

GARDEN GROVE SUCCESSOR AGENCY

RESOLUTION NO.

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT APPROVING THE TRANSFER OF CERTAIN REAL PROPERTY TO NEW AGE BROOKHURST, LLC IN ACCORDANCE WITH THE LONG RANGE PROPERTY MANAGEMENT PLAN AND DISSOLUTION LAW

WHEREAS, the Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency") is a public body corporate and politic, organized and operating under Parts 1.8 and 1.85 of Division 24 of the California Health and Safety Code, and the successor the former Garden Grove Agency for Community Development ("former Agency") that was previously a community redevelopment agency organized and existing pursuant to the Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.* ("CRL");

WHEREAS, Assembly Bill x1 26 ("AB x1 26") added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code and which laws were modified, in part, and determined constitutional by the California Supreme Court in the petition *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861 ("*Matosantos Decision*"), which laws and court opinion caused the dissolution of all redevelopment agencies and winding down of the affairs of former redevelopment agencies; thereafter, such laws were amended further by Assembly Bill 1484 ("AB 1484") (together AB x1 26, the *Matosantos Decision*, and AB 1484 are referred to as the "Dissolution Laws");

WHEREAS, as of February 1, 2012, the former Agency was dissolved pursuant to the Dissolution Laws and as a separate public entity, corporate and politic the Successor Agency administers the enforceable obligations of the former Agency and otherwise unwinds the former Agency's affairs, all subject to the review and approval by the seven-member oversight board ("Successor Agency");

WHEREAS, Health and Safety Code Section 34191.5(b) requires the Successor Agency to prepare a "long-range property management plan" (also referred to herein as the "LRPMP") addressing the future disposition and use of all real property of the former Agency no later than six months following the issuance to the Successor Agency of a finding of completion by the State Department of Finance ("DOF") pursuant to Health and Safety Code Section 34179.7;

WHEREAS, DOF issued a finding of completion to the Successor Agency on May 15, 2013;

WHEREAS, the Successor Agency prepared an LRPMP and the LRPMP prepared by the Successor Agency was approved by the Successor Agency and the DOF;

WHEREAS, the approved LRPMP designates the subject real property (identified in lines 8 through 20 on the matrix attached to the LRPMP) (the "Property," composed of "Phase I Property" and "Phase II Property") as property to be conveyed

to New Age Brookhurst, LLC in accordance with the Disposition and Development Agreement by and between the former Agency and New Age Brookhurst, LLC ("New Age"), as successor in interest to Palm Court Lodging, LLC, dated June 26, 2001, (the "DDA") and in accordance with LRPMP;

WHEREAS, the Phase I Property was conveyed to New Age in accordance with the DDA and the LRPMP;

WHEREAS, the DDA provides that the Phase II Purchase Price (defined in the DDA) shall be \$24,400,000; provided that Section 510 of the DDA allowed New Age to elect (and New Age has elected) to increase the number of Affordable Rental Units from 60 to 120, in which case the DDA requires the Successor Agency to pay to New Age \$6,400,000 at the closing of the Phase II Property from its Housing Set Aside Fund (defined in the DDA);

WHEREAS, all cash balances in the Housing Set Aside Fund were distributed to the affected taxing entities upon dissolution of the former Agency;

WHEREAS, the Successor Agency will transfer the Phase II Property to New Age; and

WHEREAS, the conveyance of the Phase II Property to New Age complies with the Community Redevelopment Law, Dissolution Law and the LRPMP.

NOW, THEREFORE, BE IT RESOLVED BY THE SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT:

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

Section 2. The Successor Agency hereby finds that a credit against the Phase II Purchase Price of \$6,400,000 has the same economic effect on the taxing entities as if the Successor Agency had retained such Housing Set Aside Funds and paid the same to New Age Brookhurst, LLC at the closing of the Phase II Property.

Section 3. The Successor Agency hereby approves and authorizes the conveyance of the Phase II Property in accordance with the approved LRPMP and the DDA at a purchase price of \$18,000,000, being the Phase II Purchase Price of \$24,400,000 less the \$6,400,000 payment to the Developer required by Section 510 of the DDA.

Section 4. The Director of the Successor Agency shall sign the passage and adoption of this Resolution and thereupon the same shall take effect and be in force.

Section 5. The Successor Agency Director is hereby directed to transmit this Resolution to State Department of Finance.