real Property is located, and of any other political subdivision, agency, or instrumentality exercising jurisdiction over the Real Property (“Governmental Requirements”) with respect to “Hazardous Materials”, as defined below.

“Hazardous Materials” means any substance, material, or waste which is or becomes regulated by any local governmental authority, the County, the State of California, regional governmental authority, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a “hazardous waste,” “extremely hazardous waste,” or “restricted hazardous waste” under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) friable asbestos, (vii) polychlorinated biphenyls, (viii) listed under Article 9 or defined as “hazardous” or “extremely hazardous” pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (ix) designated as “hazardous substances” pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317), (x) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. (42 U.S.C. §6903) or (xi) defined as “hazardous substances” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §6901 et seq.

6. Buyer’s Conditions Precedent and Termination Right.

(a) Conditions Precedent. The Closing and Buyer’s obligation to consummate the transaction contemplated by this Agreement are subject to the timely satisfaction or written waiver of the following conditions precedent (collectively, “Buyer’s Contingencies”), which are for Buyer’s benefit only.

(i) Title Review. Within ten (10) calendar days after the Date of Agreement, Seller shall cause the Title Company to deliver to Buyer a preliminary title report (the “Report”) describing the title to the Real Property, together with copies of the plotted easements and the exceptions (the “Exceptions”) set forth in the Report; provided that the cost of the Report shall be borne by Seller. Seller acknowledges that the Report shall include an endorsement against the effect of any mechanics’ liens; Seller will provide such indemnity or other assurances as necessary to induce the Title Company to provide such endorsement. On or before the Contingency Date, Buyer shall have approved in writing, in Buyer’s sole discretion, any matters of title disclosed by the following (collectively, the “Title Documents”): (i) the Report; (ii) the Exceptions; (iii) the legal description of the Real Property and (iv) any survey Buyer desires to obtain at Buyer’s sole cost and expense. Buyer shall have the same rights to approve or disapprove any exceptions to title that are not created by

Buyer and that come into existence after issuance of the Report but prior to Closing. Seller shall, on or before the Closing, remove all deeds of trust, mortgages and delinquent taxes (but not the lien for any real property taxes or assessments not yet delinquent).

(ii) Buyer's Title Policy. On or before the Closing, the Title Company shall, upon payment (by Buyer) of the Title Company's premium, have agreed to issue to Buyer, a CLTA owner's policy of title insurance ("Buyer's Title Policy") in the amount of the Purchase Price showing fee title to the Real Property vested solely in Buyer and subject only to the (i) the standard, preprinted exceptions to Buyer's Title Policy; (ii) liens to secure payment of real estate taxes or assessments not yet delinquent; (iii) matters affecting the Real Property created by or with the written consent of Buyer; and (iv) those matters specifically approved in writing by Buyer. Buyer shall have the right, at its sole cost and expense, to obtain coverage beyond that offered by a CLTA policy; provided, however, that Buyer's ability to obtain such extended coverage shall not be a Buyer's Contingency and Buyer's obligations hereunder shall in no way be conditioned or contingent upon obtaining such extended coverage. Buyer shall have sole responsibility for obtaining, and bearing the cost of, any endorsements and for any survey or other matters required by the Title Company for such extended coverage.

(iii) Physical and Legal Inspections and Studies. On or before the Contingency Date, Buyer shall have approved in writing, in Buyer's sole and absolute discretion, the results of any physical and legal (but not feasibility or economic) inspections, investigations, tests and studies Buyer elects to make or obtain, including, but not limited to, investigations with regard to zoning, building codes and other governmental regulations; engineering tests; soils, seismic and geologic reports; environmental audits, inspections and studies; environmental investigation or other invasive or subsurface testing; and any other physical or legal inspections and/or investigations as Buyer may elect to make or obtain.

(iv) Property and Formation Documents. On or before the Contingency Date, Buyer shall have approved in writing, in Buyer's reasonable discretion, the terms, conditions and status of all of the Property Documents.

(v) Delivery of Documents. Seller's delivery of all documents described in Section 8, below.

(vi) Representations and Warranties. All representations and warranties of Seller contained in this Agreement shall be materially true and correct as of the date made and as of the Closing.

(vii) Title Company Confirmation. The Title Company shall have confirmed that it is prepared to issue the Buyer's Title Policy consistent with the provisions of this Agreement.

(viii) No Default. As of the Closing, Seller shall not be in default in the performance of any material covenant or agreement to be performed by Seller under this Agreement.

(ix) Oversight Board and Department of Finance ("DOF") Approval. The Oversight Board and, if required as a condition of the issuance of title insurance or by either party hereto, approval by DOF, shall have been given as to the disposition of the Real Property by Seller to Buyer under this Agreement.

(b) **Termination Right.** Should any of Buyer's Contingencies not be met by the Outside Date, and Buyer so informs Seller, Buyer may, by written notice to Seller, terminate this Agreement. If this Agreement is so terminated, then (except to the extent expressly allocated to one party hereto by this Agreement) any escrow, title or other cancellation fees shall be paid by Buyer, unless Seller is in default hereunder, in which case Seller shall pay all such fees. If Buyer has neither terminated this Agreement in writing ("Termination Notice") on or before 5:00 p.m. on the Contingency Date as to the items set forth in Sections 6(a)(i)-(v) inclusive, nor provided a written satisfaction or waiver notice to Seller of each Buyer's Contingency to be satisfied as of the Contingency Date, then all such Buyer's Contingencies shall be deemed to have been satisfied and this Agreement shall continue pursuant to its terms. If Buyer has not delivered a Termination Notice as the items set forth in Sections 6(a)(vi)-(viii) inclusive, prior to the Closing, such Buyer's Contingencies shall be deemed to have been satisfied.

(c) **Seller's Cure Right.** Buyer shall notify Seller, in Buyer's Termination Notice, of Buyer's disapproval or conditional approval of any Title Documents. Seller shall then have the right, but not the obligation, to (i) remove from title any disapproved or conditionally approved Exception(s) (or cure such other title matters that are the basis of Buyer's disapproval or conditional approval of the Title Documents) within five (5) business days after Seller's receipt of Buyer's Termination Notice, or (ii) provide assurances reasonably satisfactory to Buyer that such Exception(s) will be removed (or other matters cured) on or before the Closing. With respect to any such Exception, it shall be sufficient for purposes hereof for Seller to commit in writing, within the applicable period, to remove such Exception at or before the Closing. Seller's failure to remove such Exception after committing to do so shall be a default hereunder. An Exception shall be deemed removed or cured if Seller furnishes Buyer with evidence that the Title Company will issue the Buyer's Title Policy, as defined herein, at the Closing deleting such Exception or providing an endorsement (at Seller's expense) reasonably satisfactory to Buyer concerning such Exception. If Seller cannot or does not remove or agree to remove any of the disapproved Exception(s) (or cure other matters) within such five (5) business day period, Buyer shall have three (3) business days after the expiration of such five (5) business day period to give Seller written notice that Buyer elects to proceed with the purchase of the Real Property subject to the disapproved Title Document(s), it being understood that Buyer shall have no further recourse against Seller for such disapproved Title Exception(s).

7. Seller's Conditions Precedent and Termination Right. The Closing and Seller's obligations with respect to the transaction contemplated by this Agreement are subject to the timely satisfaction or written waiver of the following conditions precedent ("Seller's Contingencies"), which are for Seller's benefit only:

(a) **Completion of Title Review.** Seller shall have received written confirmation from Buyer that Buyer has completed its review of title and that the condition of title is satisfactory.

(b) **Confirmation Concerning Site.** Seller shall have received written confirmation from Buyer that Buyer has reviewed the condition of the Real Property, including without limitation concerning Hazardous Materials, zoning and suitability, and approves the condition of the Real Property.

(c) **Oversight Board and, if applicable, DOF Approval.** The approval by the Oversight Board and DOF shall have been given as to the disposition of the Real Property by Seller to Buyer under this Agreement, and, if required as a matter of law or as a condition by the Title Company as a condition of the Title Company issuing its policy of title insurance, DOF approval.

(d) Confirmation Regarding Buyer's Title Policy. Seller shall have received written confirmation from Buyer that Buyer has approved a pro forma title policy.

(e) Delivery of Documents. Buyer's delivery of all documents described in Section 9, below.

Should any of Buyer's Contingencies not be met by the Outside Date and Buyer has so informed Seller, Seller may, by written notice to Buyer, terminate this Agreement. If this Agreement is so terminated, then (except to the extent expressly allocated to one party hereto by this Agreement) any title or other cancellation fees shall be paid by Buyer.

8. Seller's Deliveries to Buyer.

(a) Seller's Delivered Documents. At least one (1) business day prior to the Closing Date, Seller shall deposit or cause to be deposited with Buyer the following items, duly executed and, where appropriate, acknowledged ("Seller's Delivered Items"):

(i) Deed. The Grant Deed in the form attached hereto as Exhibit B (the "Deed").

(ii) Possession of Real Property. Possession of the Real Property free of any tenancies or occupancy.

(iii) Authority. Such proof of Seller's authority and authorization to enter into this Agreement and to consummate this transaction as may be reasonably requested by Buyer and the Title Company.

(iv) Further Documents or Items. Any other documents or items reasonably required to close the transaction contemplated by this Agreement as determined by the Title Company.

(b) Failure to Deliver. Should any of Seller's Delivered Items not be timely delivered to Buyer, Buyer may, by written notice to Seller, terminate this Agreement; provided, however, that Buyer may (but shall not be obligated to) in such notice provide Seller with five (5) business days to deliver all of Seller's Delivered Items. If Buyer's notice provides Seller such five (5) business days to deliver Seller's Delivered Items, and if Seller's Delivered Items are not delivered within such period, then this Agreement shall automatically terminate without further action or notice. In the event of any such termination, any cash deposited by Buyer shall immediately be returned to Buyer. Under no circumstances shall Buyer have any responsibility to or duty to pay consultants or real estate brokers retained by Seller, Seller being solely responsible in connection with any such contractual arrangements of Seller.

9. Buyer's Deliveries to Seller. At least one (1) business day prior to the Closing Date, Buyer shall deposit or cause to be deposited with Seller the following, each duly executed and acknowledged by Buyer, as appropriate ("Buyer's Delivered Items"):

(a) Purchase Price. The Purchase Price, together with additional funds necessary to pay Buyer's closing costs set forth in Section 10(b) herein.

(b) Authority. Such proof of Buyer's authority and authorization to enter into this Agreement and to consummate the transaction contemplated hereby as may be reasonably requested by Seller or the Title Company.

(c) Further Documents or Items. Any other documents or items reasonably required to close the transaction contemplated by this Agreement as determined by the Title Company.

10. Costs and Expenses

(a) Seller's Costs. If the transaction contemplated by this Agreement is consummated, then Seller shall be debited for and bear the following costs: (i) costs and charges associated with the removal of encumbrances; (ii) Seller's share of prorations; and (iii) costs, if any, allocable to Seller under this Agreement (which foregoing items collectively constitute "Seller's Costs and Debited Amounts").

(b) Buyer's Costs. If the transaction contemplated by this Agreement is consummated, then Buyer shall bear the following costs and expenses: (i) Buyer's share of prorations, (ii) the premium for an owner's policy of title insurance which, at the election of Buyer, will be an ALTA owner's extended coverage policy of title insurance and the cost for any survey required in connection with the delivery of an ALTA owner's extended coverage policy of title insurance; (iii) documentary recording fees, if any; (iv) documentary transfer tax, if any; and (v) any costs associated with Buyer borrowing money in order to pay to Seller the Purchase Price (collectively, "Buyer's Costs and Debited Amounts"). Since Buyer and Seller elected to close without use of escrow pursuant to Section 3(b) hereof, Buyer and Seller shall make the prorations described in this subsection (b).

Generally. Each party shall bear the costs of its own attorneys, consultants, and real estate brokers in connection with the negotiation and preparation of this Agreement and the consummation of the transaction contemplated hereby. Buyer represents to Seller that Buyer has not engaged the services of any consultants, finders or real estate brokers in connection with the purchase of the Real Property from the Seller. Seller represents to Buyer that Seller has not engaged the services of any consultants, finders or real estate brokers in connection with the sale of the Real Property to the Buyer.

11. Prorations; Withholding

(a) All revenues (if any) and expenses relating to the Real Property (including, but not limited to, property taxes, utility costs and expenses, water charges and sewer rents and refuse collection charges) shall be prorated as of the Closing Date; provided that all delinquent taxes shall be satisfied at the expense of Seller. Not less than five (5) business days prior to the Closing, Seller shall deliver to Buyer a tentative schedule of prorations for Buyer's approval (the "Proration and Expense Schedule"). If any prorations made under this Section shall require final adjustment after the Closing, then the parties shall make the appropriate adjustments promptly when accurate information becomes available and either party hereto shall be entitled to an adjustment to correct the same. Any corrected or adjustment proration shall be paid promptly in cash to the party entitled thereto.

(b) In the event Seller does not qualify for an exemption from California withholding tax under Section 18662 of the California Revenue and Taxation Code (the "Tax Code") as evidenced by the delivery to Buyer at Closing of the California Exemption Certificate duly executed

by Seller, (i) Title Company shall withhold three and one-third percent (3-1/3%) of the Purchase Price on behalf of Buyer at Closing for payment to the California Franchise Tax Board in accordance with the Tax Code, (ii) Buyer shall deliver three (3) duly executed copies of California Form 593 to Title Company at or immediately after Closing, (iii) two (2) copies of California Form 593 shall be delivered by Title Company to Seller, and (iv) on or before the 20th day of the month following the month title to the Real Property is transferred to Buyer (as evidenced by the recording of the Deed), Title Company shall remit such funds withheld from the Purchase Price, together with one (1) copy of California Form 593 to the California Franchise Tax Board on behalf of Buyer. Buyer and Seller hereby appoint Title Company as a reporting entity under the Tax Code, authorized to withhold and remit the withholding tax contemplated under the Tax Code, together with such other documents required by the Tax Code (including, without limitation, California Form 593), to the California Franchise Tax Board.

12. Closing Procedure. When the Title Company is ready to issue the Buyer's Title Policy and all required documents and funds have been deposited with Seller, Seller shall immediately close Escrow in the manner and order provided below.

(a) Recording. Seller shall cause the Deed to be recorded pursuant to applicable law in the county in which the Real Property is located and obtain conformed copies thereof for distribution to Buyer and Seller.

(b) Disburse Funds. Seller shall debit or credit (as provided herein) all Buyer's Costs and Debited Amounts, Seller's Costs and Debited Amounts and General Expenses, prorate matters and withhold funds as provided herein. The Purchase Price, less any applicable debits or credits (as provided herein) shall be distributed via account transfers to Seller. Seller shall request demands for payment and to make such payments from the Purchase Price (or such other funds, if any, as are advanced by Seller) to defray the cost of removing deeds of trust, liens and other encumbrances.

(c) Documents to Seller. Seller shall receive a conformed copy of the Deed, and documents, if any, recorded on behalf of any lender, as duly recorded among the official land records of the County of Orange, and a copy of each other document (or copies thereof) provided by Buyer pursuant hereto.

(d) Documents to Buyer. Seller shall deliver to Buyer the original California Exemption Certificate (as applicable), and a conformed copy of each of the Deed as duly recorded among the official land records of the County of Orange, and each other document (or copies thereof) deposited by Seller pursuant hereto, including, without limitation, those documents referenced in Section 8.

(e) Title Company. Seller shall cause the Title Company to issue the Buyer's Title Policy to Buyer.

(f) Informational Reports. Seller shall file any information reports required by Internal Revenue Code Section 6045(e), as amended.

(g) Possession. Possession of the Real Property shall be delivered to Buyer at the Closing.

13. Representations and Warranties.

(a) Seller's Representations and Warranties. In consideration of Buyer entering into this Agreement and as an inducement to Buyer to purchase the Real Property, Seller makes the following representations and warranties as of the Effective Date and as of the Closing, each of which is material and is being relied upon by Buyer (and the truth and accuracy of which shall constitute a condition precedent to Buyer's obligations hereunder), and all of which are material inducements to Buyer to enter into this Agreement (and but for which Buyer would not have entered into this Agreement) and shall survive Closing; provided that each of the representations and warranties of Seller is based upon the information and belief of the Executive Director of the Buyer:

(i) Seller believes that it has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated, subject to the approval of the Oversight Board and, as may be applicable, DOF.

(ii) Subject to the approval of the Oversight Board and, as may be applicable, DOF, Seller believes that all requisite action (corporate, trust, partnership or otherwise) has been taken by Seller in connection with entering into this Agreement and the instruments referenced herein; and, by the Closing, all such necessary action will have been taken to authorize the consummation of the transaction contemplated hereby.

(iii) Subject to the approval of the Oversight Board and, as may be applicable, DOF, the individual executing this Agreement and the instruments referenced herein on behalf of Seller has the legal power, right and actual authority to bind Seller to the terms and conditions hereof and thereof.

(iv) Seller believes that neither the execution or delivery of this Agreement or the documents or instruments referenced herein, nor incurring the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement or the documents or instruments referenced herein or therein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, lease or other agreement or instrument to which Seller is a party or that affect the Real Property, including, but not limited to, any of the Title Documents or the Property Documents.

(v) There is no pending litigation nor, to the best of Seller's knowledge, threatened litigation, which does or will adversely affect the right of Seller to convey the Real Property. There are no claims which have been received by Seller that have not been disclosed to Buyer.

(vi) Seller has made no written or oral commitments to or agreements with any governmental authority or agency materially and adversely affecting the Real Property, or any part hereof, or any interest therein, which will survive the Closing.

(vii) There are no leases or rental agreements in effect as to the Real Property.

(viii) Seller is not in default of its obligations under any contract, agreement or instrument to which Seller is a party pertaining to the Real Property.

(ix) There are no mechanics', materialmen's or similar claims or liens presently claimed or which will be claimed against the Real Property for work performed or commenced for Seller or on Seller's behalf prior to the date of this Agreement.

(x) There are no undisclosed contracts, licenses, commitments, undertakings or other written or oral agreements for services, supplies or materials concerning the use, operation, maintenance, or management of the Real Property that will be binding upon Buyer or the Real Property after the Closing. There are no oral contracts or other oral agreements for services, supplies or materials, affecting the use, operation, maintenance or management of the Real Property.

(xi) There are not as of the Effective Date, nor will there be as of the Closing, any written or oral leases or contractual right or option to lease, purchase, or otherwise enjoy possession, rights or interest of any nature in and to the Real Property or any part thereof, and no person other than Buyer shall have any right of possession to the Real Property or any part thereof as of the Closing.

(xii) No person, excepting Seller, has possession or any rights to possession of the Real Property or portion thereof.

(b) Subsequent Changes to Seller's Representations and Warranties. If, prior to the Closing, Buyer or Seller should learn, discover or become aware of any existing or new item, fact or circumstance which renders a representation or warranty of Seller set forth herein incorrect or untrue in any respect (collectively, the "Seller Representation Matter"), then the party who has learned, discovered or become aware of such Representation Matter shall promptly give written notice thereof to the other party and Seller's representations and warranties shall be automatically limited to account for the Representation Matter. Buyer shall have the right to approve or disapprove any such change and to terminate this Agreement by written notice to Seller if Buyer reasonably disapproves any such change. If Buyer does not elect to terminate this Agreement, Seller's representation shall be qualified by such Seller Representation Matter and Seller shall have no obligation to Buyer for such Seller Representation Matter.

(c) Buyer's Representations and Warranties. In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Real Property, Buyer makes the following representations and warranties as of the date hereof and at and as of the Closing, each of which is material and is being relied upon by Seller (and the truth and accuracy of which shall constitute a condition precedent to Seller's obligations hereunder), and all of which shall survive Closing:

(i) Buyer has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby.

(ii) All requisite action has been taken by Buyer in connection with entering into this Agreement and the instruments referenced herein; and, by the Closing, all such necessary action will have been taken to authorize the consummation of the transaction contemplated hereby.

(iii) The individuals executing this Agreement and the instruments referenced herein on behalf of Buyer have the legal power, right and actual authority to bind Buyer to the terms and conditions hereof and thereof.

(iv) Neither the execution and delivery of this Agreement and the documents and instruments referenced herein, nor incurring the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement and the documents and instruments referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreement or instrument to which Buyer is a party or by which any of Buyer's properties are bound.

(d) Subsequent Changes to Buyer's Representations and Warranties. If, prior to the Closing, Seller or Buyer should learn, discover or become aware of any existing or new item, fact or circumstance which renders a representation or warranty of Buyer set forth herein incorrect or untrue in any respect (collectively, the "Buyer's Representation Matter"), then the party who has learned, discovered or become aware of such Buyer's Representation Matter shall promptly give written notice thereof to the other party and Buyer's representations and warranties shall be automatically limited to account for the Buyer's Representation Matter. Seller shall have the right to approve or disapprove any such change and to terminate this Agreement by written notice to Buyer if Seller reasonably disapproves any such change. If Seller does not elect to terminate this Agreement, Buyer's representation shall be qualified by such Buyer's Representation Matter and Buyer shall have no obligation to Seller for such Buyer's Representation Matter.

14. Fair Value Price. Each of Buyer and Seller believe that the Purchase Price represents a fair value price for the Real Property.

15. Surplus Lands Act. The Property is subject to the requirements of the Surplus Lands Act. Accordingly, pursuant to Government Code section 54233, if 10 or more residential units are developed on the Property, not less than 15 percent of the total number of residential units developed on the parcels shall be sold or rented at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code. Rental units shall remain affordable to, and occupied by, lower income households for a period of at least 55 years for rental housing and 45 years for ownership housing. The initial occupants of all ownership units shall be lower income households, and the units shall be subject to an equity sharing agreement consistent with the provisions of paragraph (2) of subdivision (c) of Section 65915 of the Government Code. Buyer expressly agrees and consents that the requirements of this section shall be contained in a covenant or restriction recorded against the Property prior to land use entitlement of the project, and the covenant or restriction shall run with the land and shall be enforceable against any owner who violates a covenant or restriction, and each successor in interest who continues the violation, by any of the entities described in subdivisions (a) to (f), inclusive, of Section 54222.5 of the Government Code.

16. General Provisions.

(a) Condemnation. If any material portion of the Real Property shall be taken or appropriated by a public or quasi-public authority exercising the power of eminent domain, Buyer

shall have the right, at its option, to (i) terminate this Agreement or (ii) proceed with the purchase of the Real Property and receive all of the award or payment made in connection with such taking.

(b) Notices. All notices, demands, requests or other communications required or permitted hereunder (collectively, "Notices") shall be in writing, shall be addressed to the receiving party as provided in the Basic Terms section above, and shall be personally delivered, sent by overnight mail (Federal Express or another carrier that provides receipts for all deliveries), sent by certified mail, postage prepaid, return receipt requested, or sent by facsimile transmission (provided that a successful transmission report is received). All Notices shall be effective upon receipt at the appropriate address. Notice of change of address shall be given by written notice in the manner detailed in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no Notice in accordance with this Section was given shall be deemed to constitute receipt of such Notice. The providing of copies of Notices to the parties' respective counsels is for information only, is not required for valid Notice and does not alone constitute Notice hereunder.

(c) Waiver, Consent and Remedies. Each provision of this Agreement to be performed by Buyer and Seller shall be deemed both a covenant and a condition and shall be a material consideration for Seller's and Buyer's performance hereunder, as appropriate, and any breach thereof by Buyer or Seller shall be deemed a material default hereunder. Either party may specifically and expressly waive in writing any portion of this Agreement or any breach thereof, but no such waiver shall constitute a further or continuing waiver of a preceding or succeeding breach of the same or any other provision. A waiving party may at any time thereafter require further compliance by the other party with any breach or provision so waived. The consent by one party to any act by the other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of a party to act, except as otherwise specified in this Agreement. All rights, remedies, undertakings, obligations, options, covenants, conditions and agreements contained in this Agreement shall be cumulative and no one of them shall be exclusive of any other. Except as otherwise specified herein, either party hereto may pursue any one or more of its rights, options or remedies hereunder or may seek damages or specific performance in the event of the other party's breach hereunder, or may pursue any other remedy at law or equity, whether or not stated in this Agreement.

(d) Cooperation. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be required in order to consummate the purchase and sale herein contemplated and shall use all reasonable efforts to accomplish the Closing in accordance with the provisions hereof and, following Closing.

(e) Time. Time is of the essence of every provision herein contained. In the computation of any period of time provided for in this Agreement or by law, the day of the act or event from which said period of time runs shall be excluded, and the last day of such period shall be included, unless it is a Saturday, Sunday, City closure, or legal holiday, in which case the period shall be deemed to run until 5:00 p.m. of the next day that is not a Saturday, Sunday, City closure, or legal holiday. Except as otherwise expressly provided herein, all time periods expiring on a specified date or period herein shall be deemed to expire at 5:00 p.m. on such specified date or period.

(f) Counterparts; Electronic Signatures. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall

constitute but one and the same instrument. An electronic signature shall be deemed an original signature.

(g) Captions. Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

(h) No Obligations to Third Parties. The execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties to this Agreement to, any person or entity other than the parties hereto.

(i) Amendment to this Agreement. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

(j) Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

(k) Applicable Law. This Agreement shall be governed by and construed in accordance with the local law of the State of California, with venue in Orange County.

(l) Exhibits and Schedules. The exhibits and schedules attached hereto are incorporated herein by this reference for all purposes.

(m) Entire Agreement. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between, and the final expression of, Buyer and Seller with respect to the subject matter hereof. The parties hereto expressly agree and confirm that this Agreement is executed without reliance on any oral or written statements, representations or promises of any kind which are not expressly contained in this Agreement. No subsequent agreement, representation or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

(n) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the parties hereto.

(o) Assignment. This Agreement may not be assigned without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld.

[signatures begin on the following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

ATTEST:

“SELLER”

**SUCCESSOR AGENCY TO THE
FORMER COMMUNITY
REDEVELOPMENT AGENCY OF THE
CITY OF SANTA ANA**

By: _____

By: _____

Successor Agency Secretary

Executive Director

ATTEST:

“BUYER”

CITY OF SANTA ANA, a charter city and municipal corporation organized under the Constitution and laws of the State of California

By: _____

By: _____

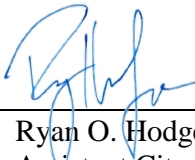
Clerk of the Council

Kristine Ridge
City Manager

APPROVED AS TO FORM:

Sonia R. Carvalho
City Attorney

By: _____



Ryan O. Hodge
Assistant City Attorney

EXHIBIT A

LEGAL DESCRIPTION

EXHIBIT A

In the City of Santa Ana, County of Orange, State of California, being all of Lot 13 of the Wakeham Tract per map filed in Book 8, page 3 of Miscellaneous Maps records of said County;

Together with that portion of Lot 9 of said Tract Map, described in a Deed per Book 14019, pages 872 through 874 records of said County;

Together with Lot 8 of said Tract Map, except that portion described in a Deed per Book 12192, page 1249 records of said County, also except that portion per Parcel Map 83-877 filed in Parcel Map Book 188, pages 2 and 3, records of said County,

Described as a whole.

Containing 11955.8 square feet, more or less.

Subject to all Covenants, Conditions, Reservations, Restrictions, Rights of Way and Easements of record, if any.

All as shown on Exhibit B, attached hereto and by this reference made a part hereof.

Prepared by me, or under my direction on 7/30/2019.

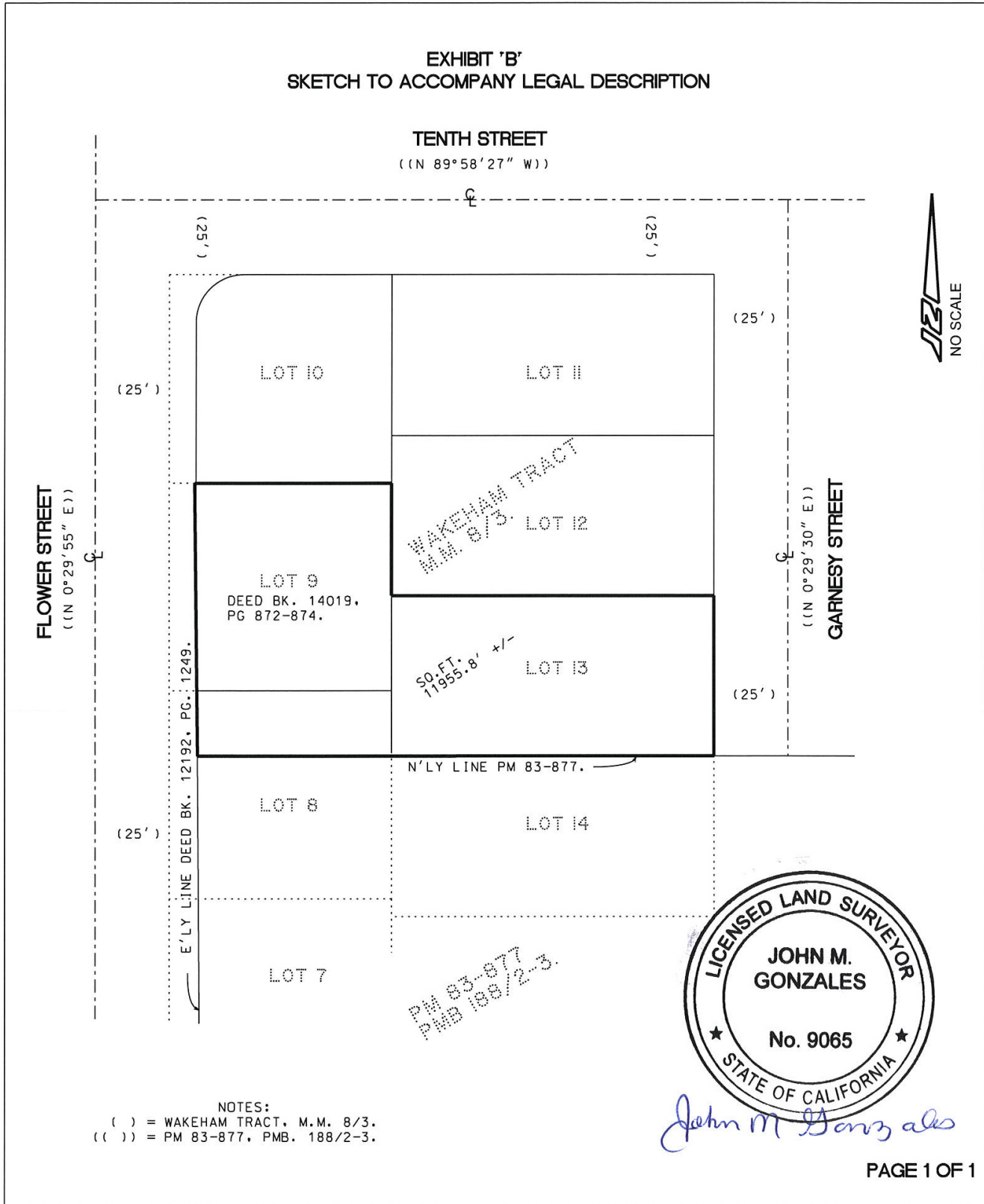
John M. Gonzales

John M. Gonzales, PLS 9065



EXHIBIT A

LEGAL DESCRIPTION



APN: 005-142-35; 005-142-47; and 005-142-58

EXHIBIT B

DEED

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

City of Santa Ana
20 Civic Center Plaza
Santa Ana, CA 92701
Attn: _____

APN: 005-142-35; 005-142-47; and 005-142-58 [Space above for recorder.]

EXEMPT FROM PAYMENT OF DOCUMENTARY
TRANSFER TAX (TRANSFER BETWEEN PUBLIC
AGENCIES)

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Successor Agency to the Former Community Redevelopment Agency of the City of Santa Ana (“Grantor”), hereby grants to the City of Santa Ana, a charter city and municipal corporation organized under the Constitution and laws of the State of California, that certain real property located in the County of Orange, State of California, more particularly described on **Attachment No. 1** attached hereto and incorporated herein by this reference (the “Property”), subject to existing easements, restrictions and covenants of record.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of _____, 2022.

**SUCCESSOR AGENCY TO THE FORMER
COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF SANTA ANA**

By: _____
Name: _____
Its: Executive Director

ATTACHMENT NO. 1 TO GRANT DEED

LEGAL DESCRIPTION

EXHIBIT A

In the City of Santa Ana, County of Orange, State of California, being all of Lot 13 of the Wakeham Tract per map filed in Book 8, page 3 of Miscellaneous Maps records of said County;

Together with that portion of Lot 9 of said Tract Map, described in a Deed per Book 14019, pages 872 through 874 records of said County;

Together with Lot 8 of said Tract Map, except that portion described in a Deed per Book 12192, page 1249 records of said County, also except that portion per Parcel Map 83-877 filed in Parcel Map Book 188, pages 2 and 3, records of said County,

Described as a whole.

Containing 11955.8 square feet, more or less.

Subject to all Covenants, Conditions, Reservations, Restrictions, Rights of Way and Easements of record, if any.

All as shown on Exhibit B, attached hereto and by this reference made a part hereof.

Prepared by me, or under my direction on 7/30/2019.



John M. Gonzales, PLS 9065



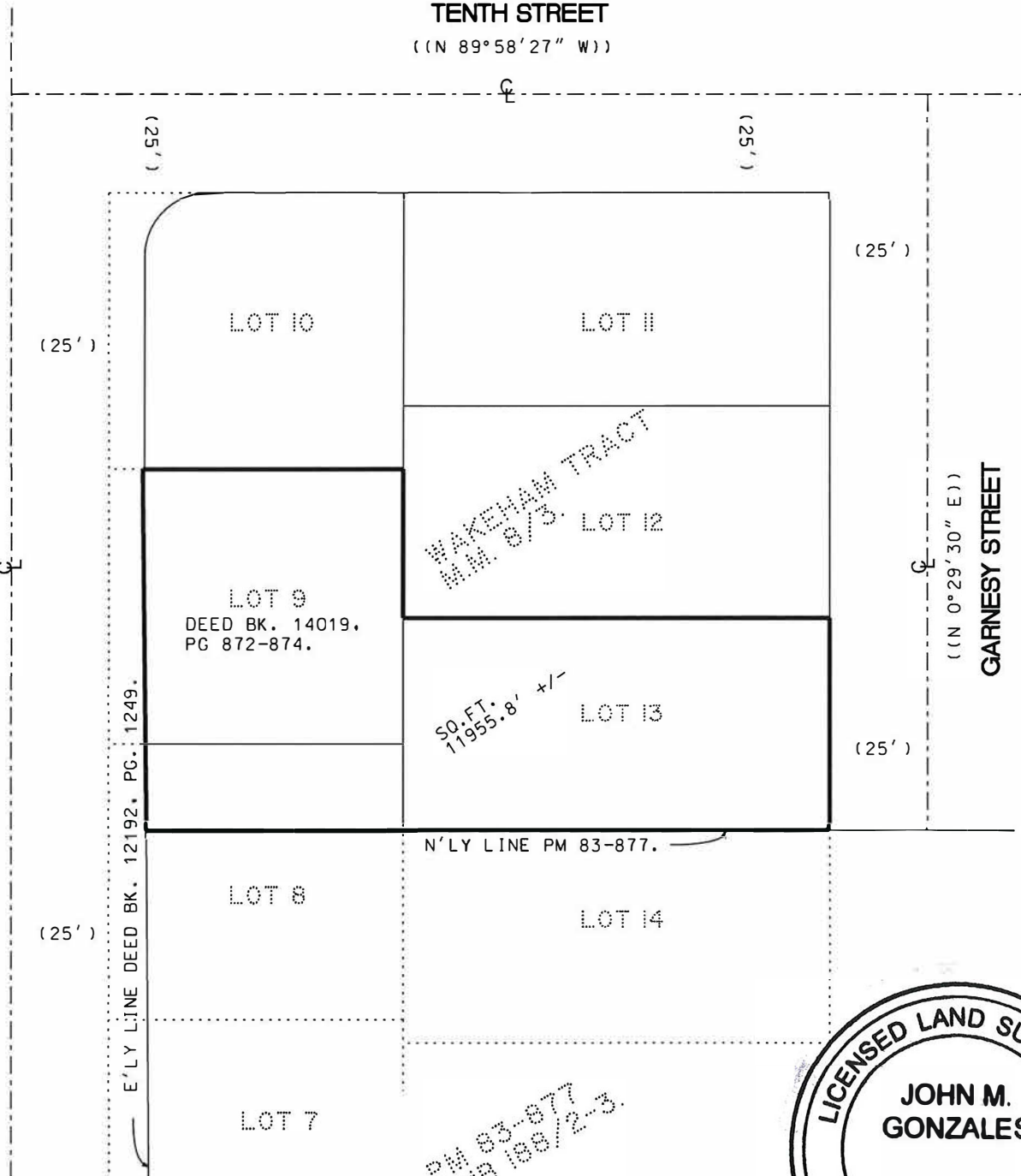
EXHIBIT 'B'
SKETCH TO ACCOMPANY LEGAL DESCRIPTION

TENTH STREET

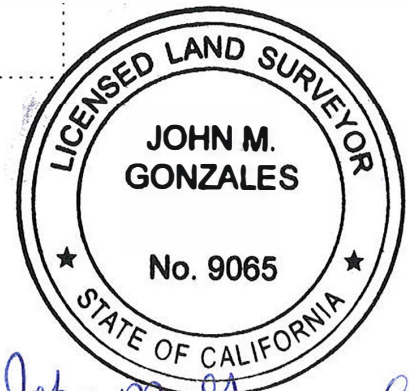
((N 89°58'27" W))

FLOWER STREET
 ((N 0°29'55" E))

GARNESY STREET
 ((N 0°29'30" E))



PM 83-877
 PMB 188/2-3.



John M. Gonzales

NOTES:
 () = WAKEHAM TRACT, M.M. 8/3.
 (()) = PM 83-877, PMB. 188/2-3.

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed under the foregoing Grant Deed by the Successor Agency to the Former Community Redevelopment Agency of the City of Santa Ana to the City of Santa Ana, a charter city and municipal corporation organized under the Constitution and laws of the State of California (“City”) as to the following property:

Real property in the City of Santa Ana, County of Orange, State of California, described as follows:

In the City of Santa Ana, County of Orange, State of California, being all of Lot 13 of the Wakeham Tract per map filed in Book 8, page 3 of Miscellaneous Maps records of said County;

Together with that portion of Lot 9 of said Tract Map, described in a Deed per Book 14019, pages 872 through 874 records of said County;

Together with Lot 8 of said Tract Map, except that portion described in a Deed per Book 12192, page 1249 records of said County, also except that portion per Parcel Map 83-877 filed in Parcel Map Book 188, pages 2 and 3, records of said County,

Described as a whole.

Containing 11955.8 square feet, more or less.

Subject to all Covenants, Conditions, Reservations, Restrictions, Rights of Way and Easements of record, if any.

APN: 005-142-35; 005-142-47; and 005-142-58

is hereby accepted by the City Manager of the City on behalf of the City pursuant to authority conferred by action of the City Council of the City by Resolution No. _____ of the City Council, and the City as grantee consents to recordation thereof by its duly authorized officer.

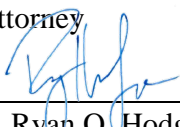
CITY OF SANTA ANA

Kristine Ridge
City Manager

ATTEST:

Clerk of the Council

APPROVED AS TO FORM:
Sonia R. Carvalho
City Attorney

By: 

Ryan O. Hodge
Assistant City Attorney

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____, Notary Public,
(Print Name of Notary Public)

personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

Title(s)

Title Or Type Of Document

- Partner(s) Limited General
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: _____

Number Of Pages

Signer is representing:
Name Of Person(s) Or Entity(ies)

Date Of Documents

Signer(s) Other Than Named Above

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____, Notary Public,
(Print Name of Notary Public)

personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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