

Orange Countywide Oversight Board

Agenda Item No. 5

Date: 1/16/2024

From: Successor Agency to the La Habra Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving the Conveyance of the 2.8-Acre Parcel in La Habra Commonly Known as a Portion of the La Habra Marketplace Parking Lot (APN 018-381-64) from the Successor Agency to the Redevelopment Agency of the City of La Habra to the City of La Habra.

Recommended Action:

Approve resolution approving the conveyance of 2.8-acre parcel in La Habra commonly known as a portion of the La Habra Marketplace parking lot, (APN 018-381-64) for the La Habra Successor Agency to the City of La Habra.

The La Habra Successor Agency requests approval of the conveyance of 2.8-acre parcel in La Habra commonly known as a portion of the La Habra Marketplace parking lot, (APN 018-381-64) from the Successor Agency to the City of La Habra by approving and adopting the proposed Resolution of the Orange Countywide Oversight Board (Attachment 1).

The Successor Agency to the La Habra Redevelopment Agency ("SA") is required by state law to wind down the activities of the City's former Redevelopment Agency. Among those activities is submitting requests for payments for recognized obligations to both the Orange County Oversight Board ("OB") and the State of California Department of Finance, and to dispose of any properties owned by the former Redevelopment Agency. To date, there remains one parcel of land still owned by the former Redevelopment Agency, a 2.8-acre parking lot commonly known as a portion of the La Habra Marketplace Parking Lot, APN 018-381-64 ("Property").

On June 2, 2022, the OB directed the SA, via Resolution No. 22-026 (Attachment 2), to dispose of the property in compliance with the disposition requirements of agency-owned property under the state Surplus Land Act (SLA). The OB resolution included a finding to determine whether the property was exempt for the SLA, and to solicit proposals from interested parties regarding the sale of the parking lot, to include public notices and/or advertisements of the property and inform potential purchasers of the restrictive parking covenant.

On July 25, 2022, the SA began several months of conversations with the State Department of Housing and Community Development (HCD) regarding the SLA and its potential applicability to this parcel of land. On April 6, 2023, staff received a final determination letter from HCD (Attachment 3) stating that the property met SLA's qualifications for "exempt surplus land."

On April 24, 2023, Best Best & Krieger LLP received an appraisal from Anderson & Brabant, Inc. for the Property. The appraised value of the property is currently \$30,000, and it specifically noted the deed restrictions on the Property. The appraisal is Exhibit C of SA RESOLUTION NO 2023-04 (Attachment 4).

On July 25, 2023, the OB approved Resolution No. 23-021 (Attachment 5) directing the manner in which the SA should sell the Property. Exhibit A of the Resolution directed the SA to use a "reputable and properly licensed commercial property broker to help with the solicitation."

The SA approved an Agreement with GM Properties, Inc. (Broker) to act as the listing agent for the Property, and on October 17, 2023, the broker listed the property for sale and requested bids be submitted

no later than November 7, 2023.

By November 7, 2023, the Broker received three bids as follows:

Goldenwheat Properties, LLC	\$27,500
LH Borrower, LLC	\$25,000
Southwest Group Properties	\$25,000

On November 14, 2023, SA staff spoke with the Broker and, since the offers were all similar in price and terms, the Broker recommended that the bidders be requested to submit a best and final offer, due by November 16, 2023. The Broker received the following offers (Attachments 6-8):

Goldenwheat Properties, LLC	\$56,500
LH Borrower, LLC	\$27,500
Southwest Group Properties	\$25,000

On November 20,23 the SA requested the Executive Director to contact the City of La Habra to determine if the City had any interest in purchasing the property. On December 4, 2023, the City Council requested the City Manager to submit an offer to the SA to purchase the property for \$57,500. The City's purchase offer will also include the \$2,875 broker fees. The total cost of the acquisition of the property by the City (including broker's fees) is \$60,375 double the appraised value of the Property. The City's offer is included as Attachment 9.

On December 18, 2023 the SA approved RESOLUTION NO 2023-04, A RESOLUTION OF THE SUCCESSOR AGENCY TO THE LA HABRA REDEVELOPMENT AGENCY APPROVING A QUITCLAIM DEED CONVEYING THE 2.80ACRE PARCEL IN LA HABRA COMMONLY KNOWN AS A PORTION OF THE LA HABRA MARKET PLACE PARKING LOT (APN 018-381-64) FROM THE SUCCESSOR AGENCY TO THE CITY OF LA HABRA AND FORWARDING THE PROPOSED TRANSFER TO THE ORANGE COUNTYWIDE OVERSIGHT BOARD FOR APPROVAL. (Attachment 4)

Staff Contact(s)

Miranda Cole-Corona, Economic Development and Housing Manager
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(562) 383-4110

Attachments

1. Proposed Countywide Oversight Board Resolution
2. OB Resolution No. 22-026
3. HCD SLA Determination Letter
4. SA RESOLUTION NO 2023-04
5. OB Resolution No. 23-021
6. LOI Goldenwheat Properties, LLC
7. LOI LH Borrower, LLC
8. LOI Southwest Group Properties
9. City of La Habra LOI

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
RESOLUTION NO. 24-002**

**IN THE MATTER OF APPROVING A RESOLUTION OF THE ORANGE
COUNTYWIDE OVERSIGHT BOARD APPROVING THE
CONVEYANCE OF THE 2.8 ARCE PARCEL IN LA HABRA
COMMONLY KNOWN AS A PORTION OF THE LA HABRA
MARKETPLACE PARKING LOT (APN 018-381-64) FROM THE
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE
CITY OF LA HABRA TO THE CITY OF LA HABRA**

WHEREAS, on November 7, 1989 the Redevelopment of the City of La Habra entered into an Owner Participation Agreement (OPA) with La Habra Associates regarding the redevelopment of the property formerly known as La Habra Fashion Square (currently La Habra Marketplace); and

WHEREAS, the OPA included an agreement between the two parties to authorize the issuance of bonds to cover the cost of issuing said bonds, any required reserve, and to the extent permitted under federal law, two (2) years of prefunded interest, and to generate net proceeds in the two and one-half million dollars (\$2,500,000) for the acquisition of an improved parking area; and

WHEREAS, on February 1, 1990 the former Redevelopment Agency of the City of La Habra (Agency) issued bonds pursuant to a Fiscal Agent Agreement, by and between the Agency and Bankers Trust Company of California, N.A. The initial principal amount of the bond was \$3,480,000; and

WHEREAS, on February 7, 1990 a Development Agreement (DA) was entered into between the City of La Habra and La Habra Associates concerning redevelopment of the formerly known La Habra Fashion Square (currently La Habra Marketplace); and

WHEREAS, the DA outlined that “all parking spaces located on the parking area improvements transferred to the Agency pursuant to the OPA shall be credited to the code parking requirements applicable to the shopping center to be located on the Site...”; and

WHEREAS, on June 27, 1990 a Grant Deed was recorded that transferred ownership the parking lot to Agency; and

WHEREAS, Section 3 of the Grant Deed states the following restrictions, “The Grantee hereby covenants and agrees, for itself and its successors and assigns, that Grantee shall use, improve and operate the Property solely for a surface level public parking lot and no other use shall be allowed thereon.”; and

WHEREAS, AB X 26 (the Dissolution Act) was enacted in June 2011 as part of the Fiscal Year 2022-2012 State budget package; and

WHEREAS, under the Dissolution Act, all redevelopment agencies in the State of California were dissolved as of February 1, 2012, and

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the City of La Habra (“Successor Agency”) elected to become the Successor Agency to the Redevelopment Agency of the City of La Habra by Resolution No. 5508 on January 12, 2012; and

WHEREAS, the Successor Agency owns that certain real property that is a 2.8-acre parcel in La Habra, commonly known as a portion of the La Habra Marketplace Parking Lot, APN 018-381-64 (Property); and

WHEREAS, Health and Safety Code Section 34191.5(b) requires the Successor Agency to prepare a Long-Range Property Management Plan (LRPMP) addressing the future disposition and use of all real property of the former La Habra Redevelopment Agency; and

WHEREAS, Health and Safety Code Section 34191.5(b) also requires the Successor Agency to submit the LRPMP to the Oversight Board and the State of California Department of Finance (DOF) for review and approval no later than six months following the issuance to the Successor Agency of a Finding of Completion pursuant to Health and Safety Code Section 34179.7; and

WHEREAS, on August 1, 2013, the Oversight Board approved submittal of a draft LRPMP to the DOF; and

WHEREAS, on October 20, 2014, the Successor Agency to Redevelopment Agency of the City of La Habra (Successor Agency) considered first revised LRPMP approved its submittal to the Oversight Board for approval and submission to the DOF; and

WHEREAS, on October 30, 2014, the Oversight Board approved the first revision to the LRPMP for forwarding to the DOF; and

WHEREAS, on July 20, 2015, the Successor Agency approved the second revision to the LRPMP for forwarding to the Oversight Board and DOF; and

WHEREAS, on July 30, 2015, the Oversight Board approved the second revision to the LRPMP (Exhibit A) for forwarding to the DOF; and

WHEREAS, on June 2, 2022, the Oversight Board approved Resolution No. 22-026 directing the Successor Agency to dispose of the Property in compliance with the disposition requirements of agency-owned property under the state Surplus Land Act; and

WHEREAS, on April 6, 2023 the California Department of Housing and Community Development approved the conveyance of the land as exempt surplus land pursuant to Government Code Section 54221(f)(1)(G); and

WHEREAS, on April 24, 2023 an appraisal report was issued by Anderson & Brabant, Inc. with an appraised value of \$30,000 for the Property and specifically noted the deed restrictions on the Property; and

WHEREAS, on July 25, 2023 the Oversight Board approved Resolution No. 23-021 directing the Successor Agency to proceed with the implementation of the LRPMP with respect to the disposition of Property as expeditiously as possible including the request to use a reputable commercial broker and to leave the property available for a period between two to four weeks; and

WHEREAS, on September 18, 2023 the Successor Agency engaged a broker and the broker enlisted and received three best and final offers for the Property; and

WHEREAS, on November 20, 2023 Successor Agency requested staff to contact the City of La Habra (City) regarding potentially purchasing the property; and

WHEREAS, on December 4, 2023 the Successor Agency received an offer to transfer title to the City of La Habra for \$57,500 and cover all fees associated with the transfer of title; and

WHEREAS, the Successor Agency desires to convey the Property to the City, and the City desires to accept such conveyance of the Property for the City's use; and

WHEREAS, the City intends to continue the community benefit of the Property by continuing the use as a surface level parking lot that is occasionally used for community events; and

WHEREAS, the City will incur all transactional cost related to the conveyance, and the quitclaim deed transferring the Property will not be executed until the Successor Agency receives the payment from the City in full; and

WHEREAS, on December 18, 2023 the Successor Agency approved RESOLUTION NO 2023-04, Approving a Quitclaim Deed conveying the Property to the City; and

WHEREAS, the Orange Countywide Oversight Board has reviewed and considered the Successor agency's RESOLUTION NO 2023-04 and desires to approve it and authorize and direct the Successor Agency to complete the transfer of the Property.

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

Section 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. The Orange Countywide Oversight Board hereby approves and is hereby authorized and directed to take any action necessary to carry out the purpose of this Resolution.

Section 3. The Orange Countywide Oversight Board authorizes the conveyance of the Property from the Successor Agency to the City of La Habra..

Section 4. The approval of this Resolution does not commit the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

Section 5. If any provision of this Resolution or the application of any such provision to any person or circumstance is held valid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 6. This Resolution shall be effective immediately upon adoption.

Section 7. The Clerk of the Oversight Board shall certify to the adoption of this Resolution.

Attachment 2

The foregoing was passed and adopted by the following vote of the Orange Countywide Oversight Board on THURSDAY, JUNE 2, 2022.

YES: CHARLES BARFIELD, STEVE FRANKS, ANIL KUKREJA,
BRIAN PROBOLSKY
NOES:
EXCUSED: STEVE JONES, DEAN WEST, PHILLIP E. YARBROUGH
ABSTAINED:



BRIAN PROBOLSKY
CHAIRMAN

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

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

IN WITNESS WHEREOF, I have hereto set my hand.



KATHY TAVOULARIS
Clerk
Orange Countywide Oversight Board

Resolution No: 22-026

Agenda Date: Thursday, June 2, 2022

Item No: 5

RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD

RESOLUTION NO. 22-026

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD DIRECTING THE SUCCESSOR AGENCY TO THE LA HABRA REDEVELOPMENT AGENCY TO TAKE ACTIONS FOR THE SALE OF A PARKING LOT PARCEL LOCATED AT NORTHSIDE OF WEST IMPERIAL HIGHWAY AND EAST OF SOUTH BEACH BOULEVARD IN THE CITY OF LA HABRA AND TAKING RELATED ACTIONS

WHEREAS, pursuant to AB X1 26 (enacted in June 2011 and the California Supreme Court decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the La Habra Redevelopment Agency (the “**Former Agency**”) and all other redevelopment agencies within the State of California (the “**State**”) were dissolved as of February 1, 2012; and

WHEREAS, pursuant to Health and Safety Code (“**HSC**”) Section 34173(d), the City Council of the City of La Habra (the “**City**”) adopted Resolution No. 5508 on January 12, 2012, and elected for the City to become the Successor Agency to the La Habra Redevelopment Agency (the “**Successor Agency**”); and

WHEREAS, the Successor Agency is the successor entity to the Former Agency and is tasked with winding down the Former Agency’s affairs; and

WHEREAS, pursuant to HSC Section 34179, each successor agency is under the jurisdiction of an oversight board, consisting of seven members selected in accordance with HSC Section 34179; and

WHEREAS, pursuant to HSC Section 34179(i), oversight boards have fiduciary duties to the taxing entities that benefit from the distribution of property tax and other revenues of the successor agencies; and

WHEREAS, pursuant to HSC Section 34179(a), prior to July 1, 2018, there was an individual oversight board for each successor agency; and

WHEREAS, pursuant to HSC Section 34179(j), commencing July 1, 2018, individual oversight boards for successor agencies were dissolved and, with limited exceptions, a single county-wide oversight board was created within each county and each countywide oversight board subsumed and continued the responsibilities of the individual oversight boards within the relevant county; and

WHEREAS, commencing July 1, 2018, the Orange Countywide Oversight Board (the “**Countywide Oversight Board**”) has jurisdiction over the Successor Agency; and

WHEREAS, pursuant to HSC Section 34191.5(b), the Successor Agency was required to prepare a long-range property management plan to address the disposition and use of the real properties of the Former Agency, and submit such plan to the then-oversight board and the State Department of Finance (the “**DOF**”) for approval; and

WHEREAS, on July 30, 2015, the then-oversight board adopted a resolution approving a Second Revised Long-Range Property Management Plan (the “**LRPMP**”) prepared by the Successor Agency; and

WHEREAS, the DOF approved the LRPMP on September 11, 2015; and

WHEREAS, pursuant to HSC Section 34191.3, upon the DOF’s approval of the LRPMP, the LRPMP shall govern and supersede other provisions relating to the disposition and use of the real property assets of the Former Agency; and

WHEREAS, among the properties listed on the LRPMP is a 2.84 acre parcel (APN 018-381-64) (the “**Property**”); and

WHEREAS, the Property serves as a parking lot for a commercial shopping center, known as the La Habra Marketplace, located at the northside of West Imperial Highway and east of South Beach Boulevard in the City; and

WHEREAS, on the LRPMP, the Successor Agency reported that the estimated current value of the Property was \$2.5 million and the Property was intended for sale; and

WHEREAS, pursuant to HSC Section 34191.5(c)(2)(B), if the LRPMP directs a property to be sold, the proceeds from such sale shall be distributed as property tax to the taxing entities; and

WHEREAS, despite having an approved LRPMP since 2015, and repeated inquiries by the Countywide Oversight Board, the Successor Agency has not yet sold the Property; and

WHEREAS, at the Countywide Oversight Board’s meeting on February 23, 2022, the Successor Agency informed the Oversight Board that the Successor Agency would seek approval for an amendment to the LRPMP, in order to redesignate the Property from “sale” to “governmental use” and, this way, the Property may be transferred to the City without any compensation to the taxing entities and the City may continue using the Property as a parking lot for the shopping center; and

WHEREAS, the Successor Agency adopted its Resolution No. 2022-02 on April 4, 2022 (the “**Successor Agency Resolution**”) to formally request the Countywide Oversight Board to approve such amendment to the LRPMP; and

WHEREAS, the Successor Agency pointed to a restrictive covenant in the deed under which the Former Agency acquired the Property (the “**Parking Restrictive Covenant**”); and

WHEREAS, the Parking Restrictive Covenant requires the Property to be used solely for a surface level public parking lot; and

WHEREAS, in the Successor Agency’s staff report, the Successor Agency contended that, because of this Parking Restrictive Covenant, “staff has determined that the sale of this property is not feasible”; and

WHEREAS, in the Successor Agency Resolution, the Successor Agency stated that “[HSC] Section 34191.3 allows successor agency to amend its LRPMP once, solely to allow for retention of real properties that constitute ‘parking facilities and lots dedicated solely to public parking’ for governmental use”; and

WHEREAS, the Countywide Oversight Board reviewed HSC Section 34191.3 and the facts presented, and decided to reject the Successor Agency’s request for the approval of the proposed LRPMP amendment, for the reasons below; and

WHEREAS, the text of HSC Section 34191.3(b), read in its entirety, is as follows (with emphasis added):

“(b) If the [DOF] has approved a successor agency’s long-range property management plan prior to January 1, 2016, the successor agency may amend its long-range property management plan once, solely to allow for retention of real properties that constitute “parking facilities and lots dedicated solely to public parking” for governmental use pursuant to Section 34181. An amendment to a successor agency’s long-range property management plan under this subdivision shall be submitted to its oversight board for review and approval pursuant to Section 34179, **and any such amendment shall be submitted to the [DOF] prior to July 1, 2016**”; and

WHEREAS, per the text of HSC Section 34191.3(b), the deadline for the submission of any amendment to the LRPMP (the “**7/1/2016 Amendment Deadline**”) has long expired; and

WHEREAS, the DOF confirmed, in a March 3, 2022 e-mail (responding to an inquiry by the counsel to the Countywide Oversight Board) that there is no provision in the HSC that would allow the Successor Agency to amend the LRPMP at this time; and

WHEREAS, the Former Agency acquired the Property pursuant to a deed executed by La Habra Associates, the owner of the shopping center, as grantor, in 1990 (the “**1990 Deed**”), and

WHEREAS, the Parking Restrictive Covenant was in effect when the LRPMP was prepared and, at that time, the Successor Agency indicated on the LRPMP that the Property was intended to be sold and estimated that the then-current value of the Property was \$2.5 million; and

WHEREAS, in the staff report to the Countywide Oversight Board, the Successor Agency asserted that when the LRPMP was first approved, the Successor Agency believed that the DOF would not accept the classification of parking lots as “governmental use,” and, later, HSC Section 34191.3(b) (part of Senate Bill 107 approved in 2015 (“SB 107”)) appeared to provide a basis to amend the LRPMP to reclassify the Property; and

WHEREAS, the Successor Agency Resolution (requesting the County Oversight Board to approve the LRPMP amendment) omitted any reference to the 7/1/2016 Amendment Deadline for the submission of such an amendment; and

WHEREAS, even if the 7/1/2016 Amendment Deadline did not exist, the Countywide Oversight Board would still have the discretion to reject the proposed amendment to the LRPMP; and

WHEREAS, in any event, according to information available on the State legislature's website, SB 107 was enacted and approved by the Governor on September 22, 2015, and the DOF approved the Successor Agency's LRPMP on September 11, 2015; and

WHEREAS, months passed between the enactment of SB 107 and the 7/1/2016 Amendment Deadline, during which the Successor Agency could have submitted an amendment to the DOF pursuant to HSC Section 34191.3(b), but the Successor Agency did not do so; and

WHEREAS, close to seven years has elapsed since the DOF's approval of the LRPMP; and

WHEREAS, after the Countywide Oversight Board made multiple inquiries with the Successor Agency about the Successor Agency's obligation to complete implementation of the LRPMP, the Successor Agency now: (i) asserts that a sale is not feasible because of the Parking Restrictive Covenant, and (ii) proposes an amendment to the LRPMP, so the Property can be transferred to the City at no compensation to the taxing entities; and

WHEREAS, the Successor Agency has not taken meaningful actions which would prove that a sale of the Property is not feasible – such as a formal solicitation of potential buyers or any substantive advertising of the potential sale of the Property; and

WHEREAS, the Successor Agency has only submitted a letter, dated May 26, 2021 (the "**Broker Opinion Letter**"), prepared by CBRE – Valuation and Advisory Services, which apparently concluded that the Property has no intrinsic value; and

WHEREAS, the Broker Opinion Letter was addressed to and appeared to have been prepared at the request of, Stephen Koen, Vice President of Property Management at DJM Capital; and

WHEREAS, the posted agenda and minutes of the Successor Agency's February 22, 2022 meeting designate "City Negotiator: Jim Sadro, City Manager and Stephen Koen, VP of Property Management with DJM Capital, Inc. as Agent for La Habra Associates" and also designate "Negotiating Parties: La Habra Redevelopment Agency, Owner;" and

WHEREAS, DJM Capital's website shows that La Habra Marketplace is part of DJM Capital's portfolio; and

WHEREAS, pursuant to HSC Section 34179(p), on matters within the purview of the Countywide Oversight Board, decisions by the Countywide Oversight Board supersede those made by the Successor Agency or the staff of the Successor Agency; and

WHEREAS, HSC Section 34181 states, in relevant part (with emphasis added):

"The oversight board **shall direct** the successor agency to do all of the following:

(a) (1) Dispose of all assets and properties of the former redevelopment agency...Disposal shall be done expeditiously and in a manner aimed at maximizing value;”

WHEREAS, while HSC Section 34191.3(a) suspended certain requirements of HSC Section 34181(a) until the LRPMP had been approved by the DOF and HSC Section 34191.3(a) further provides that, once the LRPMP was approved by the DOF, the LRPMP shall govern, the Countywide Oversight Board’s directions for the Successor Agency to take actions regarding the sale of the Property as provided in this Resolution are consistent with all of the following, without conflict: (i) the LRPMP, (ii) the Countywide Oversight Board’s mandate under HSC Section 34181(a), and (iii) the Countywide Oversight Board’s fiduciary duties to the taxing entities; and

WHEREAS, a notice to the public of the proposed adoption of this Resolution was posted at least 10 days before the meeting during which the Countywide adopted this Resolution; and

WHEREAS, the Successor Agency stated to the Countywide Oversight Board that the State’s Surplus Land Act, set forth in Government Code Section 54220 *et seq.* (the “**Surplus Land Act**”) may be applicable to the transfer of the Property; and

WHEREAS, the State’s Department of Housing and Community Development (“**HCD**”) is charged with implementing the Surplus Land Act; and

WHEREAS, HCD has confirmed to the counsel to the Countywide Oversight Board that, pursuant to Government Code Section 54221, the transfer of the Property – regardless of whether it is to the City (as proposed by the Successor Agency) or via sale to a third party – would be subject to the Surplus Land Act, unless the Successor Agency makes a declaration that the Property is “exempt surplus land” pursuant to Government Code Section 54221(f);

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

SECTION 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by reference.

SECTION 2. The Successor Agency is hereby directed to take the following actions to implement the LRPMP with respect to the Property (and comply with the parameters set forth in Section 3):

- (a) If the Successor Agency determines that the Property is “exempt surplus land” pursuant to Government Code Section 54221(f), then it shall take the necessary actions for the appropriate declaration and submittals to HCD, in accordance with the Surplus Land Act and HCD’s guidelines, and
 - (i) No later than October 18, 2022, the Successor Agency shall have completed a process, in good faith, to solicit proposals from interested parties regarding the sale of the Property (and such solicitation shall include public notices and/or advertisements); and

- (ii) The Successor Agency shall provide a report on the result of such solicitation at the immediately next Countywide Oversight Board meeting; and
 - (iii) Based on the result of the solicitation, the Successor Agency shall conduct good faith negotiation for the sale of the Property with the goal of completing the sale no later than March 1, 2023 or as soon thereafter as possible.
- (b) If the Successor Agency does not take any action to declare the Property as “exempt surplus property” under the Surplus Land Act, then by no later than October 18, 2022, the Successor Agency shall commence the process required by HCD regarding the sale of the Property pursuant to the Surplus Land Act; and
- (i) The Successor Agency shall provide a report to the Countywide Oversight Board no later than March 1, 2023 of the proceedings pursuant to the process under the Surplus Land Act; and
 - (ii) If the process required under the Surplus Land Act does not result in a sale of the Property, then by no later July 1, 2023, the Successor Agency shall have completed a separate process, in good faith, to solicit proposals from interested parties regarding the sale of the Property (and such solicitation shall include public notices and/or advertisements); and
 - (iii) The Successor Agency shall provide a report on the result of such solicitation at the immediately next Countywide Oversight Board meeting; and
 - (iv) Based on the result of the solicitation, the Successor Agency shall conduct good faith negotiation with the goal of completing the sale no later than October 1, 2023 or as soon thereafter as possible.

SECTION 3. The Successor Agency shall take all necessary and appropriate steps to disclose to the potential buyers that the purchase of the Property will be subject to the Parking Restrictive Covenant.

SECTION 4. In the event that the Successor Agency does not comply with the provisions of this Resolution, the Chair of the Countywide Oversight Board is hereby authorized to direct Countywide Oversight Board counsel to take such actions on the Board’s behalf with the appropriate State superior court for the issuance of a writ of mandate to compel the Successor Agency’s compliance. Members of the Countywide Oversight Board and members of Countywide Oversight Board staff and consultants, collectively and each individually, are hereby authorized and directed to assist with such court proceedings.

SECTION 5. This Resolution has been reviewed with respect to the applicability of the California Environmental Quality Act, set forth in Public Resources Code Section 21000 et seq. (“**CEQA**”). Pursuant to the State CEQA Guidelines set forth in 14 Cal Code Regs 15000 et seq. (the “**Guidelines**”), in light of anticipated “as-is” sale of the Property (particularly because of

the Parking Restrictive Covenant), the Countywide Oversight Board has determined that the approval of this Resolution does not commit the Oversight Board to any action that may have a significant effect on the environment, and therefore, the actions taken under this Resolution are not a project pursuant to CEQA and, further, are exempt therefrom because they are organizational or administrative activities of government that will not result in direct or indirect physical changes in the environment (Guidelines Section 15378(b)(5)).

SECTION 6. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Countywide Oversight Board declares that the Countywide Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 7. Upon the Countywide Oversight Board's adoption of this Resolution, staff of the Countywide Oversight Board is hereby directed to transmit this Resolution to the DOF for review.

SECTION 8. This Resolution shall become effective upon the earliest of the following (the "**Effective Date**"): (i) the DOF's approval or deemed approval, or (ii) the issuance by the DOF of a letter stating, in effect, that no DOF approval is necessary for this Resolution to become effective, because this Resolution pertains to actions to implement the disposition of the Property pursuant to the LRPMP.

SECTION 9. The Clerk of the Countywide Oversight Board shall certify to the adoption of this Resolution.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov

Attachment 3



April 06, 2023

Miranda Cole-Corona, Manager
Economic Development and Housing
City of La Habra
110 East La Habra Boulevard
La Habra, CA 90631

Dear Miranda Cole-Corona:

RE: HCD's Review of the Grant Deed From La Habra Associates to the Redevelopment Agency of the City of La Habra for the Property owned by the City of La Habra's Successor Agency (Assessor Parcel Number 018-381-64)

Thank you for contacting the California Department of Housing and Community Development (HCD) regarding the property owned by the City of La Habra's Successor Agency (Successor Agency) (Assessor Parcel Number 018-381-64) (Property). You requested that HCD provide guidance as to whether the Property, which is subject to restrictions in the Grant Deed, qualifies as "exempt surplus land" under Government Code section 54221, subdivision (f)(1)(G).

HCD reviewed the Grant Deed from La Habra Associates to the Redevelopment Agency of the City of La Habra (Grantee) and other documentation you provided. As explained below, HCD finds that the Property qualifies as "exempt surplus land" under Government Code section 54221, subdivision (f)(1)(G).

Analysis

Valid Legal Restrictions Exemption

According to Government Code section 54221, subdivision (f)(1)(G), "exempt surplus land" means:

"Surplus land that is subject to valid legal restrictions that are not imposed by the local agency and that would make housing prohibited, unless there is a feasible method to satisfactorily mitigate or avoid the prohibition on the site. An existing nonresidential land use designation on the surplus land is not a legal restriction that would make housing prohibited..."

(Emphasis added; also see Surplus Land Act Guidelines section 103(b)(3)(G).)

Grant Deed

According to the Grant Deed, recorded on June 27, 1990, the Grantee agreed for itself and its successors and assigns to “use, improve and operate the Property solely for a surface level public parking lot and no other use shall be allowed thereon.” (Emphasis added.)

HCD was also informed that efforts were made to request that the restrictions in the grant deed be lifted by the other party to the agreement and that the request was denied.

Conclusion

After a thorough review of the documentation provided, HCD finds that, because the restrictions require that the Property be used for surface level parking and no other use is allowed, housing is prohibited on the Property and there isn't a feasible method to mitigate the restriction on the Property. Therefore, the Property qualifies as “exempt surplus land” under Government Code section 54221, subdivision (f)(1)(G).

If you have any questions or need additional technical assistance, please contact Public Lands at Publiclands@hcd.ca.gov.

Sincerely,



Laura Nunn
Senior Manager, Housing Accountability Unit
Housing Policy Development

RESOLUTION NO. 2023-04

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LA HABRA (SUCCESSOR AGENCY) APPROVING A QUITCLAIM DEED CONVEYING THE 2.8 ACRE PARCEL IN LA HABRA COMMONLY KNOWN AS A PORTION OF THE LA HABRA MARKET PLACE PARKING LOT (APN 018-381-64) FROM THE SUCCESSOR AGENCY TO THE CITY OF LA HABRA AND FORWARDING THE PROPOSED TRANSFER TO THE ORANGE COUNTYWIDE OVERSIGHT BOARD FOR APPROVAL

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the City of La Habra ("Successor Agency") elected to become the Successor Agency to the Redevelopment Agency of the City of La Habra by Resolution No. 5508 on January 12, 2012; and

WHEREAS, the Successor Agency owns that certain real property that is a 2.8-acre parcel in La Habra, commonly known as a portion of the La Habra Marketplace Parking Lot, APN 018-381-64 (Property); and

WHEREAS, Health and Safety Code Section 34191.5(b) requires the Successor Agency to prepare a Long-Range Property Management Plan (LRPMP) addressing the future disposition and use of all real property of the former La Habra Redevelopment Agency; and

WHEREAS, Health and Safety Code Section 34191.5(b) also requires the Successor Agency to submit the LRPMP to the Oversight Board and the State of California Department of Finance (DOF) for review and approval no later than six months following the issuance to the Successor Agency of a Finding of Completion pursuant to Health and Safety Code Section 34179.7; and

WHEREAS, on August 1, 2013, the Oversight Board approved submittal of a draft LRPMP to the DOF; and

WHEREAS, on October 20, 2014, the Successor Agency to Redevelopment Agency of the City of La Habra (Successor Agency) considered first revised LRPMP approved its submittal to the Oversight Board for approval and submission to the DOF; and

WHEREAS, on October 30, 2014, the Oversight Board approved the first revision to the LRPMP for forwarding to the DOF; and

WHEREAS, on July 20, 2015, the Successor Agency approved the second revision to the LRPMP for forwarding to the Oversight Board and DOF; and

WHEREAS, on July 30, 2015, the Oversight Board approved the second revision to the LRPMP (Exhibit A) for forwarding to the DOF; and

WHEREAS, on April 6, 2023 the California Department of Housing and Community Development approved the conveyance of the land as exempt surplus land pursuant to Government Code Section 54221(f)(1)(G); and

WHEREAS, on July 25, 2023 the Oversight Board approved Resolution No. 23-021 directing the Successor Agency to proceed with the implementation of the LRPMP with respect to the disposition of Property as expeditiously as possible; and

WHEREAS, on September 18, 2023 the Successor Agency engaged a broker and the broker enlisted and received three best and final offers for the Property; and

WHEREAS, on November 20, 2023 Successor Agency requested staff to contact the City of La Habra (City) regarding potentially purchasing the property; and

WHEREAS, on December 4, 2023 the Successor Agency received an offer to transfer title to the City of La Habra for \$57,500 and cover all fees associated with the transfer of title; and

WHEREAS, the Successor Agency desires to convey the Property to the City, and the City desires to accept such conveyance of the Property for the City's use.

WHEREAS, the City intends to continue the community benefit of the Property by continuing the use as a surface level parking lot that is occasionally used for community events.

WHEREAS, the City will incur all transactional cost related to the conveyance, and the quitclaim deed transferring the Property will not be executed until the Successor Agency receives the payment from the City in full.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LA HABRA DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. CEQA Compliance. The approval of the offer to purchase through this Resolution does not commit the Successor Agency to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act. The Successor Agency Secretary is authorized and directed to file Notice of Exemption with the appropriate official of the County of Orange, California within five (5) days following the date of adoption of this Resolution.

Section 3. Transfer of Property to the City. The Successor Agency hereby approves a quitclaim deed conveying the Property to the City for the purchase amount of \$57,500, substantially in the form attached hereto as Exhibit B. The quitclaim deed shall not be executed or recorded until the Successor Agency receives the payment amount from the City in full.

Section 4. Consistent with LRPMP. The Successor Agency hereby finds that the disposition of the Property is consistent with and is for the purpose of implementing the LRPMP previously approved by DOF, which authorizes the disposition of the Property for distribution of the proceeds to the taxing entities. The purchase price represents almost double the appraised value of the Property and therefore maximizes the return to the taxing entities. The appraisal is attached hereto as Exhibit C.

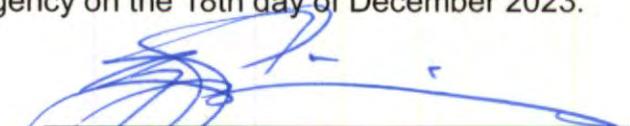
Section 5. Transmittal of Offer to Purchase and All Other Offers Received. The Successor Agency staff is hereby authorized and directed to take any action necessary to carry out the purpose of this Resolution and comply with applicable laws regarding the Long-Range Property Management Plan, including submitting the approved offer, along with all other offers to purchase received by the Successor Agency as well as the April 24, 2023 Appraisal Report to the Countywide Oversight Board for their approval and forward funds to the Orange County Auditor-Controller Redevelopment Property Tax Trust Fund.

Section 6. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without severable. The Successor Agency declares that the Successor Agency would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 7. Certification. The Successor Agency Secretary shall certify to the adoption of this Resolution.

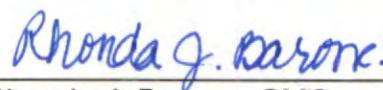
Section 8. Effective Date. The Resolution shall be effective immediate upon approval by the Successor Agency.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Successor Agency to the La Habra Redevelopment Agency on the 18th day of December 2023.



Steve Simonian
Chair

ATTEST:



Rhonda J. Barone, CMC,
Secretary

STATE OF CALIFORNIA }
CITY OF LA HABRA } ss
COUNTY OF ORANGE }

I, Rhonda J. Barone, CMC, Secretary for the Successor Agency to the La Habra Redevelopment Agency, do hereby certify that the above and foregoing is a true and correct copy of Resolution No. 2023-04 introduced and adopted at a regular meeting of the Successor Agency to the La Habra Redevelopment Agency held on the 18th day of December 2023.

AYES:	DIRECTORS:	Simonian, Gomez, Espinoza, Medrano, Nigsarian
NOES:	DIRECTORS:	None
ABSTAIN:	DIRECTORS:	None
ABSENT:	DIRECTORS:	None

Witness my hand and the official seal of the City of La Habra this 18th day of December, 2023.

Rhonda J. Barone.
Rhonda J. Barone, CMC
Secretary

**EXHIBIT A
LONG RANGE PROPERTY MANAGEMENT PLAN
(SEE ATTACHED)**

RESOLUTION NO. 2015-3

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE LA HABRA REDEVELOPMENT AGENCY APPROVING AND ADOPTING THE SECOND REVISION TO THE LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5 FOR FORWARDING TO THE OVERSIGHT BOARD AND SUBMITTAL TO THE STATE DEPARTMENT OF FINANCE

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the City of La Habra became the Successor Agency to the former La Habra Redevelopment Agency ("Successor Agency"); and

WHEREAS, pursuant to Health and Safety Code Section 34173(g), the Successor Agency is a separate legal entity from the City; and

WHEREAS, Health and Safety Code Section 34191.5(b) requires the Successor Agency to prepare a Long Range Property Management Plan (LRPMP) addressing the future disposition and use of all real property of the former La Habra Redevelopment Agency; and

WHEREAS, Health and Safety Code Section 34191.5(b) also requires the Successor Agency to submit the LRPMP to the Oversight Board and the State of California Department of Finance (DOF) for review and approval no later than six months following the issuance to the Successor Agency of a Finding of Completion pursuant to Health and Safety Code Section 34179.7; and

WHEREAS, the Oversight Board, on August 1, 2013, approved submittal of a draft Long Range Property Management Plan to the State Department of Finance containing all the information required by Health and Safety Code Section 34191.5; and

WHEREAS, on October 20, 2014, the Successor Agency to the La Habra Redevelopment Agency considered first revised Long Range Property Management Plan (LRPMP) to reflect only those property assets that are government purpose properties, properties retained for future development, and properties which must be sold; and all the information required by Health and Safety Code Section 34191.5 and approved its transmittal to the Oversight Board for approval and submission to the California State Department of Finance (DOF); and

WHEREAS, on October 30, 2014, the Oversight Board concurred with the Successor Agency and approved the first revision to the Long Range Property Management Plan to reflect only those property assets that are government purpose properties, properties retained for future development, and properties which must be sold; and all the information required by Health and Safety Code Section 34191.5 for forwarding to the State Department of Finance; and

WHEREAS, over the past several months the State Department of Finance, through a collaborative process with City staff, has directed that the revised Long Range Property Management Plan be revised in the following sections: Estimated Current Value of the Assets/Parcels; Value at Time of Purchase; Date of Estimated Current Value; Annual Estimated Income/Revenue from Current Assets; Proposed Sale Date; Proposed Sale Value; and clarification on the Intended Use of the Properties held for Future Development that will now be sold (for sale); and

WHEREAS, in accordance with Health and Safety Code Section 34191.5 (c) (2) (b), the proceeds from sale of properties not determined to be for governmental purpose will be distributed to the Affected Taxing Entities (ATE's), or used to pay enforceable obligations; and

WHEREAS, the City will comply with Health and Safety Code Section 34180 (f) (1), with a good faith effort to negotiate a compensation agreement with the Affected Taxing Entities (ATE's) to provide payments to them in proportion to their shares of the base property tax, as determined pursuant to Section 34188, for the value of the property retained; and

WHEREAS, the Second Revised Long Range Property Management Plan has been modified per the direction of the DOF, staff now seeks direction from the Successor Agency to submit the Second Revised Long Range Property Management Plan to the Oversight Board and the Department of Finance for approval.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE LA HABRA REDEVELOPMENT AGENCY DOES HEREBY FIND AND RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. CEQA Compliance. The approval of the Second Revised Long Range Property Management Plan through this Resolution does not commit the Successor Agency to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act ("CEQA"). The Successor Agency Secretary is authorized and directed to file a Notice of Exemption in accordance with CEQA with the appropriate official of the County of Orange, California, within five (5) days following the date of adoption of this Resolution.

Section 3. Approval of Second Revised Long Range Property Management Plan. The Successor Agency hereby approves the Second Revised Long Range Property Management Plan, in substantially the form attached to this Resolution as "Attachment 1".

Section 4. Transmittal of Second Revised Long Range Property Management Plan. The Successor Agency staff is hereby authorized and directed to

take any action necessary to carry out the purposes of this Resolution and comply with all applicable laws regarding the Long Range Property Management Plan, including submitting the Second Revised Long Range Property Management Plan to the Oversight Board for their approval and submittal to the State of California Department of Finance for review and approval and posting the Second Revised Long Range Property Management Plan on the Successor Agency's website.

Section 5. Effectiveness. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Successor Agency to the La Habra Redevelopment Agency on the 20th day of July, 2015.

Michael A. Blazey
Michael Blazey, Successor Agency Chair

ATTEST:

Tamara D. Mason
Tamara D. Mason, MMC, Secretary

STATE OF CALIFORNIA)
CITY OF LA HABRA) ss
COUNTY OF ORANGE)

I, Tamara Mason, Secretary of the Successor Agency to the La Habra Redevelopment Agency, do hereby certify that the above and foregoing is a true and correct copy of Resolution No. 2015-3 introduced and adopted at a meeting of the Successor Agency to the La Habra Redevelopment Agency held on the 20th day of July, 2015, by the following roll call vote:

AYES: DIRECTOR: GOMEZ, BEAMISH, ESPINOZA, SHAW, BLAZEY
NOES: DIRECTOR: NONE
ABSTAIN: DIRECTOR: NONE
ABSENT: DIRECTOR: NONE

Witness my hand and the official seal of the City of La Habra this 20th day of July, 2015.

Tamara D. Mason
Tamara D. Mason, MMC, Secretary

ATTACHMENT 1

LONG-RANGE PROPERTY MANAGEMENT PLAN

[Attached behind this cover page]

Successor Agency: City of La Habra
 County: Orange

ATTACHMENT #1

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DATA

HSC 34191.5 (012)		HSC 34191.5 (011A)		DATE OF PROPERTY		HSC 34191.5 (011B)					
No.	Property Type	Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Purchase	Estimated Current Value	Value Basis	Estimated Current Value	Proposed Sale Value	Proposed Sale Date	Propose for which property was acquired
1	Parking Lot/Building	Governmental Use	Gov't use parking for civic center	9/20/2002	\$ 325,000	\$0	Market	9/9-02	\$0.00	transferred to city	Police Department Civic Center Parking
2	Parking Lot/Building	Governmental Use	Gov't use parking for civic center	9/20/2002	Included in 8/10/03, price included in above price	\$0	Market	9/9-02	\$0.00	transferred to city	Police Department Civic Center Parking
3	Parking Lot/Building	Governmental Use	Gov't use parking for civic center	9/20/2002	\$0	\$0	Market	9/9-02	\$0.00	transferred to city	Police Department Civic Center Parking
4	Public Building	Governmental Use	Gov't use by City for Child Dev. Center facility	4/7/2008	\$ 922,500	\$2,500,000	Market	Apr-08	\$0.00	transferred to city	Child Development, Ch. Redevelopment project area
5	Commercial	Sale of Property	Approved RDA Plan	7/23/2010	\$ 1,450,000	\$2,720,000	Appraised	Sep-14	\$2,720,000	Summer 2015	Redevelopment project area
6	Commercial	Sale of Property	Approved RDA Plan	9/11/2007	\$ 8,000,000	Included in value above	Appraised	Sep-14	Included in the above	Summer 2015	Redevelopment project area
7	Parking Lot/Building	Sale of Property	Approved RDA Plan	9/09/1999	\$ 2,800,000	\$2,500,000	Market-Price Over Obligation	Feb-90	\$2,500,000	Unknown	La Habra Marketplace Parking

Successor Agency: City of La Habra
 County: Orange

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY

No.	Property Type	Permissible Use	Address	APN #	Lot Size	Current Zoning	Estimate of Current Parcel Value	Estimate of Incremental Value	Contextual requirements for use of Incremental Value	History of environmental certification, studies, and/or investigation, and designation as a brownfield site	Description of property's potential for trash-oriented development	Advancement of planning objectives of the successor agency
1	Parking Lot/Building	Governmental Use	121 E. La Habra Blvd	022-075-27	0.18 Acres	SP-1	\$0	none	none	none	none	none
2	Parking Lot/Building	Governmental Use	111 E. La Habra Blvd	022-075-16	0.08 Acres	SP-1	\$0	none	none	none	none	none
3	Parking Lot/Building	Governmental Use	127 E. La Habra Blvd	022-075-08	0.07 Acres	SP-1	\$0	none	none	none	none	none
4	Public Building	Governmental Use	215 N. Escal St.	022-082-27	0.31 Acres	R-2	\$2,500,000	none	none	none	none	none
5	Commercial	Sale of Property	621 E. Imperial Highway	015-111-80	0.94 Acres	C-2 PUO	\$2,720,000	\$57,600	none	none	none	none
6	Commercial	Sale of Property	3001 E. Imperial Highway	015-111-60	1.10 Acres	C-2 PUO	Included in the parcel value above	Included in value above	none	none	none	none
7	Parking Lot/Building	Sale of Property	etc	015-381-44	2.94 Acres	C-2a	\$2,200,000	none	none	none	none	none

Successor Agency: City of La Habra
 County: Orange

LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY

	HSC 24181.4 (G) (2)	HSC 24181.4 (G) (3)
No.	Property Type	History of previous development projects and activity.
1	Parking Lot/Building Governmental Use	parking lot
2	Parking Lot/Building Governmental Use	parking lot
3	Parking Lot/Building Governmental Use	parking lot
4	Public building Governmental Use	public building
5	Commercial Sale of Property	commercial building
6	Commercial Sale of Property	commercial building
7	Parking Lot/Building Sale of Property	Required parking lot for a commercial shopping center, per City municipal code

**EXHIBIT B
QUITCLAIM DEED
(SEE ATTACHED)**

RECORDING REQUESTED BY
City of La Habra

AND WHEN RECORDED MAIL DOCUMENT AND
TAX STATEMENT TO:

NAME Cit of La Habra, Attention: City Clerk

STREET ADDRESS 110 East La Habra Blvd.

CITY, STATE & La Habra, CA
ZIP CODE 90631

TITLE ORDER NO. N/A
ESCROW NO. N/A

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

QUITCLAIM DEED

TRA: _____

APN: 018-381-64

The undersigned grantor(s) declare(s)

DOCUMENTARY TRANSFER TAX \$ 0

- computed on full value of property conveyed, or
- computed on full value less liens and encumbrances remaining at time of sale.
- Unincorporated Area City of _____

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, I (Successor Agency to the
La Habra Redevelopment Agency

(NAME OF GRANTOR(S))

hereby remise, release and quitclaim to City of La Habra

(NAME OF GRANTEE(S))

the following described real property in the City of La Habra, County of Orange
State of California

(Insert Legal Description)
(SEE ATTACHED LEGAL DESCRIPTION

DATED: _____

Name Jim Sadro, Executive Director

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.

Name _____

STATE OF CALIFORNIA
COUNTY OF _____

On _____ before me, _____, personally appeared
(here insert name and title of the officer)

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 _____ (SEAL)

MAIL TAX STATEMENT AS DIRECTED ABOVE

LEGAL DESCRIPTION

Real property in the City of La Habra, County of Orange, State of California, described as follows:

LOT 3 OF TRACT NO. 13828, AS SHOWN BY MAP ON FILE IN BOOK 700, PAGES 1 THRU 6, OF MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

EXCEPTING THEREFROM ALL OIL, GAS, ASPHALTUM, AND OTHER HYDROCARBONS AND OTHER MINERALS, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR THAT MAY BE PRODUCED FROM SAID PROPERTY, AND THE SOLE AND EXCLUSIVE RIGHT TO DRILL SLANTED WELLS FROM ADJACENT LANDS INTO AND THROUGH, AND TO DEVELOP MINES AND CONSTRUCT TUNNELS, SHAFTS AND OTHER WORKS THROUGH, AND TO DEVELOP MINES AND CONSTRUCT TUNNELS, SHAFTS AND OTHER WORKS IN AND THROUGH THE SUBSURFACE OF SAID PROPERTY FOR THE PURPOSE OF RECOVERING SAID MINERALS, OR ANY OF THEM FROM SAID PROPERTY OR OTHER PROPERTY, OR BOTH, AND THE RIGHT TO USE THAT PORTION OF THE SUBSURFACE OF SAID PROPERTY LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID PROPERTY FOR ALL PURPOSES PERTAINING TO OR INCIDENT TO THE PRODUCTION OF, THE STORAGE OF, CONSERVATION OF, OR EXPLORING FOR OIL, GAS, ASPHALTUM AND OTHER HYDROCARBONS AND OTHER MINERALS, WHETHER SIMILAR TO THOSE SPECIFIED OR NOT, OR ANY OF SAID SUBSTANCES, BY MEANS OF ANY METHOD NOW KNOWN OR UNKNOWN, BUT NOT INCLUDING WITHIN THIS EXCEPTION ANY RIGHT TO USE THE SURFACE ABOVE A DEPTH OF 500 FEET BELOW THE SURFACE FOR THE AFORESAID PURPOSES, AS RESERVED IN THE DEEDS FROM HAROLD M. STERN AND OTHERS, RECORDED SEPTEMBER 14, 1961 IN BOOK 5846, PAGES 813 AND 816 OF OFFICIAL RECORDS.

APN: 018-381-64

**EXHIBIT C
APPRAISAL
(SEE ATTACHED)**

APPRAISAL REPORT

**2.80 ACRE COMMERCIAL SITE
NORTH SIDE 1600 BLOCK
WEST IMPERIAL HIGHWAY
LA HABRA, CA 90631**

CLIENT

Elizabeth Wagner Hull, Partner
Best Best & Krieger LLP
18101 Von Karman Avenue, Suite 1000
Irvine, California 92612

DATE OF VALUATION

February 6, 2023

DATE OF REPORT

April 24, 2023

APPRAISED BY

Anderson & Brabant, Inc.
420 South Broadway, Suite 202
Escondido, California 92025

File No. 23-017

ANDERSON & BRABANT, INC.

REAL ESTATE APPRAISERS AND CONSULTANTS

420 SOUTH BROADWAY, SUITE 202

ESCONDIDO, CALIFORNIA 92025

TELEPHONE (760) 519-1400

April 24, 2023

Elizabeth Wagner Hull, Partner
Best Best & Krieger LLP
18101 Von Karman Avenue, Suite 1000
Irvine, California 92612

**RE: Appraisal of 2.80 acre commercial site
North side of the 1600 Block of West Imperial Highway
La Habra, California 90631
Assessor Parcel Number 018-381-64**

Dear Ms. Hull:

As requested, we have appraised the above-referenced, 2.80 acre property located in the City of La Habra, California on the north side of the 1600 block of West Imperial Highway. The parcel is held in fee title by the Redevelopment Agency of the City of La Habra, yet it is an integral part of an existing retail center known as La Habra Marketplace. Per an effective deed restriction, the site is limited to a surface parking lot use for the benefit of the retail complex. The intent of this appraisal is to estimate the market value of the parcel to the underlying fee owner based on a valuation date of February 6, 2023 for potential disposition purposes.

The following is recognized as an Appraisal Report under the Uniform Standards of Professional Appraisal Practice (USPAP). As such, our report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the USPAP and the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

In accordance with our analysis of applicable market data, we have arrived at the following opinion of market value for the fee interest in the subject parcel, as of the indicated valuation date.

THIRTY THOUSAND DOLLARS

(\$30,000)

The opinion of value expressed herein is subject to certain assumptions and limiting conditions as set forth in the attached report (please refer to comments on pages 2 through 4 of this appraisal).

Respectfully submitted,

ANDERSON & BRABANT, INC.

David C. Ottley, MAI
State Certification No. AG002149

William B. Anderson, MAI, SRA
State Certification No. AG002315

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ADDENDA

 Aerial Photographs – Market Data

 Preliminary Title Report

 Qualifications of the Appraisers

EXECUTIVE SUMMARY

Subject Property Location: North side of the 1600 block of West Imperial Highway
La Habra, California 90631

Legal Description: Lot 3 of Tract No. 13828, as shown by Map on file in Book
700, Pages 1 through 6, of Maps, Records of Orange
County, California.

Owner of Record: Redevelopment Agency of the City of La Habra

Assessor Parcel No.: 018-381-64

Land Area: 2.80 acres

Zoning: C-2sH, Planned Unified Shopping Center
City of La Habra

General Plan: Community Shopping Center 2
City of La Habra

Flood Zone: According to FEMA Flood Insurance Rate Map (FIRM)
No. 06059C0037J, dated December 3, 2009, the subject is
within Zone X, a 500-year floodplain.

Earthquake Fault Zone: No

Toxic Hazards: None noted

Interest Appraised: Fee, subject to easements of record

Highest and Best Use: Retail shopping center parking lot (see text)

Date of Valuation: February 6, 2023

Date of Report: April 24, 2023

**Estimated Deed Restricted
Market Value:** \$30,000

Special Assumptions: (see page 3)

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following special assumptions and limiting conditions:

1. This Appraisal Report is intended to comply with the reporting standards set forth by the Uniform Standards of Professional Appraisal Practice (USPAP). It presents summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraisers' opinions of fair market value. In some instances, supporting documentation concerning data, reasoning, and analyses has been retained in the appraisers' file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraisers are not responsible for the unauthorized use of this report.
2. It is assumed that the existence of significant cultural resources, if any, discovered within the subject parcel will not create any abnormal hardship nor measurably impact market value in conjunction with our determination of highest and best use.
3. In this appraisal, it is assumed that there are no hidden or unapparent hazardous or other toxic subsoil conditions that would render the site more or less valuable. No responsibility is assumed for such conditions or for engineering that might be required to discover such factors and we have assumed that the sites could be developed to their highest and best use.
4. We were provided with a preliminary title report relating to the subject property that was prepared by First American Title Insurance Company. The report is dated January 12, 2023, and it can be identified by reference to Order No. NCS-1162921-ONT1. Three easements for utility easements were noted, but no plat was provided that clearly illustrates the locations of the encumbrances. For purposes of this appraisal, the assumption is made that these easements are typical of a property such as the subject and do not negatively impact its use or value in accordance with the estimated highest and best land use.
5. The subject site is used as a parking lot within a greater retail center property that was initially developed in 1990. A representative of the City of La Habra informed us that the parcel was sold by the developer to the City in June 1990 to provide public assistance to said developer in generating sufficient revenues to fund required infrastructure to aid in the success of the proposed project. Within the grant deed is a restriction (stated as a covenant) that limits the use of the subject property "solely for a surface level public parking lot and no other use shall be allowed thereon." The restriction further states that the area cannot be used as a "Park and Ride" location or for long term parking or vehicle storage and that the "covenant shall run in favor of and be binding for the benefit of the real property retained by the Grantor" (which consists of the balance of the greater retail center site). The parking spaces within the subject 2.80 acres contribute to the required number of spaces to accommodate the existing retail use and, thus, the subject is an essential and integral part of the retail complex. We discussed the preceding with a representative of the City of La Habra to ascertain what uses the City retains per the deed restriction. According to the City representative, the City must secure permission from the retail center ownership to use the 2.80 acres for any purpose. We were informed that the 2.80 acre site has only been used periodically by the City over the years for brief civic events (such as an annual 5K race staging area). Our estimate of value is based on the extraordinary assumptions that 1) the

parcel, in fact, is limited solely to a parking lot use for the benefit of the adjacent shopping center, 2) that it will continue to serve as a parking lot, at least over the foreseeable future, 3) the only allowed remaining uses to the underlying fee land owner are restricted to brief annual events lasting an accumulation of no more than one to three days similar to how the site has reportedly been used in the past, and 4) that the appraised site could not be sold to a third party for any use other than what is allowed by the parking use covenant. Should it later be determined that the allowed uses specifically available to the fee land owner vary from that which is described in this appraisal, we reserve the right to alter our analysis and final conclusion of value.

This appraisal is subject to the following general assumptions and limiting conditions:

1. It is assumed that information furnished to us by our client, including maps, and legal descriptions, is substantially correct.
2. No responsibility is assumed for matters legal in character, nor do we render an opinion as to title, which is assumed to be held in full fee interest, subject to all easements and encumbrances of record, as of the date of valuation unless otherwise specified.
3. It is assumed that the property is readily marketable, free of all liens and encumbrances except any specifically discussed herein, and under responsible ownership and management.
4. Exhibits furnished in this report and prepared by the appraiser or a third party are to assist the reader in visualizing the property. No surveys of the property have been made and no responsibility has been assumed in this matter.
5. It is assumed that there are no legitimate environmental or ecological reasons that would prevent the continued use of the property or orderly development of the land as though vacant to its highest and best use under economically feasible conditions.
6. We are not qualified to detect hazardous waste and/or toxic materials. Any comment by us that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property.

Our value estimates are predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. Our descriptions and resulting comments are the result of the routine observations made during the appraisal process.

7. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may be used for any purpose or by any person other than the party to whom it is addressed without the written consent of Anderson and Brabant, Inc., and in any event, only with proper written qualification and only in its entirety.
8. Disclosure of the contents of this appraisal report is governed by the by-laws and regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially reference to the Appraisal Institute or the MAI designation) shall be disseminated to the

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

public through advertising media, public relations media, news media, sales media, or any other public means of communication without prior written consent and approval of Anderson and Brabant, Inc.

9. The submission of this report constitutes completion of the services authorized. It is submitted on the condition that the client will provide the appraiser customary compensation relating to any subsequent required depositions, conferences, additional preparation or testimony.
10. The valuation estimate is of surface rights only and the mineral rights, if any, have been disregarded.
11. No warranty is made as to the seismic stability of the subject property.
12. It is assumed that all required licenses, or other legislative or administrative permits from any local, state, or national governmental or private entity or organization can be obtained for any use on which the value estimate contained in this report is based.

APPRAISER'S SIGNED CERTIFICATION

I do hereby certify that, to the best of my knowledge and belief ...

1. The statements of fact contained in this report are true and correct.
2. 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.
3. I have no present or prospective future interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three (3) year period immediately preceding acceptance of this assignment.
5. I have no bias with respect with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. I have made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the persons signing this appraisal report.
11. 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 Standards of Professional Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of April 24, 2023, the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.

David C. Ottley, MAI
Certified General Real Estate Appraiser
BREA Appraiser No. AG002149

APPRAISER'S SIGNED CERTIFICATION

I do hereby certify that, to the best of my knowledge and belief ...

1. The statements of fact contained in this report are true and correct.
2. 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.
3. I have no present or prospective future interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three (3) year period immediately preceding acceptance of this assignment.
5. I have no bias with respect with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. I did not make a personal inspection of the property that is the subject of this report during the course of the current appraisal.
10. No one provided significant real property appraisal assistance to the persons signing this appraisal report.
11. 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 Standards of Professional Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of April 24, 2023, the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.

William B. Anderson, MAI, SRA
Certified General Real Estate Appraiser
BREA Appraiser No. AG002315

INTRODUCTION

IDENTIFICATION OF THE SUBJECT PARCEL

The subject is comprised of a 2.80 acre parcel of commercially zoned land utilized as a parking lot for an existing retail center known as La Habra Marketplace located on the north side of the 1600 block of West Imperial Highway, La Habra, California.

Legal Description

The subject property is legally described as *Lot 3 of Tract No. 13828, as shown by Map on file in Book 700, Pages 1 through 6, of Maps, Records of Orange County, California*. The legal description is also shown in a preliminary title report that is included in the addenda to this report. Additionally, the subject parcel can be identified by reference to Assessor Parcel Number 018-381-64.

Ownership

As of the date of value, legal title to the subject property is held as follows:
REDEVELOPMENT AGENCY OF THE CITY OF LA HABRA.

PURPOSE OF THE ASSIGNMENT

The purpose of this appraisal is to provide an opinion of market value for the subject property. Market value is a type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraisers as applicable in an appraisal. As used in this report, Market Value is defined as:

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 the neither is under undue duress.¹

The appraised market value reflects a reasonable exposure time for the subject property estimated at six to 12 months. According to the Uniform Standards of Professional Appraisal Practice, Exposure Time reflects the appraisers' opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

EFFECTIVE DATE OF VALUE OPINION

The effective date of the value opinion expressed herein is February 6, 2023.

DATE OF REPORT

This date of the appraisal report is April 24, 2023.

¹ *The Appraisal of Real Estate*, 15th ed. (Chicago: Appraisal Institute, 2020), p. 48

INTENDED USE AND USERS

The intended use of this report is to provide a basis for the client, the City of La Habra, to determine the value of the subject for potential disposition purposes. Any other party who may receive this report other than the client and their legal representatives (Best Best & Krieger LLP) is not an intended user, and we are not responsible for unauthorized use of this report.

PROPERTY RIGHTS APPRAISED

We have estimated the market value of the fee interest in the herein described subject parcel, subject to any easements and encumbrances of record.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraisers' opinions or conclusions. As discussed in length in this appraisal, there is a restriction in place that restricts the subject parcel to a parking lot use in conjunction with an adjoining retail center. Our estimate of value is based on the extraordinary assumptions that 1) the parcel, in fact, is limited solely to a parking lot use for the benefit of the adjacent shopping center, 2) that it will continue to serve as a parking lot, at least over the foreseeable future, 3) the only allowed remaining uses to the underlying fee land owner are restricted to brief annual events lasting an accumulation of no more than one to three days similar to how the site has reportedly been used in the past, and 4) that the appraised site could not be sold to a third party for any use other than what is allowed by the parking use covenant. Should it later be determined that the allowed uses specifically available to the fee land owner vary from that which is described in this appraisal, we reserve the right to alter our analysis and final conclusion of value. No other extraordinary assumptions were considered in this analysis; nevertheless, this appraisal is subject to certain special and general assumptions as outlined on pages 2 through 4 of this report.

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. No hypothetical conditions were considered in our analysis.

SCOPE OF WORK

Critical elements to this appraisal assignment are the identification of the client, intended use and user, type and definition of value, the effective date of the appraisal, and assignment conditions. These were addressed previously in this report. Another important element is to include relevant characteristics pertaining to the subject property, which are outlined in detail in a later section of the appraisal.

In preparing this appraisal, the following steps were taken.

- Legal aspects of the subject were investigated regarding potential uses of the property within the context of the surrounding area. As such, we reviewed portions of the City of La Habra land use summaries and requirements.
- We reviewed a preliminary title report and other documents provided by the client, including a deed that describes restrictions as to allowed uses of the land (see text).
- David C. Ottley, MAI of Anderson and Brabant, Inc. conducted an onsite inspection of the subject property on February 6, 2023.
- The three traditional approaches to value include the Cost, Sales Comparison, and Income Approaches. Of these three, only the Sales Comparison Approach was considered to have specific applicability in the valuation of the subject property. Upon determination of highest and best use, available and pertinent market data were analyzed on the basis of their overall degree of comparability to the appraised property.
- The final step entailed the organization and drafting of the Appraisal Report.

REPORT OPTION

This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice (USPAP). It presents summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraisers' opinion of value.

SALES HISTORY OF THE SUBJECT PROPERTY

According to public records, the subject property has been held in title by the current owner for more than 30 years. The site is not currently offered for sale.

PRIOR APPRAISAL SERVICES

We have performed no services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three (3) year period immediately preceding the agreement to perform this assignment.

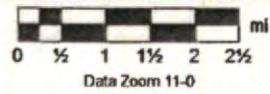
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LOCATION DESCRIPTION

Region

The subject property is located in the City of La Habra, toward the northwest corner of Orange County in Southern California. Orange County is located along the Pacific Ocean, south of Los Angeles County, southwest of San Bernardino County, west of Riverside County, and north of San Diego County. It consists of 798.3 square miles and has 34 incorporated cities. Major north-south traffic arteries include Interstates 405 and 5, and State Highways 55 and 73 (Toll Road), while east-west arteries include State Highways 22 and 91. However, traffic congestion continues to be a problem for the County, especially during commuting hours. Air transportation is available at John Wayne Airport near Interstate 405 and State Route 55.

Orange County was established in 1889. Since that time, the County was mostly seen as a collection of bedroom communities with people commuting northward to work in Los Angeles. However, that picture has changed dramatically, and the County is now a major national market with a diversified economy in its own right. Employment opportunities abound in Orange County, and approximately three-quarters of the residents are employed within the County which also attracts workers from Los Angeles, Riverside, and San Bernardino counties.

Orange County is the third most populous county in the State, behind Los Angeles and San Diego Counties. According to the California State Department of Finance, the population of Orange County, as of January 1, 2022, was estimated at 3,162,245. This is a slight decrease of approximately 0.2 percent below the January 2021 population estimate of 3,169,542.

An important factor needs to be addressed that has impacted national, state, and local economic conditions, at least over the short-term. The outbreak of the coronavirus in China in December 2019 and January 2020 spread as a worldwide pandemic and severely impacted the United States, including the State of California. The term "social distancing" became familiar to everyone, and the wearing of face covering masks became common. As a result of the pandemic, many industries were hit hard with some severely impacted including, among others, entertainment, travel, lodging, restaurants, and other types of retail businesses. Millions of employees in the country lost their jobs, much of which can be attributed to businesses being forced to close to comply with social distancing restrictions. The Federal Reserve stepped up in an attempt to offset the economic impact of the virus that began with an emergency half-percentage-point rate cut in early March 2020, and the government later approved stimulus bills into law aimed at relieving workers and businesses hurt by the pandemic. It is clear that the short-term impact of the virus on the economy has been very significant, yet there is little data on how it will be impacted over time. It should be noted that the unemployment rate appears to be steadily improving over the past 12+ month period. As for real estate, there is limited empirical evidence of an immediate impact on the local market for vacant parcels with the subject characteristics, and it remains to be seen what the long-term impacts might be for that market.

More recently, there have been several other factors that have come into play that, although they may not have had an immediate impact, could affect the market in the future. These include a volatile stock market, high inflation rates, supply chain shortages, and a reduction in the labor market. Although incomes, in general, have increased over the past year or so, the increase has not kept pace with rising prices of real estate, fuel, and general goods and

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

services. In an effort to curb inflation, which has been the highest in nearly 40 years, the Federal Reserve has raised interest rates multiple times since the beginning of 2022, with additional increases potentially anticipated. The readers of this appraisal are cautioned and reminded that the value conclusions presented herein apply only as of the effective valuation date. The appraisers make no representation as to any impacts on the subject property that could result due to any unforeseen events subsequent to the date of value.

City and Neighborhood

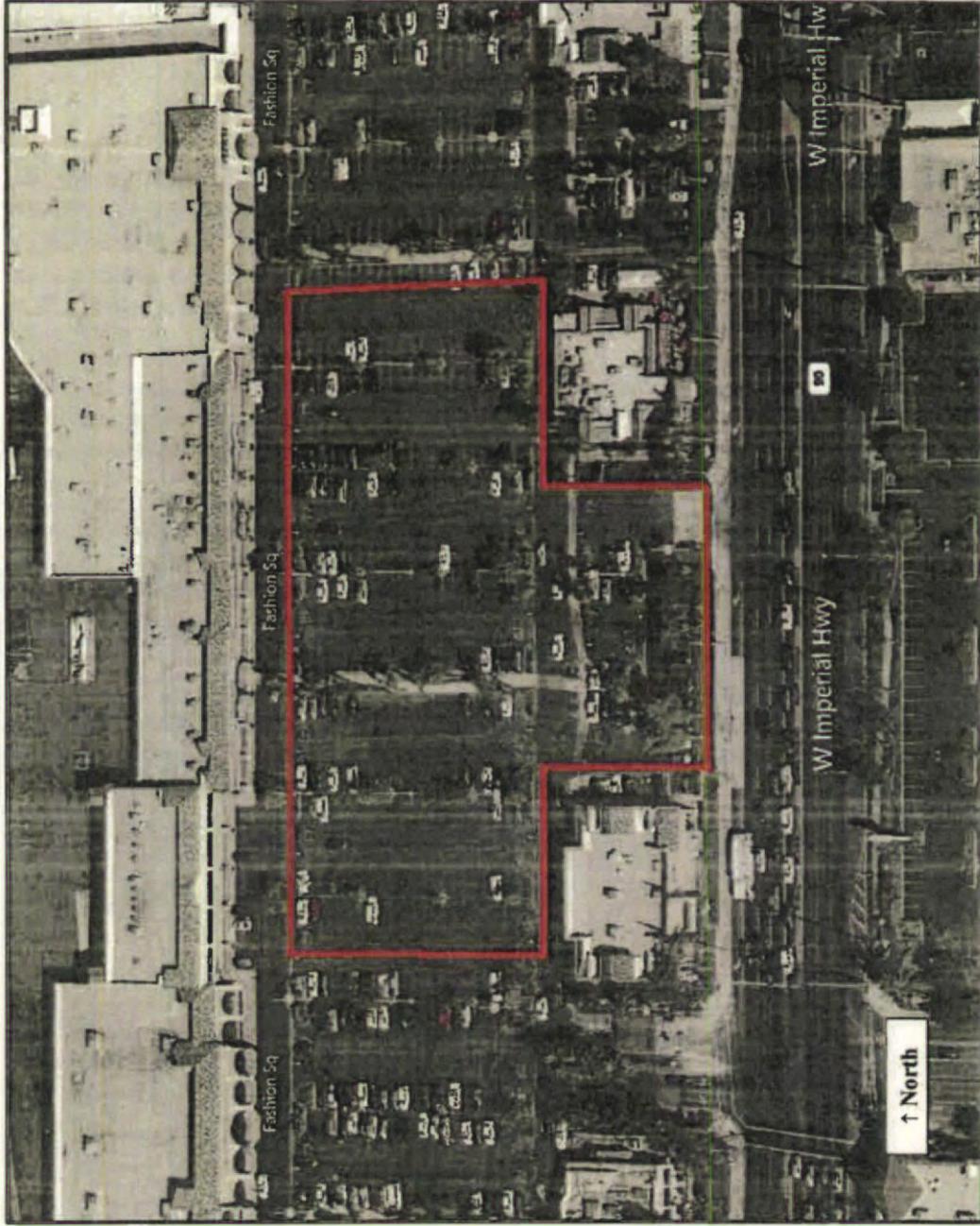
The City of La Habra is bordered by La Habra Heights on its north side, Brea on the east, Fullerton on the south and southeast, La Mirada on the west and southwest, East Whittier on the west, Whittier on the northwest, and a small section of unincorporated Los Angeles County on the northeast. There are no freeways within the La Habra corporate limits, but three California State Highways extend through the City. These include SR 39 (which covers Whittier and Beach Boulevards), SR 90 (Imperial Highway along which the subject is located), and SR 72 (Whittier Boulevard).

La Habra became incorporated in 1925, and it covers 7.4 square miles. According to the California State Department of Finance, the population of La Habra, as of January 1, 2022, was estimated at 61,792. This is a decrease of approximately 0.8 percent below the January 2021 population estimate of 62,317.

The subject is a parking lot within the existing La Habra Marketplace on the north side of the 1600 block of West Imperial Highway. The center has over 375,000 square feet of gross leasable area with 44 tenant spaces. The current tenants include Smart and Final, Ross Dress for Less, LA Fitness, Sprouts Farmers Market, Hobby Lobby, Petco, Red Robin, IHOP, Denny's, and Regal Cinemas. Just to the south, on the south side of West Imperial Highway, is found additional commercial development including a Walmart Supercenter, Target, Staples, T. J. Max, and Amazon Fresh. To the south of that commercially developed land is the Westridge Golf Club surrounded by residential housing. To the north and south of the subject are residential neighborhoods, and a middle school is a short distance to the east with frontage on West Imperial Highway.

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

AERIAL PHOTOGRAPH OF THE SUBJECT PROPERTY



Anderson & Brabant, Inc.

SUBJECT PROPERTY PHOTOGRAPHS

(Taken By David C. Ottley, MAI on February 6, 2023)



View to the north toward the westernmost segment of the subject parcel.



Looking easterly across the approximate center of the subject parcel.

SUBJECT PROPERTY PHOTOGRAPHS

(Taken By David C. Ottley, MAI on February 6, 2023)



Viewing westerly over the southernmost portion of the subject site.



Looking northerly over the approximate center of the subject property.

Qualifications of the Appraiser

William B. Anderson, MAI

Page 3

Title Companies

Chicago Title Co.
First American Title Co.
Safeco Title Co.
St. Paul Title Co.
Title Insurance & Trust

Government Agencies and Municipalities

United States Justice Department
CA Department of Transportation -Caltrans
City of Encinitas
City of Chula Vista
City of National City
City of Escondido
City of Oceanside
City of San Diego
City of San Marcos
City of Vista
County of San Diego
Escondido Union School District
Encina Wastewater Authority
North County Transit District
San Diego Port District
Federal Deposit Insurance Corp.
Olivenhain Municipal Water District
Poway Municipal Water District
Ramona Unified School District
Small Business Administration
Vallecitos Water District
Valley Center Municipal Water District

Law Firms

Daley & Heft
Higgs Fletcher & Mack
Law Offices of Wesley W. Peltzer
Winet, Patrick & Weaver
Endeman, Lincoln, Turek & Heater
Best Best & Krieger
Gray, Cary, Ware & Freidenrich
Jones, Hatfield & Penfield
Nugent & Newnham
Skripek & Miller
Paul, Hastings, Janofsky & Walker
Post, Kirby, Noonan & Sweat
Rutan & Tucker
Jeffrey Scott
Sternberg, Eggers, Kidder & Fox
Sullivan, Delafield, McGrath & McDonald
Wingert, Grebing, Anello & Chapin

Laws Firms (Continued)

White & Bright
Detisch & Christensen

Others

County Counsel
Stone & Youngberg
Trust for Public Land
The Willett Company
Koll Real Estate
Hollandia Dairy
Pardee Construction
Sutro Mortgage Company
Wessell Construction Company
Palomar College
Granite Construction
Homer Heller Ford
The Kissell Company
Los Alamitos Race Course
MCI
Pacific Telephone
AT&T

Qualifications of the Appraiser

William B. Anderson, MAI

Page 2

Standards of Professional Appraisal Practice, 12/97
Damages, Diminution and Mitigation, 8/98
31st Annual Litigation Seminar, 11/98
Land Development, 3/99
Gramm-Leach Privacy Act, 10/01
34th Annual Litigation Seminar, 11/01
Real Estate Disclosure, 1/02
Applying Economic Forecast, 2/02
Partial Interest Valuation – Divided, 3/02
Price Indexing Real Estate Markets, 7/02
Statistical Analysis Using the Database, 7/02
Eminent Domain Case Study Update, 10/02
35th Annual Litigation Seminar, 11/02
Standards of Professional Practice, Part C, 12/02
National USPAP Update Course, 4/04
Applying Economic Forecast – SD Regional Analysis, 2/05
Uniform Appraisal Standards for Federal Land Acquisitions, 1/07
San Diego Economic Forecast, 2/07
Business Practices and Ethics, 6/07
IRWA's Eminent Domain Case Update Seminar; 10/07
40th Annual Litigation Seminar; 9/08

VI. Types of Appraisals:

Residential Property:	Single-Family Residence, Condominiums, Apartments, Subdivisions, Mobile Home Parks, Existing and Proposed
Commercial Property:	Automobile Dealerships, Office Buildings, Shopping Centers, Office Condominiums, Etc., Existing and proposed
Industrial Property:	Single/Multi-Tenant, Business Parks, Etc., Existing and proposed
Vacant Land:	Industrial, Commercial, Residential, and Rural
Agricultural:	Ranches, Avocado and Citrus Groves, Nurseries, Etc.
Special Purpose Appraisals:	Partial Takings for Road Rights of Way, Easements, Leasehold Estates, Possessory Interest, Historical Appraisals, Etc.
Special Purpose Properties:	Hangers, Golf Courses, Churches, Yacht Club & Marina, Etc.
Special Projects:	Fire Damaged Property, Encinitas Ranch, Pomerado Business Park, Parkway Business Park, San Marcos County Landfill and Keller Canyon Landfill

VII. Partial List of Appraisal Clients:

Lenders

Fallbrook National Bank
Downey Savings
Bank of America
North County Bank
Grossmont Bank
Pomona First Federal
GE Capital

Great Western Bank
Imperial Bank
Pacific Coast Savings & Loan
Palomar Savings & Loan
Rancho Santa Fe National Bank
Union Bank
Wells Fargo Bank

QUALIFICATIONS OF THE APPRAISER

William B. Anderson, MAI, SRA

Anderson & Brabant, Inc.
420 S. Broadway, Suite 202
Escondido, CA 92025
(760) 705-1591 (Direct)
wbamai123@gmail.com

I. Resident of San Diego County since 1970

II. **Professional Affiliations:**

- A. Member, Appraisal Institute, MAI, RM (Not Active)
- B. Member, International Right of Way Association
- C. 1988 President, AIREA, San Diego Chapter No. 42
- D. Certified General Real Estate Appraiser (AG002315)
Office of Real Estate Appraisers, State of California

III. **Appraisal Experience:**

Co-owner — Anderson & Brabant, Inc., 1979 to present
Co-Owner — Robert M. Dodd & Associates, Inc., 1977 to 1979
Staff Appraiser, Vice President and Appraisal Manager — Financial Appraisals, Inc.,
1968 to 1977
Staff Appraiser — Financial Savings and Loan Association, Culver City, California,
1964 to 1966

IV. **Expert Witness:**

Superior Court, San Diego County
Municipal Court, San Diego County
Federal Bankruptcy Court, San Diego County, San Bernardino County
Assessment Appeals Board, San Diego County
Various Arbitration Hearings as Witness and Arbitrator

V. **Educational Background:**

- A. Graduated from El Segundo High School — 1963
- B. Attended El Camino Junior College, Palomar Junior College, and U.C.L.A.
- C. Professional Education Completed:
 - 1. Appraisal Institute
 - a. Real Estate Appraisal I — Principle Methods and Techniques
 - b. Real Estate Appraisal II — Urban Properties
 - c. Real Estate Appraisal VI — Investment Analysis
 - d. Real Estate Appraisal VIII
 - e. Standards of Professional Practice
 - f. Litigation Valuation
 - 2. Society of Real Estate Appraisers:
 - a. Course 101 — Real Property Valuation
 - b. Course 201 — Income Property Valuation
 - 3. Partial List of Seminars:
 - Condemnation Valuation, 11/94
 - Court Preparation in Litigation Cases, 11/95
 - California Laws & Regulations, 3/96
 - Litigation Valuation, 11/96

Partial List of Appraisal Clients

Government Agencies and Municipalities, and Environmental Groups

California Rangeland Trust	Otay Water District
CALTRANS	Palomar Community College
Center for Natural Lands Management	Pala Band of Mission Indians
City of Carlsbad	Poway Municipal Water District
City of Chula Vista	Poway Unified School District
City of Coronado	Ramona Municipal Water District
City of Del Mar	Rincon Del Diablo Municipal Water District
City of Escondido	San Diego Community College District
City of Menifee	San Diego County Water Authority
City of National City	San Diego Gas and Electric Company
City of Oceanside	Southwest Resource Management Association
City of Palm Springs	The Conservation Fund
City of Poway	The Escondido Creek Conservancy
City of San Diego	The Nature Conservancy
City of San Marcos	The Trust for Public Lands
City of Santee	Vallecitos Water District
City of Vista	Vista Fire Protection District
Civic San Diego	Vista Irrigation District
County of Riverside	Vista Unified School District
County of San Diego	U S Department of the Interior
Endangered Habitats Conservancy	U S Fish and Wildlife
Fallbrook Union Elementary School District	U S Postal Service
Grossmont-Cuyamaca College District	U S Marshal Service
Metropolitan Transit System	University of California
North County Transit District	Wildlife Conservation Board
Olivenhain Municipal Water District	

Financial Institutions

Bank of America	First Republic Bank
Bank of the West	Torrey Pines Bank
California Bank & Trust	Umpqua Bank
City National Bank	Union Bank
First Interstate Bank	Wells Fargo Bank

Attorneys

Ablon, Lewis, Bass & Gale, LLP	Galyean, Talley & Wood
Asaro Keagy Freeland & McKinley	Loeb & Loeb LLP
Best Best & Krieger	Kenneth H. Miller
Boss Law Firm	Parks and Oberhansley
Daley & Heft	Wes Peltzer
Deutsch & Associates	Steven C. Sayler
Duckor Spradling Metzger & Wynn	Jeffrey G. Scott
Feist, Vetter, Knauf & Loy	Samuels, Green & Steel, LLP
Foley & Lardner	White & Bright

Others

Bender Rosenthal, Inc.	Lennar
Clark Land Resources	Meritage Homes
Commonwealth Land Title	PSOMAS
Chicago Title	Stewart Title
Fidelity National Title	T-Mobile
First American Title	Wiggans Group, Inc.
Lavine, Lofgren, Morris & Engelberg, LLP	

QUALIFICATIONS OF THE APPRAISER

David C. Ottley, MAI

Anderson & Brabant, Inc.

420 South Broadway, Escondido, CA 92025

760.519.1400

Resident of San Diego County since 1954

Educational Background

Brigham Young University, Provo, Utah - School of Accountancy (1982-83)

Palomar College, San Marcos, CA - Real Estate emphasis (1976-77; 1980-81)

Professional Education Completed:

Appraisal Institute:

- Case Studies in Real Estate Valuation (1988)
- Valuation Analysis and Report Writing (1988)
- Real Estate Appraisal Principles; and Basic Valuation Procedures (1988)
- Capitalization Theory and Techniques, Parts A & B (1986)
- Real Property Valuation (1977)

Partial List of Recent Seminars and Webinars:

- Appraisal Review (2022)
- Eminent Domain and Condemnation (2005, 2011, 2021)
- Uniform Appraisal Standards for Federal Land Acquisitions (2015, 2017)
- San Diego Real Estate Market Symposium, Economic Forecast (1998-2002; 2004-2012; 2017; 2021, 2022)
- Business Practices and Ethics (2010, 2015, 2017, 2022)
- Federal and State Laws and Regulations (2014, 2016, 2018, 2022)
- Mold, Pollution, and the Appraiser (2014)
- Uniform Standards of Appraisal Practice Update (2004, 2006, 2008, 2010, 2012, 2014, 2016, 2018, 2020, 2022)
- Loss Prevention Seminar (2011 and 2013)
- Liability Issues for Appraisers Performing Litigation Work (2013)
- Complex Litigation Appraisal Case Studies (2013)
- Appraising in a Post-HVCC World (2011)
- San Diego Housing and Apartment Seminar (2004, 2007, 2009)
- The Appraiser as an Expert Witness (2006)

Professional Affiliations

MAI Member, Appraisal Institute

Certified General Real Estate Appraiser (AG002149), Bureau of Real Estate Appraisers, State of California

Professional Real Estate Experience

Appraiser/Consultant, Anderson & Brabant, Inc., Escondido, CA - 01/85 to 03/98; 06/01 to 02/05; 02/06 on

V.P. of Acquisitions, Maisel Presley, Inc., San Diego, CA - 02/05 to 02/06

Director of Finance & Acquisitions, Pacifica Companies, San Diego, CA - 04/98 to 06/01

Appraiser/Analyst, Dodd-Graves & Associates, Escondido, CA - 06/76 to 04/77; & 11/79 to 12/84

Staff Appraiser, Financial Appraisals, Inc., Escondido, CA - 04/77 to 08/77

Expert Witness

Superior Court, Counties of San Diego, Riverside, and Los Angeles

U.S. Bankruptcy Court, San Diego County

Types of Appraisals

Vacant Land: Environmentally Sensitive Properties, Rural, Residential, Subdivision, Industrial, and Commercial

Agricultural: Avocado and Citrus Groves, Dairies, and Ranches

Commercial: Single- and Multi-Tenant Commercial and Office Properties, Medical Offices, Self-Storage Facilities (Existing and Proposed)

Industrial: Single- and Multi-Tenant Industrial Buildings and Parks, (Existing and Proposed)

Residential: Residential Subdivisions, Apartments, Single-family, Condominium and PUD Units, (Existing and Proposed)

Other: Mixed-Use Properties, Leasehold and Leased Fee Interests, Partial Acquisitions, and Easements

LEGAL DESCRIPTION

Real property in the City of La Habra, County of Orange, State of California, described as follows:

LOT 3 OF TRACT NO. 13828, AS SHOWN BY MAP ON FILE IN BOOK 700, PAGES 1 THRU 6, OF MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

EXCEPTING THEREFROM ALL OIL, GAS, ASPHALTUM, AND OTHER HYDROCARBONS AND OTHER MINERALS, WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING, OR THAT MAY BE PRODUCED FROM SAID PROPERTY, AND THE SOLE AND EXCLUSIVE RIGHT TO DRILL SLANTED WELLS FROM ADJACENT LANDS INTO AND THROUGH, AND TO DEVELOP MINES AND CONSTRUCT TUNNELS, SHAFTS AND OTHER WORKS THROUGH, AND TO DEVELOP MINES AND CONSTRUCT TUNNELS, SHAFTS AND OTHER WORKS IN AND THROUGH THE SUBSURFACE OF SAID PROPERTY FOR THE PURPOSE OF RECOVERING SAID MINERALS, OR ANY OF THEM FROM SAID PROPERTY OR OTHER PROPERTY, OR BOTH, AND THE RIGHT TO USE THAT PORTION OF THE SUBSURFACE OF SAID PROPERTY LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE OF SAID PROPERTY FOR ALL PURPOSES PERTAINING TO OR INCIDENT TO THE PRODUCTION OF, THE STORAGE OF, CONSERVATION OF, OR EXPLORING FOR OIL, GAS, ASPHALTUM AND OTHER HYDROCARBONS AND OTHER MINERALS, WHETHER SIMILAR TO THOSE SPECIFIED OR NOT, OR ANY OF SAID SUBSTANCES, BY MEANS OF ANY METHOD NOW KNOWN OR UNKNOWN, BUT NOT INCLUDING WITHIN THIS EXCEPTION ANY RIGHT TO USE THE SURFACE ABOVE A DEPTH OF 500 FEET BELOW THE SURFACE FOR THE AFORESAID PURPOSES, AS RESERVED IN THE DEEDS FROM HAROLD M. STERN AND OTHERS, RECORDED SEPTEMBER 14, 1961 IN BOOK 5846, PAGES 813 AND 816 OF OFFICIAL RECORDS.

APN: 018-381-64

INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. The property covered by this report is vacant land.
2. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None
3. This preliminary report/commitment was prepared based upon an application for a policy of title insurance that identified land by street address or assessor's parcel number only. It is the responsibility of the applicant to determine whether the land referred to herein is in fact the land that is to be described in the policy or policies to be issued.
4. Approval from the Company's Underwriting Department must be obtained for matters arising under or related to ABx1 26 by the State of California.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

7. An easement for underground lines and incidental purposes in the document recorded August 9, 1967 as Book 8336, Page 484 of Official Records.
8. An easement for underground lines and incidental purposes in the document recorded as Book 8565, Page 838 of Official Records.
9. An easement for water line and incidental purposes in the document recorded May 9, 1968 as Book 8597, Page 250 of Official Records.
10. The fact that the land lies within the boundaries of the Delta One Redevelopment Project Area, as disclosed by the document recorded July 11, 1988 as Instrument No. 88-330813 of Official Records.
11. The terms and provisions contained in the document entitled "Development Agreement" recorded February 7, 1990 as Instrument No. 90-070091 of Official Records.
12. The terms and provisions contained in the document entitled "Restatement of Easement, Restriction and Operating Agreement" recorded April 27, 1990 as Instrument No. 90-224781 of Official Records.
13. Covenants, conditions, restrictions and easements in the document recorded June 27, 1990 as Instrument No. 90-340988 of Official Records, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Section 12955 of the California Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.
14. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/NSPS survey.
15. Rights of parties in possession.

Prior to the issuance of any policy of title insurance, the Company will require:

16. Approval from the Company's Underwriting Department must be obtained for matters arising under or related to ABx1 26 by the State of California.

Dated as of January 12, 2023 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

ALTA Standard Owner's Policy with Western Regional Exceptions and ALTA Loan Policy

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

Redevelopment Agency of the City of La Habra, a public body, corporate and politic

The estate or interest in the land hereinafter described or referred to covered by this Report is:

A fee.

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2023-2024, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2022-2023 are exempt. If the exempt status is terminated an additional tax may be levied. A.P. No.: 018-381-64.
3. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Community Facilities District No. 1990-1, as disclosed by Notice of Special Tax Lien recorded December 27, 1989 as Instrument No. 89-698572 of Official Records.
4. The lien of special tax assessed pursuant to Chapter 2.5 commencing with Section 53311 of the California Government Code for Community Facilities District No. 1990-1, as disclosed by Notice of Special Tax Lien recorded February 13, 1990 as Instrument No. 90-77779 of Official Records.
5. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
6. The use and control of cienegas and natural streams of water, if any, naturally open, flowing across, into or by said described tract, and the right of way for and to construct irrigation or drainage ditches through said tract to irrigate or drain the adjacent land, as reserved in the deed recorded February 13, 1895 in Book 87, Page 199 of Deeds.



First American Title Insurance Company

California Department of Insurance License No. 151

Title Officer: Diane Nesbit
Phone: (909)510-6230
Fax No.:
E-Mail: dnesbit@firstam.com

E-Mail Loan Documents to: Lenders please contact the Escrow Officer for email address for sending loan documents.

Owner: City of La Habra
Property: Vacant Land/APN 018-381-64
La Habra, CA

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

Please be advised that any provision contained in this document, or in a document that is attached, linked or referenced in this document, that under applicable law illegally discriminates against a class of individuals based upon personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or any other legally protected class, is illegal and unenforceable by law.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

COMPARABLE NO. 5

4404 West 1st Street, Santa Ana

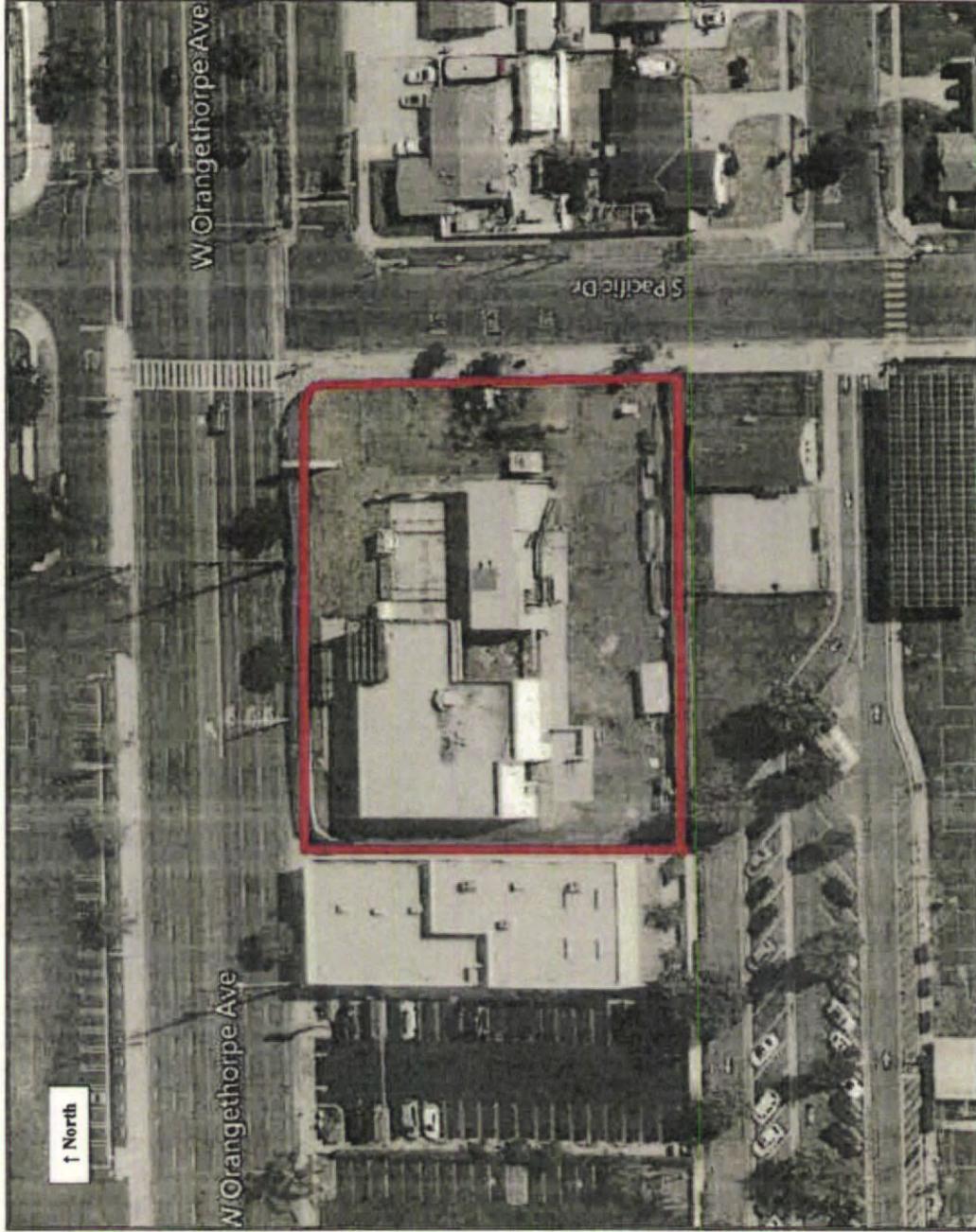


Anderson & Brabant, Inc.

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

COMPARABLE NO. 4

1700 West Orangethorpe Avenue, Fullerton



Anderson & Brabant, Inc.

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

COMPARABLE NO. 3

11701 South Street, Artesia



Anderson & Brabant, Inc.

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

COMPARABLE NO. 2

18809 to 18811 Colima Road, Rowland Heights

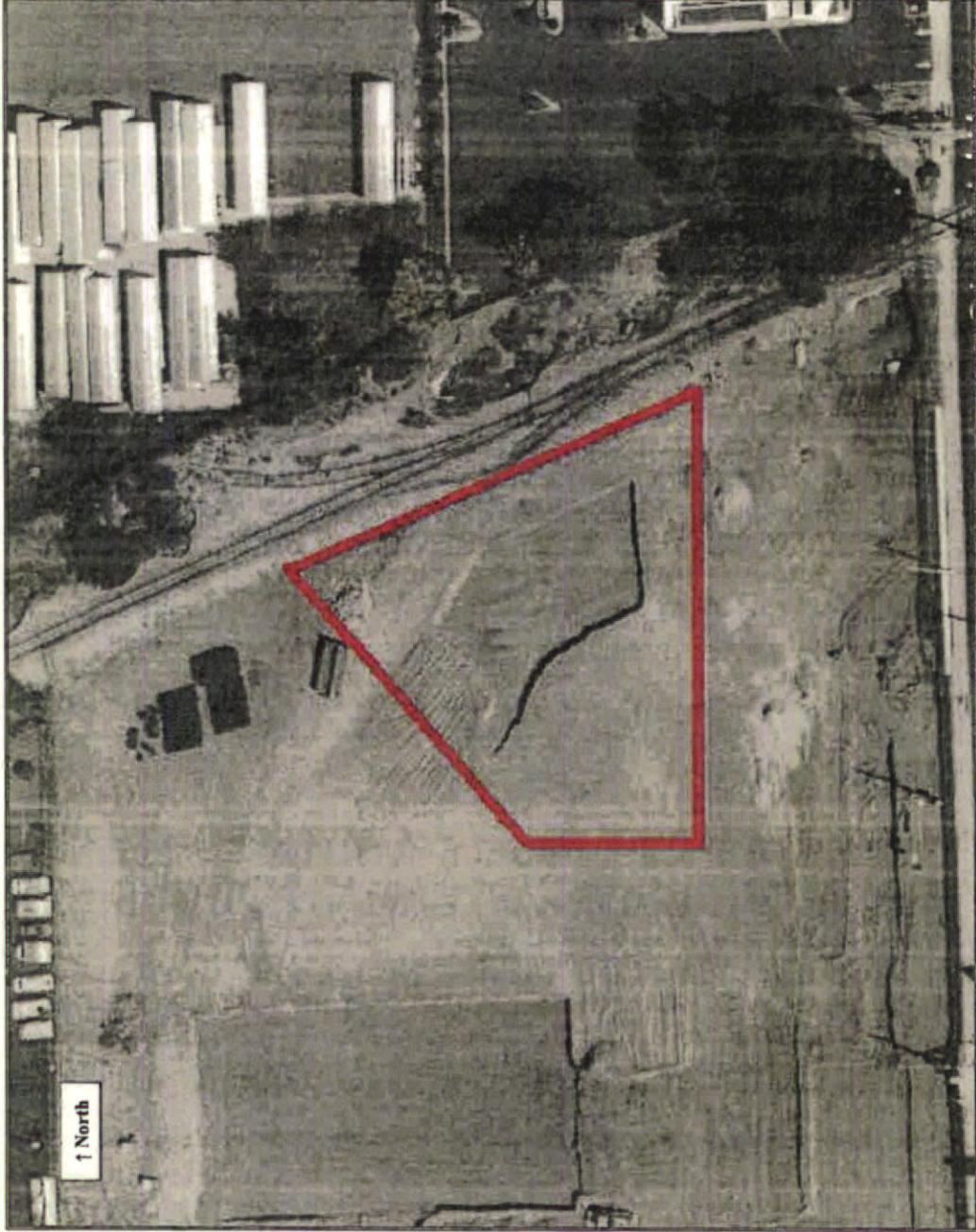


Anderson & Brabant, Inc.

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

COMPARABLE NO. 1

751 East Imperial Highway, La Habra



Anderson & Brabant, Inc.

Addenda

Aerial Photographs – Market Data
Preliminary Title Report
Qualifications of the Appraisers

value range is applied to the total site area, the result is a total market value for the site, without considering the described deed restriction, of **\$11,300,000** (121,968 square feet x \$92.00 to \$93.00 per square foot = \$11,221,056 to \$11,343,024, correlated at \$11,300,000).

DEED RESTRICTED LAND VALUE

As discussed in this appraisal, within the 1990 grant deed of the subject 2.80 acre parcel by the owner of the adjoining retail complex to the current titleholder (City of La Habra) is a restriction stated as a covenant that limits the use of the property "solely for a surface level public parking lot and no other use shall be allowed thereon." It then states that the area cannot be used as a "Park and Ride" location or for long term parking or vehicle storage and that the "covenant shall run in favor of and be binding for the benefit of the real property retained by the Grantor" (which consists of the balance of an adjoining retail center site). The parking spaces within the subject 2.80 acres contribute to the required number of spaces to accommodate the existing retail use and, thus, the subject is an essential and integral part of the retail complex.

We discussed the preceding with a representative of the City of La Habra to ascertain the effective implications of the deed restriction, specifically with regard to the City's allowed uses of the parcel. According to the City representative, the City must secure permission from the retail center ownership to use the 2.80 acres for any purpose. We were informed that the 2.80 acre site has only been used periodically by the City over the years for brief civic events (such as a one day, annual 5K race staging area) and that the complex ownership is in favor of such events as they tend to draw patrons to its retail businesses. Based on the preceding, and as best as we can determine, the actual legal use of the land by the City is extremely limited to what would be considered as no greater than a use shared with the retail complex for approximately one to three days annually. With this in mind, we have estimated the market value of the land owner's fee interest in the subject property to be equal to about 50 percent of the full fee interest in the property for one to days per year. This is computed as follows: (Full fee value of \$11,300,000 ÷ 365 days) x (1 to 3 days x 50%) = \$15,479 to \$46,438, correlated at **\$30,000**. The final opinion of value is subject to certain assumptions and limiting conditions as set forth in this appraisal (please refer to comments on pages 2 through 4 of this report).

THIRTY THOUSAND DOLLARS
(\$30,000)

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

Land Data Comparison Grid	Comp No	1	2	3	4	5
	Sale Price/Square Foot	\$72.29	\$104.73	\$111.27	\$72.91	\$80.89
	Property Rights	0.0%	0.0%	0.0%	0.0%	0.0%
	Financing	0.0%	0.0%	0.0%	0.0%	0.0%
	Conditions of Sale	0.0%	0.0%	0.0%	0.0%	0.0%
	Market Conditions	0.0%	0.0%	0.0%	0.0%	0.0%
	Net Adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
	Adjusted Price/Square Foot	\$72.29	\$104.73	\$111.27	\$72.91	\$80.89
	Location/Exp/Access	Inferior	Similar	Superior	Inferior	Inferior
	Config/Topo/Cond	Similar	Similar	Similar	Inferior	Similar
Land Use	Similar	Similar	Similar	Similar	Similar	
Parcel Size	Superior	Superior	Superior	Superior	Similar	
Utilities	Similar	Similar	Similar	Similar	Similar	
Overall Comparison	Inferior	Superior	Superior	Inferior	Inferior	
Indicated Value Per Square Foot	Above \$72.29	Below \$104.73	Below \$111.27	Above \$72.91	Above \$80.89	

No adjustments were necessary for property rights conveyed or conditions of sale. Acquisition financing was not a factor for any of the sales considered in this analysis as the sellers were cashed out in all transactions. We found insufficient data to suggest any movement in price over the approximate eight month period preceding the date of value, during which time all of the comparable sales occurred. Accordingly, no adjustments were applied to the data for changes in market conditions.

Regarding parcel size, smaller sites tend to attract a greater per square foot price than larger parcels that are otherwise similar. This is due, in part, to the greater number of potential buyers of those properties that have a lower overall cost. This factor was noted in the analysis of each of Sales 1 through 4 that are smaller than the subject, and the size differences between the subject as a 2.80 acre site and Comparable No. 5 that is 2.49 acres in size is insufficient to warrant a rating difference.

The market data reflected sold prices ranging from \$72.91 to \$111.27 per square foot. As can be seen, Comparable Nos. 1, 4, and 5 are judged to be inferior to the appraised property on an overall basis and suggest a value for the subject above \$80.89 per square foot. Sales 2 and 3 are deemed to be superior to the appraised site and support a value below \$104.73 per square foot.

Based on our analysis of the data and considering the overall legal and physical attributes of the appraised property, it is our opinion that the market value of the 2.80 acre (121,968 square foot) subject parcel, as of February 6, 2023, is equal to \$92.00 and \$93.00 per square foot of land area. This range is at the approximate midpoint between the price of \$104.73 per square foot paid for Sale 2, which is considered to be superior to the subject, and the price paid of \$80.89 per square foot for Comparable No. 5, a site judged to be inferior to the appraised parcel. When the stated

Discussion of the Data

Comparable No. 1 relates to the purchase of a level, irregularly shaped parcel of vacant, commercially zoned land situated within one and one-half miles to the east of the subject in La Habra at 751 East Imperial Highway. The site is situated off the north side of the roadway and is 20,749 square feet (0.48 acre) in size. The property sold in June 2022 for \$1,500,000 or \$72.29 per square foot, all cash to the seller. By comparison with the appraised property, Sale No. 1 is a smaller parcel that is considered to be inferior for location and commercial exposure.

Comparable No. 2 is the November 2022 sale of a level, formerly developed commercially zoned site located a little over six miles to the northeast of the appraised property in the Rowland Heights community at 18809 to 18811 Colima Road. This is a corner parcel at a signalized intersection and it is 46,786 square feet (1.07 acres) in size. The property sold for \$4,900,000 all cash to the seller, which equates to \$104.73 per square foot. Sale 2 is a smaller site when compared with the subject, and it offers similarities as to location quality.

Comparable No. 3 is located about eight miles to the southwest of the subject in the City of Artesia at the northeast corner of the signalized intersection of South Street and Albutis Avenue. The parcel address is 11701 South Street. This is a level, commercially zoned, rectangular shaped, formerly developed site near major commercial development. This property is 44,038 (1.01 acres) in size. The site conveyed in June 2022 for \$4,900,000 or \$111.27 per square foot, all cash to the seller. When compared with the subject, Comparable No. 3 is a smaller property that is considered to be superior for access and commercial exposure.

Comparable No. 4 involves a level, rectangular shaped, commercially zoned corner parcel located just over four miles to the south of the subject in the City of Fullerton at 1700 West Orangethorpe Avenue. There are remnants of an old building on the site that are to be removed prior to new site development. The parcel is 37,719 square feet (0.87 acre) in size, and it was purchased in December 2022 for \$2,750,000 or \$72.91 per square foot of land area, all cash to the seller. By comparison with the subject, Sale 4 is a smaller parcel that is considered to be inferior for location and projected demolition costs to remove the existing improvements.

Comparable No. 5 relates to the purchase of a long and narrow, rectangular shaped, level, commercially zoned parcel situated approximately 14 miles to the south of the subject in the City of Santa Ana, at the southwest corner of West 1st Street and South Mountain View Street. The site address is 4404 West 1st Street, and the parcel is 108,300 square feet (2.19 acres) in size. The property sold in January 2023 for \$8,760,000 or \$80.89 per square foot, all cash to the seller. By comparison with the appraised property, Sale No. 5 is considered to be inferior for general location.

Analysis of the Data and Conclusion of Value

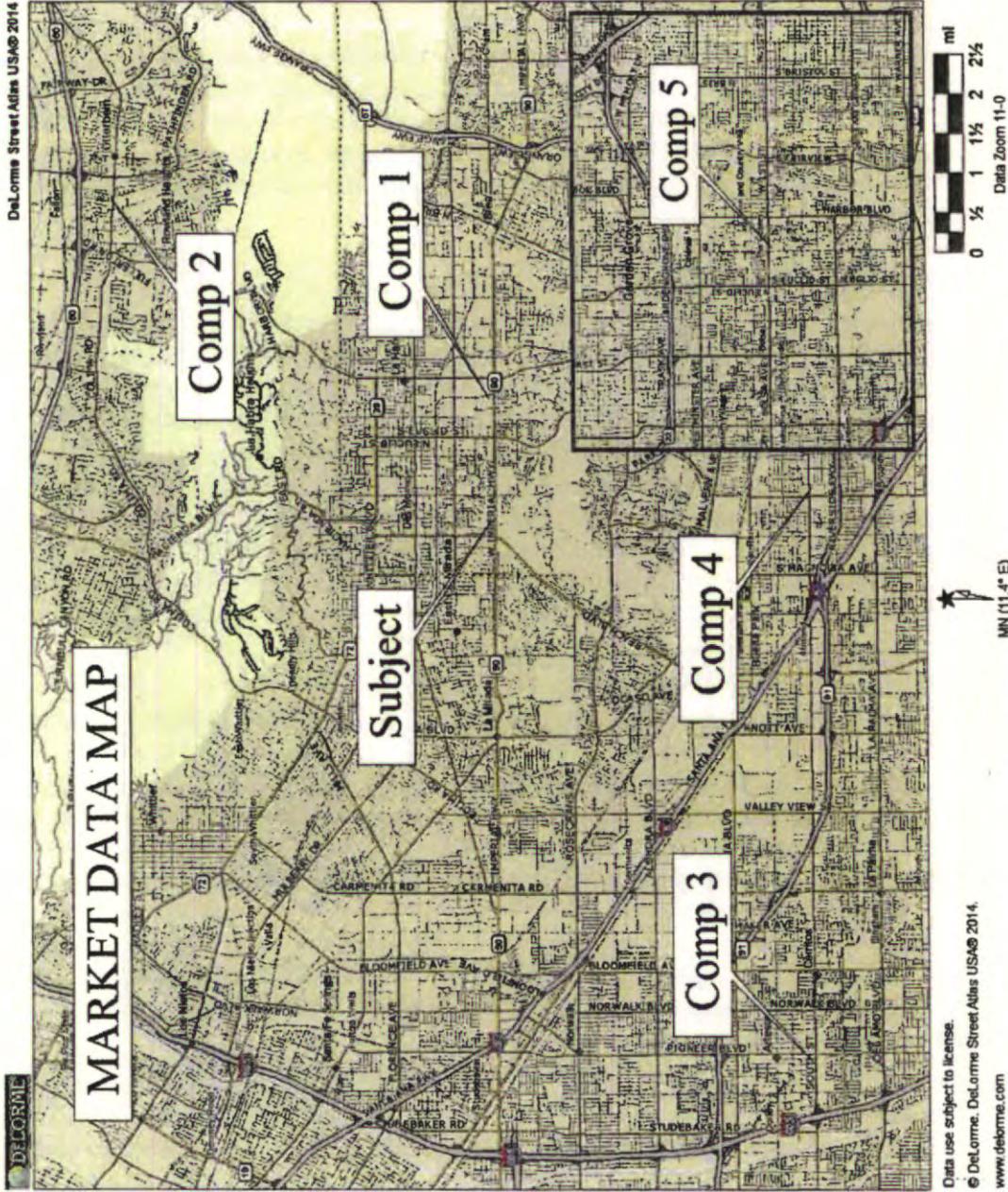
The discussed market data have been analyzed based on our conclusion of highest and best use for the subject land. The elements of comparison that were considered in the Sales Comparison Analysis include property rights conveyed, financing terms, conditions of sale, market conditions, location, commercial exposure, access, site configuration and condition, permitted land uses, parcel size, and availability of public utilities. At the top of the following page is a grid that summarizes observed differences between the subject and the market data based on qualitative ratings.

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA

SUMMARY OF MARKET DATA

Comp No	Location/APN	Sale Date	Doc No	Sale Price	Zoning/ General Plan	Buyer		Land Area (SF)	Price/SF	Site Cond	Comments
						Buyer	Seller				
1	751 E Imperial Hwy La Habra 019-111-90	Jun-22	227777	\$1,500,000	PUD/ Commercial Industrial City of La Habra	Ares Development LLC / Jones Trust		20,749	\$72.29	Level	Set back from street by other pads in same project.
2	18809-11 Colima Rd Rowland Heights 8761-012-015	Nov-22	1075890	\$4,900,000	C-2-BE/ Commercial County of Los Angeles	Baronian / Cordova		46,786	\$104.73	Level	At signalized intersection.
3	11701 South St Artesia 7039-014-011 & 018	Jun-22	599023	\$4,900,000	Commercial General/ General Commercial City of Artesia	Dong AH Dev USA Inc / Val Alburdis Properties LLC		44,038	\$111.27	Level	At signalized intersection. Near major commercial development.
4	1700 W Orangethorpe Ave Fullerton 072-271-29	Dec-22	420530	\$2,750,000	G-C/ Commercial City of Fullerton	Gospel First Korean Baptist Church / Islamic Center of Fullerton		37,719	\$72.91	Level	At signalized intersection. Remnants of old building on site of no value. Adjacent to residential and commercial neighborhoods.
5	4404 W 1st St Santa Ana 188-021-08	Jan-23	2700	\$8,760,000	C2 & M1/ GC City of Santa Ana	City of Santa Ana / RIF40 LLC		108,300	\$80.89	Level	Long and narrow corner parcel.

2.80 Acre Commercial Site, 1600 Block West Imperial Highway, La Habra, CA



development. In general, any proposed use that supports a positive land value is considered financially feasible. We have observed good and reasonably consistent demand for parcels that can accommodate commercial use in the general region over the past three to five+ year period.

Conclusion: In accordance with the observed characteristics of the subject, it is our opinion that the highest and best use of the land is its continued use as a parking lot for the existing retail center. It should be noted that the parking lot use is imposed by the mentioned deed restriction and is not impacted by the property ownership. Thus, the current owner does not have the right to alter the stated deed restricted use. In essence, the only party that can benefit economically from the acquisition of the subject is the owner of the adjacent shopping center property. However, that owner, by virtue of the covenant, already has the right to use the subject site for the shopping center parking.

VALUATION METHODOLOGY

Since we are tasked with determining the value of the subject parcel to the underlying fee owner with the herein described deed restriction in place, we first sought a value for the fee interest in the site, assuming there is no such restriction. The results was then used as the basis for deriving a value for the land giving consideration to the deed restriction. Of the three common valuation techniques, only the Sales Comparison Approach was considered to be pertinent in the analysis of the defined subject parcel. Neither the Cost Approach nor Income Approach was considered applicable or useful in the valuation process. The Sales Comparison Approach relies on the concept that a prudent purchaser would pay no more to buy a property than it would cost to acquire a comparable substitute. Sales of similar properties are analyzed based on direct comparison with the subject to arrive at an indication of market value.

SALES COMPARISON APPROACH – FEE LAND VALUE

We conducted an investigation of the marketplace for sales of parcels designated for commercial development that are limited to parking lot use similar to the subject. We discovered that buyers of commercial land commonly consider onsite space for parking as critical in the overall development plans and do not allocate separate values to those areas of the property to be structurally improved versus the segments to be used for parking. In the case of the subject, the parcel is on the street side of the retail complex adjacent to existing occupied buildings within the center and, thus, is considered to be a vital component to the ongoing commercial operations of the project. With the preceding in mind, the limitations on the use of the subject for parking only does not appear to have an impact on the value of the site to any quantifiable degree. Accordingly, our search for market data was expanded to include sales of parcels in the market area that can support similar commercial development.

After carefully investigating the marketplace, we selected five items of market data for purposes of analysis. The sales occurred between June 2022 and January 2023, and these are considered to be the best available data to properly analyze the value of the subject property by the Sales Comparison Approach. The sales are summarized in a grid on page 24, and a data location map is on page 23. The summary of market data is followed by a discussion of the comparables and a grid that illustrates observed differences between those properties and the subject. The unit of comparison is the price per square foot of land area. Aerial photographs of the comparables are included in the addenda to this report.

VALUATION

HIGHEST AND BEST USE

Highest and Best Use is an important concept in real estate valuation as it represents the premise upon which value is based. Highest and Best Use is defined in 15th edition of *The Appraisal of Real Estate* as:

“The reasonably probable use of property that results in the highest value.”²

The concept of highest and best use addresses the question of legally permissible, physically possible, and financially feasible uses that reflect the degree of profitability. Uses that meet the three criteria of reasonably probable uses are tested for economic productivity, and the reasonably probable use with the highest value is the highest and best use.

Legally Permissible: The subject is comprised of a 2.80 acre parcel that is utilized as part of an asphalt paved parking lot within an existing retail center known as La Habra Marketplace. The property is zoned and designated for shopping center use by the City of La Habra. As mentioned under ‘Easements and Deed Restriction’ on page 19 of this appraisal, the subject site is used as a parking lot within a greater retail center property that was initially developed in 1990. We were informed that the parcel was sold by the developer to the City of La Habra in June 1990 to provide public assistance to said developer in generating sufficient revenues to fund required infrastructure to aid in the success of the proposed project. Within the grant deed is a restriction (stated as a covenant) that limits the use of the subject property “solely for a surface level public parking lot and no other use shall be allowed thereon.” The restriction further states that the area cannot be used as a “Park and Ride” location or for long term parking or vehicle storage and that the “covenant shall run in favor of and be binding for the benefit of the real property retained by the Grantor” (which consists of the balance of the greater retail center site). The parking spaces within the subject 2.80 acres contribute to the required number of spaces to accommodate the existing retail use and, thus, the subject is an essential and integral part of the retail complex.

According to a representative of the property ownership (City of La Habra), the City must secure permission from the retail center ownership to use the 2.80 acres for any purpose. We were informed that the 2.80 acre site has only been used periodically by the City over the years for brief civic events (such as an annual 5K race staging area) and that the complex ownership is in favor as it draws in patrons of its retail businesses. To summarize, with the preceding in mind, the subject is limited to a parking lot use for the benefit of the greater retail center of which it is effectively a part.

Physically Possible: The subject parcel is comprised of a level parcel that is slightly irregular in configuration. All public utilities are immediately available, and it has frontage on an improved, well-travelled public roadway. The continued use of the site as a parking lot is not limited by its physical features.

Financially Feasible: The issue of economic viability primarily focuses on supply and demand characteristics of the local marketplace as it relates to land suitable for commercial

² *The Appraisal of Real Estate*, 15th ed. (Chicago: Appraisal Institute, 2020), p. 305

Earthquake Zone

The subject property is not within an Earthquake Fault Zone as designated by the California State Division of Mines and Geology. However, the property is located in an area that is prone to seismic events, a condition that it shares with other properties located in the general Southern California area.

Easements and Deed Restriction

We were provided with a preliminary title report relating to the subject property that was prepared by First American Title Insurance Company. The report is dated January 12, 2023, and it can be identified by reference to Order No. NCS-1162921-ONT1. Three encumbrances for utility easements were noted, but no plat was provided that clearly illustrates the locations of the encumbrances. For purposes of this appraisal, the assumption is made that these easements are typical of a property such as the subject and do not negatively impact its use or value in accordance with the estimated highest and best land use.

The subject site is used as a parking lot within a greater retail center property that was initially developed in 1990. We were informed that the parcel was sold by the developer to the City of La Habra in June, 1990 to provide public assistance to said developer in generating sufficient revenues to fund required infrastructure to aid in the success of the proposed project. Within the grant deed is a restriction (stated as a covenant) that limits the use of the subject property "solely for a surface level public parking lot and no other use shall be allowed thereon." The restriction further states that the area cannot be used as a "Park and Ride" location or for long term parking or vehicle storage and that the "covenant shall run in favor of and be binding for the benefit of the real property retained by the Grantor" (which consists of the balance of the greater retail center site). The parking spaces within the subject 2.80 acres contribute to the required number of spaces to accommodate the existing retail use and, thus, the subject is an essential and integral part of the retail complex.

The preceding was discussed with a representative of the City of La Habra to ascertain what uses the City retains per the deed restriction. According to the City representative, the City must secure permission from the retail center ownership to use the 2.80 acres for any purpose. We were informed that the 2.80 acre site has only been used periodically by the City over the years for brief civic events (such as an annual 5K race staging area) and that the complex ownership is in favor as it draws in patrons to its retail businesses.

DESCRIPTION OF THE IMPROVEMENTS

The subject is a segment of an asphalt paved parking lot that serves an existing retail shopping center known as La Habra Marketplace. There are no structural improvements on the parcel.

ASSESSMENT DATA

The subject property is identified by reference to Assessor Parcel Number 018-381-64. It is owned by a public agency at this time and is tax exempt. The site is within Tax Rate Area 06068 that is subject to a base tax rate of 1.08123 percent plus some bonded indebtedness for the year 2022/2023.

DESCRIPTION OF THE SUBJECT PROPERTY

LAND DESCRIPTION

Land Area/Shape

The subject parcel is 2.80 acres (121,968 square feet) in size, according to County of Orange Assessor records. As can be seen on the plat on page 18, the site is slightly irregular in configuration.

Topography/Drainage

The subject parcel is a level, finish graded site. We did not detect any evidence of site drainage concerns.

Soils/Environmental Conditions

We were not furnished with any recently prepared studies relating to subsurface soil conditions associated with the subject property. As part of this appraisal analysis, we have assumed that soil conditions are adequate to allow legally permitted uses of the property in accordance with its estimated highest and best use.

Utilities

All public utilities are available to the subject parcel. These include water, sewer, electrical power, natural gas, and cable.

Frontage and Access

The subject is situated on the north side of West Imperial Highway, a fully improved public street with three traffic lanes in each direction and a center median. There is an engineered curb cut at this location.

Land Use

The subject property is zoned C-2sH, Planned Unified Shopping Center, by the City of La Habra. The zoning conforms with the General Plan designation of Community Shopping Center 2. Per the City Municipal Code, the C-2sH zone is "intended to serve as a planned unified shopping center".

As mentioned under 'Easements and Deed Restriction' on page 19 of this appraisal, a provided title report indicates that there is a deed restriction in place that limits the use of the subject property "solely for a surface level public parking lot and no other use shall be allowed thereon." The restriction further states that the subject cannot be utilized as a "Park and Ride" location or for long term parking or vehicle storage. Please refer to the 'Easements and Deed Restriction' discussion to best visualize the implications of the deed restriction.

Flood Zone

According to FEMA Flood Insurance Rate Map (FIRM) No. 06059C0037J, dated December 3, 2009, the subject is within Zone X, a 500-year floodplain.

SUBJECT PROPERTY PHOTOGRAPHS

(Taken By David C. Ottley, MAI on February 6, 2023)



This photo was taken from near the northwest corner of the subject property, looking southerly over the westernmost portion of the parcel.



Looking easterly along West Imperial Highway from the location of the subject property, which is visible at the left.

SUBJECT PROPERTY PHOTOGRAPHS

(Taken By David C. Ottley, MAI on February 6, 2023)



View to the north over easterly and central portions of the subject site.

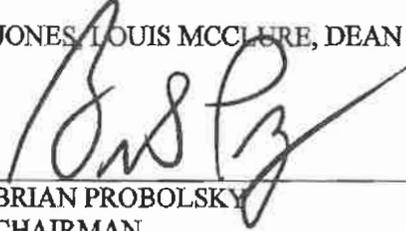


Looking westerly over the greater portion of the subject property.

Attachment 5

The foregoing was passed and adopted by the following vote of the Orange Countywide Oversight Board on TUESDAY, JULY 25, 2023

YES: CHARLES BARFIELD, STEVE FRANKS, BRIAN
PROBOLSKY, PHILLIP E. YARBROUGH
NOES:
EXCUSED: STEVE JONES, LOUIS MCCLURE, DEAN WEST
ABSTAINED:



BRIAN PROBOLSKY
CHAIRMAN

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

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

IN WITNESS WHEREOF, I have hereto set my hand.



KATHY TAVOULARIS
Clerk
Orange Countywide Oversight Board

Resolution No: 23-021

Agenda Date: Tuesday, July 25, 2023

Item No: 4

RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD

RESOLUTION NO. 23-021

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD TO AMEND AND SUPPLEMENT RESOLUTION NO. 22-026, PERTAINING TO THE SALE OF THE LA HABRA MARKETPLACE PARKING PROPERTY PURSUANT TO THE LONG-RANGE PROPERTY MANAGEMENT PLAN OF THE SUCCESSOR AGENCY TO THE LA HABRA REDEVELOPMENT AGENCY AND TAKING RELATED ACTIONS

WHEREAS, by the laws of the State of California (“**State**”), the La Habra Redevelopment Agency (“**Former Agency**”) and all other redevelopment agencies within the State were dissolved as of February 1, 2012, and successor agencies were established as successor entities to wind down the former redevelopment agencies’ affairs; and

WHEREAS, pursuant to Health and Safety Code (“**HSC**”) Section 34173(d), the City Council of the City of La Habra (the “**City**”) adopted Resolution No. 5508 on January 12, 2012, and elected for the City to become the Successor Agency to the La Habra Redevelopment Agency (“**Successor Agency**”); and

WHEREAS, the Successor Agency is the successor entity to the Former Agency; and

WHEREAS, pursuant to HSC Section 34179, each successor agency is under the jurisdiction of an oversight board; and

WHEREAS, pursuant to HSC Section 34179(p), on matters within the purview of an oversight board, decisions made by the oversight board supersede those made by the successor agency or the staff of the successor agency; and

WHEREAS, pursuant to HSC Section 34179(j), beginning July 1, 2018, the Orange Countywide Oversight Board (“**Oversight Board**”) is the oversight board of, and has assumed jurisdiction over, the Successor Agency; and

WHEREAS, the Oversight Board adopted Resolution No. 22-026 on June 2, 2022 (“**OB Resolution No. 22-026**”) (and capitalized terms used but not defined herein have the meanings ascribed to them in OB Resolution No. 22-026); and

WHEREAS, the Successor Agency owns a parcel (APN 018-381-64) (the “**Property**”), which is a portion of the parking lot for the La Habra Marketplace, a shopping center; and

WHEREAS, pursuant to the Successor Agency’s LRPMP, the Successor Agency should proceed with the sale of the Property, but more than seven years have elapsed since the DOF’s June 2015 approval of the LRPMP without any such disposition; and

WHEREAS, the Oversight Board adopted OB Resolution No. 22-026 and directed the Successor Agency to take actions to implement the LRPMP with respect to the sale of the Property; and

WHEREAS, pursuant to amendments adopted in 2019 to the Surplus Land Act ("SLA"), a property listed for sale on a successor agency's long-range property management plan (e.g., the Property) is "surplus land" for the purpose of the SLA and the sale of it must comply with certain SLA requirements, unless the property falls within the definition of "exempt surplus land" and a declaration is made to such effect; and

WHEREAS, per OB Resolution No. 22-026, the Successor Agency should make a determination regarding the declaration of the Property pursuant to the SLA and if the Successor Agency determined to not declare the Property "exempt surplus land," then by no later than October 18, 2022, the Successor Agency should have commenced the process required by the SLA for the sale of the Property in accordance with the procedures set forth in the SLA and the HCD's Surplus Land Act Guidelines ("**HCD Guidelines**"); and

WHEREAS, on or about October 11, 2022, Successor Agency staff, by email, requested guidance from the HCD on whether, because of the Parking Restrictive Covenant, the Property might qualify as "exempt surplus land" under Government Code Section 54221(f)(1)(G) ("**Legal Restrictions Exemption**") (which provides that "exempt surplus land" includes land subject to valid legal restrictions that are not imposed by the local agency and that would make housing prohibited, unless there is a feasible method to satisfactorily mitigate or avoid the prohibition on the site); and

WHEREAS, at the Oversight Board's October 19, 2022 meeting, Successor Agency staff reported that the Successor Agency had not made a determination regarding the declaration of the Property as exempt surplus land, because the Successor Agency was awaiting the HCD's response, and the Successor Agency was planning to proceed based on HCD's guidance; and

WHEREAS, on November 8, 2022, the HCD informed the Successor Agency that, in HCD's view, the Property did not qualify for SLA's Legal Restrictions Exemption; and

WHEREAS, on or about January 9, 2023, the Successor Agency informed Oversight Board staff that it had made a request to the HCD for reconsideration; and

WHEREAS, in a letter dated April 6, 2023, HCD reversed its earlier finding and determined that the Property qualifies as "exempt surplus land" under the Legal Restrictions Exemption; and

WHEREAS, the Oversight Board expresses no view regarding HCD's finding; and

WHEREAS, the Oversight Board fulfills its duty by directing the Successor Agency to proceed with the implementation of the LRPMP with respect to the disposition of the Property as expeditiously as possible; and

WHEREAS, on June 5, 2023, the City Council of the City, acting as the Successor Agency, adopted its Resolution No. 2023-02, declaring the Property “exempt surplus land” for the purposes of SLA (“**Resolution of Declaration**”); and

WHEREAS, under Section 400(e) of the HCD Guidelines, a copy of the Resolution of Declaration must be provided to the HCD at least 30 days before disposition and Successor Agency staff has represented to the Oversight Board that a copy of the Resolution of Declaration was sent to the HCD on June 20, 2023; and

WHEREAS, embodied in Section 2 of OB Resolution No. 22-026 are certain deadlines, which are now outdated; and

WHEREAS, the Oversight Board is adopting this Resolution to supplement and amend OB Resolution No. 22-026 – to provide additional directions regarding milestones and modify the deadlines set forth in Section 2 of OB Resolution No. 22-026 – in furtherance of the purpose of OB Resolution No. 22-026 (*i.e.*, to direct the expeditious disposition of the Property pursuant to the LRPMP);

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

SECTION 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by reference.

SECTION 2. The Successor Agency shall proceed diligently and expeditiously to implement the LRPMP with respect to the disposition of the Property. To that end, the Successor Agency shall comply with the requirements (including monthly updates and action items) set forth in Exhibit A. Exhibit A is made a part of this Resolution and incorporated herein. The directions for specific actions and deadlines set forth in Section 2 of OB Resolution No. 22-026 are hereby amended and superseded by Exhibit A.

SECTION 3. The Chair of the Oversight Board, acting solely or through the Manager of the Oversight Board (“**OB Manager**”) or the OB Counsel, may request additional reports from Successor Agency staff regarding the status the implementation of the provisions of this Resolution and proceedings relating to the disposition of the Property. Upon receipt of such request, the Successor Agency staff shall promptly furnish the additional reports in writing.

SECTION 4. If the Successor Agency does not comply with any provision of this Resolution, the OB Counsel is hereby authorized to take such actions on the Board’s behalf with the appropriate State superior court for the issuance of a writ of mandate to compel the Successor Agency’s compliance. Members of the Oversight Board and members of Oversight Board staff and consultants, collectively and individually, are hereby authorized and directed to assist with such court proceedings.

SECTION 5. The Chair and other members of the Oversight Board, the staff members of Oversight Board, and counsel and consultants to the Oversight Board, collectively and individually, are hereby authorized and directed to do such things as they deem necessary and

advisable to effectuate this Resolution and OB Resolution No. 22-026 (as amended hereby) and any such action previously taken is hereby ratified and confirmed.

SECTION 6. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 7. This Resolution shall become effective immediately upon adoption.

SECTION 8. The Clerk of the Oversight Board shall certify to the adoption of this Resolution.

EXHIBIT A

(Resolution No. 23-021)

Monthly Updates

The Successor Agency staff (the City Manager of the City of La Habra (the “City”), the Director of Community and Economic Development of the City or another person designated by the City Manager) shall provide monthly updates (the “**Monthly Updates**”), reporting on the progress of the implementation of the action items set forth below. The Monthly Updates shall be sent, by email, to the OB Manager (*i.e.*, Kathy Tavoularis or her successor) no later than the 15th of each month. The OB Manager shall promptly transmit copies of the Monthly Updates to the Chair of the Oversight Board and OB Counsel. The Monthly Updates shall be in addition to the submittals and presentations required by the Actions Timeline below.

Actions Timeline

The Successor Agency shall take the following actions for the disposition of the Property.

The Successor Agency is responsible for complying with all applicable legal requirements for the disposition of the Property, whether or not it is stated below. The Successor Agency shall take all necessary and appropriate steps to disclose to potential buyers that the purchase of the Property will be subject to the Parking Restrictive Covenant.

Item # (for reference)	Action/Event	Deadline
1	<p>The Successor Agency shall conduct a process, in good faith, to solicit proposals from all interested parties regarding the sale of the Property.</p> <p>For the Oversight Board’s evaluation of whether the solicitation was conducted in good faith, the following will be considered:</p> <ul style="list-style-type: none">• Use of a reputable and properly licensed commercial property broker to help with the solicitation• Listing of the sale on at least one of three platforms customarily used for commercial property (such as Loopnet, CoStar, or MLS)• Continuous listing for a commercially	<p>As soon as practicable, but in any event in time to provide a report to the Oversight Board as indicated in Item #2 below.</p>

	reasonable length of time (at least 2 weeks to one month)	
2	The Successor Agency shall provide the Oversight Board a report on the result of the solicitation, including the terms proposed by each interested buyer and the proposed winner. The final determination of the winning proposal shall be subject to the Oversight Board's approval.	The report shall be presented at an Oversight Board meeting in mid-October (or if the meeting is not held for any reason, the immediately next meeting).
3	Based on the result of the solicitation, the Successor Agency shall conduct a good faith negotiation to finalize the sale agreement. The sale agreement shall be presented to the Oversight Board before the sale agreement becomes effective.	The proposed sale agreement shall be presented at: (i) the first Oversight Board meeting held 30 days after the Oversight Board's approval of the identity of the winning bidder; or (ii) at a later meeting, if approved in writing by the Chair of the Oversight Board.

Attachment 6

November 16, 2023

VIA ELECTRONIC MAIL

Tyler Portman
Vice President
GM Properties

Re: Purchase of 2.8 Acre Imperial Highway, La Habra land

Dear Tyler,

This letter ("**Offer Letter**") shall constitute an offer by Goldenwheat Properties, LLC or its affiliates ("**Buyer**"), to buy from The City of La Habra., or its affiliates ("**Seller**"), the leasehold and fee simple, as applicable, interests and improvements (collectively, the "**Property**") described in Section 1 below upon the terms set forth below in this Offer Letter.

1. **The Property**. The property consists of (i) approximately 2.8 Acres of land, which includes various improvements to be defined, and located at 1631 W Imperial Hwy, La Habra, CA 90631. The Property includes all rights, privileges, easements, improvements, fixtures and all personal property, currently held by Seller.

2. **Purchase of the Property**. Buyer shall purchase the Property on the date ("**Closing Date**") when all customary closing documents have been executed and exchanged by the Parties (defined below), and all Buyer and Seller conditions precedent under the Purchase and Sale Agreement (defined below) have been satisfied or waived by the applicable Party.

3. **Purchase Price & Deposit**.

3.1 **Purchase Price for the Property**. Buyer shall pay for the Property a purchase price equal to Fifty-Six Thousand and Five-Hundred Dollars (\$56,500.00) ("**Purchase Price**"), plus or minus customary prorations and credits.

3.2 **Deposit**. In connection with the full execution and delivery of a purchase and sale agreement ("**Purchase and Sale Agreement**") for the Property reflecting the terms of this Offer Letter, Buyer shall deliver to Seller in cash in the amount of Fifteen Thousand and Five Hundred Dollars (\$15,000.00) ("**Deposit**"). The Deposit shall remain fully refundable until Buyer has waived all of its contingencies at the end of the Contingency Period (defined below).

3.3 **No Financing Contingency**. Buyer requires no new external financing of any kind to consummate the transaction contemplated by this Offer Letter and the Purchase and Sale Agreement shall not include any financing contingencies.

3.4 **Buyer Approvals.** Subject to satisfactory completion of due diligence and negotiation of legal documentation, the transaction contemplated by this Offer Letter is not subject to any further approvals.

4. **Contingency & Inspection.**

4.1 **Contingency Period.** Buyer shall have until 5:00 p.m., Pacific Time, on the date thirty (30) days following the mutual execution of this Offer Letter (the "**Contingency Period**") to review and approve or disapprove all matters relating to the Property. Prior to expiration of the Contingency Period, Seller shall facilitate meetings and discussions as needed with local stakeholders, namely the operator and owner of the La Habra Marketplace located directly adjacent the Property.

4.2 **Inspection Rights.** Buyer's obligation to consummate the purchase of the Property contemplated herein is subject to the approval by Buyer on or before the expiration of the Contingency Period of all documents relating to, and conditions of, the Property, including but not limited to: (i) the results of all inspections, investigations and studies as Buyer may elect to make or obtain with respect to the Property and the proposed use thereof by Buyer, including but not limited to, investigations concerning zoning and compliance with governmental restrictions, regulations, laws and conditions affecting the Property, and the condition of the Property, including but not limited to, the condition of the soil, the improvements on the Property, the presence of hazardous materials, the completion and location of offsite improvements, and the availability of utilities and similar matters, (ii) the plans and specifications relating to the improvements constructed on the Property, and (iii) the architectural, contractor and other design, construction and entitlement contracts. Buyer shall be solely responsible for the cost of any such inspections, investigations and studies.

4.3 **Entry by Buyer.** Subject to and pursuant to a separate mutually agreed customary access agreement to be entered into immediately following execution of this Offer Letter and subject to the rights of tenants under tenant leases, if any, Seller shall grant to Buyer and Buyer's agents and representatives, during the Contingency Period, a right of entry onto the Property for the purpose of conducting inspections, investigations and studies. Buyer shall indemnify Seller from and against any and all liabilities arising out of such entry by Buyer or its agents or representatives onto the Property.

4.4 **Approval.** If Buyer does not timely deliver its written approval (or waiver) of any or all of such matters to Seller and Escrow Holder on or before the expiration of the Contingency Period, then Buyer shall be conclusively deemed to have disapproved such results and to have elected to not consummate the transaction contemplated by the Purchase and Sale Agreement and Escrow Holder shall return the Deposit to Buyer.

5. **Closing Date.** Buyer and Seller shall cause the closing date ("**Closing Date**") of Escrow for the Property to occur as quickly as possible but in no event any later than the date that is thirty (30) days after the expiration of the Contingency Period.

6. **Escrow.** Buyer at its sole discretion will determine the title insurance company and escrow company ("**Escrow Holder**").

7. **Costs and Expenses.** The cost and expense of the title policy prepared by the title insurer to be issued in favor of Buyer shall be paid by Seller unless Buyer requests ALTA coverage,

in which event, all additional costs for such title endorsements and ALTA coverage over and above the premium for CLTA coverage shall be borne by Buyer. Buyer shall pay for the cost of any new or updated survey. Escrow Holder's escrow fees shall be borne one-half (1/2) by Seller and one-half (1/2) by Buyer. Seller shall pay all applicable city, state and county transfer taxes payable in connection with the recordation of any applicable grant deed and assignment of the ground lease interest. Buyer and Seller shall pay, respectively, the Escrow Holder's customary charges to Buyer and Seller for document drafting, recording and miscellaneous charges.

8. **Seller's Representations and Warranties.** Seller shall make customary and appropriate representations and warranties to Buyer.

9. **Default.** In the event of any default by Buyer as to the purchase of the Property, Seller shall be entitled to retain the Deposit as liquidated damages. In the event of any default by Seller, Buyer shall be entitled to receive a refund of the applicable Deposit and to recover its actual, out-of-pocket expenses or seek specific performance by Seller.

10. **Closing.** Buyer and Seller shall each deliver customary closing documents to Escrow at least one (1) business day prior to the Closing Date, which customary closing documents shall include, without limitation, the following: (i) grant deed; (ii) assignment and assumption agreement with regard to, intangible property, warranties and entitlements; (iii) bill of sale; and any other required documents to facilitate a transfer of ownership of the Property.

11. **Preparation of Purchase and Sale Agreement.** Promptly following Seller's acceptance of this offer, Seller shall cause its legal counsel to prepare a definitive, legally enforceable Purchase and Sale Agreement pursuant to which Buyer shall purchase the Property from Seller in accordance with the terms and conditions set forth in this Offer Letter. Buyer and Seller acknowledge that the foregoing terms and conditions are not exhaustive but shall serve as the basis for the preparation of the Purchase and Sale Agreement, which shall contain such further customary and market terms and conditions as agreed between the Parties.

12. **Exclusive Negotiation.** During the period commencing upon the full execution of this Offer Letter and expiring Sixty (60) days thereafter (the "**Exclusive Negotiation Period**"), Seller (i) shall take the Property off the market, (ii) shall not, with regard to the sale of all or any portion of the Property, execute or negotiate the terms of a letter of intent or purchase and sale agreement with any other potential buyer of the Property, and (iii) shall not, with regard to the sale of all or any portion of the Property, respond to any request for proposal or otherwise correspond, either orally or in writing, with any other potential buyer of the Property.

13. **Expiration.** The terms of this Letter of Intent will expire at 5:00 p.m. (Pacific time) on December 31, 2023, unless Buyer shall have received on or prior to such a time a copy of this Offer Letter duly executed by Seller.

14. **Governing Law.** This Offer Letter will be governed by the laws of the State of California. No amendment to this Offer Letter shall be effective unless in writing executed by each of Buyer and Seller.

15. **Non-Binding Nature of Offer Letter.** ***THIS OFFER LETTER DOES NOT CONSTITUTE A BINDING AGREEMENT BY ANY PARTY, BUT IS INTENDED TO SPECIFY SOME OF THE PROPOSED TERMS AND CONDITIONS OF THE PROPOSED TRANSACTION. NEITHER PARTY MAY CLAIM ANY LEGAL RIGHTS, NEITHER AGAINST THE OTHER BY REASON OF THE SIGNING OF THIS OFFER LETTER NOR***

BY TAKING ANY ACTION IN RELIANCE THEREON. EACH PARTY UNDERSTANDS THAT NO PARTY SHALL HAVE ANY LEGAL OBLIGATIONS TO THE OTHER, UNLESS AND UNTIL ALL OF THE TERMS AND CONDITIONS OF THE PROPOSED TRANSACTION HAVE BEEN NEGOTIATED AND AGREED BY ALL PARTIES IN AN EXECUTED PURCHASE AND SALE AGREEMENT. IN CONNECTION WITH THE FOREGOING, EACH OF BUYER AND SELLER ACKNOWLEDGE AND AGREE THAT (I) THIS OFFER LETTER SHALL NOT CONSTITUTE AN AGREEMENT TO NEGOTIATE, (II) THIS OFFER LETTER CONSTITUTES SOLELY AN OUTLINE OF THE TERMS OF NEGOTIATION, (III) THEY ARE PROCEEDING WITH NEGOTIATIONS RELATED TO THE PROPOSED TRANSACTION AT THEIR SOLE COST AND EXPENSE (WHICH MAY INVOLVE SUBSTANTIAL TRANSACTION COSTS), AND (IV) EITHER PARTY MAY TERMINATE NEGOTIATIONS FOR ANY REASON, AT ANY TIME (SUBJECT TO THE BINDING PROVISIONS EXPRESSLY SET FORTH IN THIS SECTION 17), WITHOUT ANY LIABILITY OR OBLIGATION WHATSOEVER.

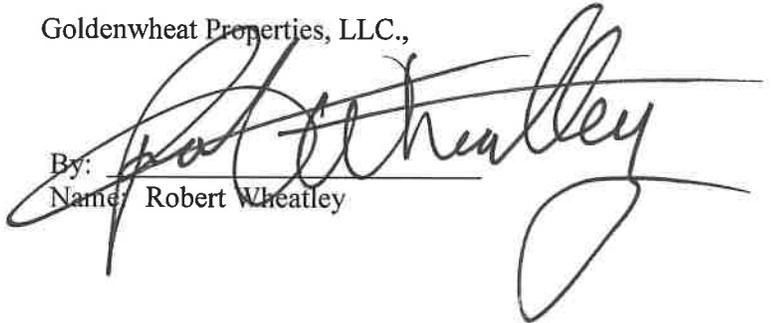
[Signature Page Follows]

We very much appreciate the opportunity to consider this investment and look forward to working towards the conclusion of a successful transaction.

Very truly yours,

"BUYER"

By: Goldenwheat Properties, LLC.,

By: 
Name: Robert Wheatley

AGREED AND ACCEPTED:

This ___ day of _____, 2023

"SELLER"

a _____

By: _____
Its: _____

Attachment 7

LH BORROWER, LLC

November 15, 2023

City of La Habra
c/o GM Properties
13305 Penn Street, Suite 200
Whittier, CA 90602
Attn: Tyler Portman, Ben Greer and Jason Jamison

Re: Proposal for Purchase of Approximately 2.8 Acre Parcel from City of La Habra

Gentlemen:

Per your request, we hereby submit a “Best and Final” offer from LH Borrower, LLC, as “Buyer”, to purchase the “Property” described below from the City of La Habra, as “Seller, on the following terms and conditions:

Property: An approximately 2.8 acre parcel located in the City of La Habra, County of Orange, State of California, APN 018-381-64.

Purchase Price: \$27,500.00, payable in immediately available funds at Closing.

Closing: 30 days from execution of binding purchase and sale agreement (the “PSA”) between Buyer and Seller, subject to Buyer’s right to extend the Closing for up to an additional 30 days upon written notice to Seller.

Brokers: Seller responsible for any fees payable to GM Properties as Seller’s broker.

Closing Costs: Closing costs to be allocated per custom for Orange County real estate.



1730 Kansas Street
Redwood City, CA 94061
650-400-9416

This offer shall expire if not accepted on November 22, 2023. If the above is acceptable to Seller, please have the Seller countersign this proposal in the space provided below and return the countersigned proposal to me.

Sincerely,

LH BORROWER, LLC

By: Eric Sahn
Eric Sahn, President

APPROVED BY SELLER:
CITY OF LA HABRA

By: _____

(Print Name and Title)

Southwest Group Properties

Commercial Real Estate Investment

Amir Houriani
Director
Mobile: 310-903-2606
Aihouriani@Gmail.com
714 S. Plymouth Blvd,
Los Angeles, CA 90005

Re: Letter of Interest to Purchase:
Commercial Land
La Habra, CA 92630

I have been authorized to submit to you the following Letter of Interest to Purchase.

Buyer would agree to the following terms:

1. **Buyer:** Southwest Group Properties, LLC
2. **Property:** Commercial surface-grade parking lot identified as approximately 2.80 acres (APN: 018-381-64).
3. **Purchase Price:** \$25,000
4. **Deposit:** \$5,000 (the "Earnest Money")
5. **Opening of Escrow:** Opening of Escrow will be the day upon which the Escrow Company notifies the parties that it has received executed copies or counterpart copies of the Purchase and Sale Agreement and joint escrow instructions.
6. **Escrow, Title and Closing Costs:** Escrow shall be Wilshire Escrow and Title Company shall be handled by First American Title Company. Seller shall be responsible, at its sole cost and expense, to provide Buyer a Standard Coverage Preliminary Title Report Policy for the property. Buyer would be responsible for the costs associated with an ALTA extended coverage and all endorsements should it choose to obtain one. All other fees shall be split equally between the Buyer and Seller.
7. **Close of Escrow:** Escrow shall close within **10 days** following the expiration of the Due Diligence Contingency Period.
8. **Due Diligence Contingency Period:** Buyer shall have a total of **30 days** from Opening of Escrow to conduct its due diligence on the Property and satisfy itself, in its sole discretion, to proceed with the acquisition of the Property (the "Due Diligence Contingency Period"). Seller shall provide all reasonable and readily accessible property related documentation in Seller's possession, but Buyer shall be responsible for its own due diligence.

In the event the above contingency is not satisfied or waived by Buyer within the time limit specified, Buyer may, at its sole discretion, terminate the Escrow. If Buyer elects to terminate Escrow the Earnest Money deposit shall be returned promptly to Buyer with accrued interest, if any.
9. **Environmental:** Buyer to perform Phase 1 study.

- 10. Seller's Data:** Seller will provide Buyer with all such reasonable and readily accessible property related documentation in Seller's possession ("Seller Data")
- 11. Buyer's Broker:** Vanessa Brown from Newmark
- 12. Non-Binding Offer:** This Letter of Interest to Purchase is non-binding and only a fully executed Purchase and Sale Agreement shall constitute a binding agreement between the parties.

Thank you and we look forward to your reply.

Sincerely,
Amir Houriani
Director

Agreed and Accepted:

BUYER: Southwest Group Properties, LLC

Signature: *Amir Houriani*

Print Name: Amir Houriani

Title: Director

Date: 11/7/2023

SELLER:

Signature: _____

Print Name: _____

Title: _____

Date: _____



City of La Habra

COMMUNITY DEVELOPMENT

"A Caring Community"

110 E. La Habra Boulevard
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La Habra, CA 90633-0785
Office: (562) 383-4100
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Attachment 9

December 4, 2023

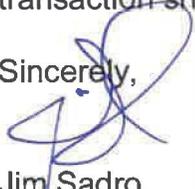
Jim Sadro
Executive Director
Successor Agency to the La Habra
Redevelopment Agency
110 E. La Habra Blvd.
La Habra, CA 90631

Re: Letter of Intent to Purchase the 2.8 Acre Parcel in La Habra (a portion of the La Habra Marketplace Parking Lot, APN 018-381-64)

To whom it may concern,

The City of La Habra (City) provides this Letter of Intent to purchase a 2.8-acre parcel in La Habra (commonly known as a portion of La Habra Marketplace Parking Lot, APN 018-381-64). The City is offering to purchase the property for \$57,500 and cover the expenses associated with the close of escrow currently estimated to be \$2,875 in broker's fees. Should the Successor Agency to the La Habra Redevelopment Agency (Successor Agency) accept the City's offer and should the Orange Countywide Oversight Board approve the purchase, in lieu of opening an escrow, the City is proposing to transfer title through the execution and recordation of a quitclaim deed. The City will transfer funds to the Successor Agency prior to the execution and recordation of the quitclaim deed. The estimated time to complete the transaction should take no longer than two weeks.

Sincerely,


Jim Sadro,
City Manager