



## AGENDA

Garden Grove Housing Authority

Tuesday,  
December 17, 2019

6:30 PM

SPECIAL MEETING - Community  
Meeting Center, 11300 Stanford Avenue,  
Garden Grove, CA 92840

**Patrick Phat Bui**  
Chair

**Kim B. Nguyen**  
Vice Chair

**Carol Beckles**  
Commissioner

**George S. Brietigam**  
Commissioner

**Steven R. Jones**  
Commissioner

**Stephanie  
Klopfenstein**  
Commissioner

**Diedre Thu-Ha  
Nguyen**

Commissioner

**John R. O'Neill**  
Commissioner

**Stephen Solorio**  
Commissioner

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**Meeting Assistance:** Any person requiring auxiliary aids and services, due to a disability, to address the Housing Authority, should contact the City Clerk's Office 72 hours prior to the meeting to arrange for accommodations. Phone: 714) 741-5040.

**Agenda Item Descriptions:** Are intended to give a brief, general description of the item. The Housing Authority may take legislative action deemed appropriate with respect to the item and is not limited to the recommended action indicated in staff reports or the agenda.

**Documents/Writings:** Any revised or additional documents/writings related to an item on the agenda distributed to all or a majority of the Commissioners within 72 hours of a meeting, are made available for public inspection at the same time (1) in the City Clerk's Office at 11222 Acacia Parkway, Garden Grove, CA 92840, during normal business hours; (2) on the City's website as an attachment to the Housing Authority meeting agenda; and (3) at the Council Chamber at the time of the meeting.

**Public Comments:** Members of the public desiring to address the Housing Authority are requested to complete a **pink speaker card** indicating their name and address, and identifying the subject matter they wish to address. This card should be given to the City Clerk prior to the start of the meeting. General comments are made during "Oral Communications," and should be limited to matters under consideration and/or what the Housing Authority has jurisdiction over. Persons wishing to address the Housing Authority regarding a Public Hearing matter will be called to the podium at the time the matter is being considered.

**Manner of Addressing the Housing Authority:** After being called by the Chair, you may approach the podium, it is requested that you state your name for the record, and proceed to address the Housing Authority. All remarks and questions should be addressed to the Housing Authority as a whole and not to individual Commissioners or staff members. Any person making impertinent, slanderous, or profane remarks or who becomes boisterous while addressing the Housing Authority shall be called to order by the Chair. If such conduct continues, the Chair may order the person barred from addressing the Housing Authority any further during that meeting.

**Time Limitation:** Speakers must limit remarks for a total of (5) five minutes. When any group of persons wishes to address the Housing Authority on the same subject matter, the Chair may request a spokesperson be chosen to represent the group, so as to avoid unnecessary repetition. At the Housing Authority's discretion, a limit on the total amount of time for public comments during Oral Communications and/or a further limit on the time allotted to each speaker during Oral Communications may be set.

***PLEASE SILENCE YOUR CELL PHONES DURING THE MEETING.***

## AGENDA

### Open Session

6:30 PM

ROLL CALL: COMMISSIONER BECKLES, COMMISSIONER BRIETIGAM, COMMISSIONER JONES, COMMISSIONER KLOPFENSTEIN, COMMISSIONER D. NGUYEN, COMMISSIONER O'NEILL, COMMISSIONER SOLORIO, VICE CHAIR K. NGUYEN, CHAIR BUI

1. ORAL COMMUNICATIONS
2. CONSENT ITEMS

*(Consent Items will be acted on simultaneously with one motion unless separate discussion and/or action is requested by a Housing Authority Commissioner.)*

- 2.a. Receive and file the Housing Authority Annual Report as Housing Authority and as Housing Successor for Fiscal Year 2018-19. *(Joint Action Item with the City Council.)*

3. PUBLIC HEARINGS

*(Motion to approve will include adoption of each Resolution unless otherwise stated.)*

- 3.a. Adoption of a Resolution to approve an Exchange, Disposition and Cooperation Agreement between the Garden Grove Housing Authority and the City of Garden Grove. *(Joint Action with the Garden Grove City Council.)*

4. MATTERS FROM CHAIR, COMMISSIONERS AND DIRECTOR

5. ADJOURNMENT

The next Regular Housing Authority Meeting will be held on Tuesday, January 28, 2020, at 5:30 p.m., in the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California.

**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

To:	Scott C Stiles	From:	Lisa L Kim
Dept.:	Director/City Manager	Dept.:	Community and Economic Development
Subject:	Receive and file the Housing Authority Annual Report as Housing Authority and as Housing Successor for Fiscal Year 2018-19. <i>(Joint Action Item with the City Council.)</i>		
		Date:	12/17/2019

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**OBJECTIVE**

To provide the City Council and Housing Authority Commissioners the Housing Authority Report as Housing Authority and Housing Successor for Fiscal Year 2018-19.

**BACKGROUND**

In 2012, upon the dissolution of redevelopment agencies, the Garden Grove Housing Authority assumed the housing assets and functions of the former Garden Grove Agency for Community Development ("Former Agency"). As a result, the Housing Authority as Housing Successor ("Housing Successor") is responsible for housing monitoring, administration, and certain housing production requirements.

In 2014, the Governor signed into law SB 341 requiring Housing Successors to conduct an annual report of their housing activities associated with the assumed assets and functions of the Former Agency.

**DISCUSSION**

The required report is attached and includes all of the sections required by the statute. Additionally, the submission of this report satisfies the requirement that this information be provided to the City Council and Housing Authority as Housing Successor prior to December 31, 2019.

**FINANCIAL IMPACT**

None.

**RECOMMENDATION**

It is recommended that the City Council and Housing Authority Commissioners:

- Receive and file the Housing Authority Annual Report as Housing Authority and Housing Successor for Fiscal Year 2018-2019.

**ATTACHMENTS:**

<b>Description</b>	<b>Upload Date</b>	<b>Type</b>	<b>File Name</b>
FY 18-19 Housing Authority Annual Report	12/9/2019	Exhibit	GG_FY_2018- 19_Housing_Successor_and_Housing_Authority_Annual_Report_4845- 4402-2190_v.4.pdf

**GARDEN GROVE HOUSING AUTHORITY ANNUAL REPORT  
AS HOUSING AUTHORITY AND AS HOUSING SUCCESSOR  
FOR FISCAL YEAR 2018-2019 UNDER CALIFORNIA  
HEALTH AND SAFETY CODE SECTIONS 34176.1 AND 34328**

This Annual Report of the Garden Grove Housing Authority (Housing Authority) is prepared under the California Health and Safety Code (HSC), Division 24, Parts 1.8 and 1.85 (Dissolution Law), in particular Section 34176.1 as the housing successor, and under the California Housing Authorities Law, HSC Section 34200, *et seq.* (HAL), in particular Section 34328 as a housing authority (together, Report). The Dissolution Law and HAL respectively require preparation of an annual report on the housing successor and the housing authority's activities for the prior fiscal year. This Report details the Housing Authority's activities during Fiscal Year (FY) 2018-2019 and is intended to satisfy the requirements under both HSC Sections 34176.1 and 34328. More specifically, this Report details the Housing Authority's activities for FY 2018-2019, including the information required about the Low and Moderate Income Housing Asset Fund (LMIHAF) and other information under Section 34176.1(f). A copy of the Report, in this draft form, has been provided to the City Council, as governing body, and to the Housing Authority by December 31, 2019 under 34176.1(f), and upon their joint review and action to file the Report after the CAFR is completed and the open meeting on December 17 or in January 2020, this Report will be posted on the City's website at <https://ggcity.org/> and thereafter appended to the City's annual update report prepared under Section 65400 of the Government Code.

This Report includes information prepared by City staff on behalf of the Housing Authority and data from the independent financial audit of the LMIHAF Financial Report for FY 2018-2019 that is a part of the City of Garden Grove's (City) Comprehensive Annual Financial Report (CAFR) prepared by Davis Farr LLP, which audit is separate from this Report and attached as Exhibit B hereto; further, this Report conforms with and is organized into sections I. through XIV., inclusive, under HSC Section 34176.1(f) of the Dissolution Law and Section 34328 of the HAL.

- I. Amounts Received and Deposited Under 34191.4(b)(3)(A).** This section provides the total amount of funds paid to the City and the amount deposited into the LMIHAF allocable to 20% of the repayments on the reinstated City/Agency loan(s), if any, per Section 34191.4.
- II. Amount Deposited into LMIHAF.** This section provides the total amount of funds deposited into the LMIHAF in FY 18-19 and itemized by amounts deposited in FY 18-19 for items listed on Recognized Obligation Payment Schedule (ROPS), amounts allocable to Section 34191.4 deposits, and other amounts deposited into the LMIHAF.
- III. Ending Balance of LMIHAF.** This section provides a statement of the balance in the LMIHAF as of the close of FY 18-19. Any amounts deposited for items listed on the ROPS, and amounts allocable to Section 34191.4 deposits, must be distinguished from the other amounts deposited.
- IV. Description of Expenditures from LMIHAF.** This section provides a description of expenditures made from the LMIHAF during FY 18-19. The expenditures are to be categorized among (A) administration for monitoring, preserving covenanted housing units, (B) homeless prevention and rapid rehousing services and (C) development of housing.

- V. Statutory Value of Assets Owned by Housing Successor.** This section provides the statutory value of real property owned by the Housing Successor, the value of loans and grants receivables, and the sum of these two amounts.
- VI. Description of Transfers.** This section describes transfers, if any, to another housing successor made in previous fiscal year(s), including whether the funds are unencumbered and the status of projects, if any, for which the transferred LMIHAF will be used. The sole purpose of the transfers must be for development of transit priority projects, permanent supportive housing, housing for agricultural employees or special needs housing.
- VII. Project Descriptions.** This section describes any project for which the Housing Successor receives or holds property tax revenue under the ROPS and the status of that project.
- VIII. Status of Compliance with Section 33334.16.** As and if applicable, this section provides a status update on compliance with Section 33334.16 for interests in real property acquired by the former redevelopment agency prior to February 1, 2012. For interests in real property acquired on or after February 1, 2012, provide a status update on the project.
- IX. Description of Outstanding Obligations under Section 33413.** This section describes outstanding inclusionary and replacement housing obligations, if any, under Section 33413 that remained outstanding prior to dissolution of the former redevelopment agency as of February 1, 2012, along with the Housing Successor's progress in meeting those prior obligations, if any, of the former redevelopment agency and how the Housing Successor's plans to meet unmet obligations, if any.
- X. Income Test.** This section provides information required by Section 34176.1(a)(3)(B), or a description of expenditures by income category and restriction for the applicable five-year period, with the time period beginning January 1, 2014 and whether the statutory thresholds have been met. However, reporting of the Income Test is not required until 2019.
- XI. Senior Housing Test.** This section provides the percentage of deed-restricted rental housing units restricted to seniors and assisted individually or jointly by the Housing Successor, its former redevelopment agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the Housing Successor, its former redevelopment agency and its host jurisdiction within the same 10-year time period.
- XII. Excess Surplus Test:** This section provides the amount of excess surplus in the LMIHAF, if any, and the length of time that the Housing Successor has had excess surplus, and the Housing Successor's plan for eliminating the excess surplus.
- XIII. Inventory of Homeownership Units:** This section provides a summary of covenanted homeownership units assisted by the former redevelopment agency or the housing successor that include equity sharing and repayment provisions, including: (A) number of units; (B) number of units lost to the portfolio in the last fiscal year and the reason for those losses, and (C) any funds returned to the housing successor due to losses or repayments.

**XIV. Additional Information:** Housing Authority's Activities for the Preceding Year FY 18-19 under HSC Section 34328.

This Report and the former Garden Grove Agency for Community Development's (Former Agency) pre-dissolution Implementation Plans are to be made available to the public on the City's website: <https://ggcity.org/econdev/redevelopment-agency-dissolution>.

**I. AMOUNT RECEIVED BY THE CITY PER HSC SECTION 34191.4**

No funds (\$0) were received during FY 18-19 by the City in repayment of reinstated City/Agency loans per Section 34191.4, therefore, there was no allocation/split as between the City and Housing Successor under Section 34191.4.

**II. AMOUNT DEPOSITED INTO LMIHAF**

A total of **\$210,646.59** was deposited into the LMIHAF during FY 18-19. This amount includes **\$154,090.19** in loan repayments, **\$48,230.08** in interest, and **\$7,500** in miscellaneous revenue.

*(A total of \$34,186.14 was funded through the ROPS 18-19 process and held for items listed on ROPS 18-19 that was attributable to professional services, including legal services, provided during the fiscal period of July 1, 2018 to June 30, 2019. Line Item 55 on ROPS 18-19 was funded and then expended related to continued implementation of the Limon Judgments [term defined below in Section IX].)*

**III. ENDING BALANCE OF LMIHAF**

At the close of FY 18-19, the ending balance in the LMIHAF was **\$597,475** as reported in the LMIHAF audit that is part of the 2018-19 CAFR. It is noted that for ROPS 19-20, as amended, Line item 55, includes funds held for items listed and approved by DOF for ROPS 19-20, related to implementation of the *Limon* Judgments (See Section IX herein.)

**IV. DESCRIPTION OF EXPENDITURES FROM LMIHAF**

Below is a table describing expenditures from the LMIHAF:

Description	Fiscal Year 18-19
Monitoring & Administration Expenditures (2018-19 CAFR)	\$151,529
Homeless Prevention and Rapid Rehousing Services Expenditures	\$0
Housing Development Expenditures	\$0
➤ Expenditures on Low Income Units	
➤ Expenditures on Very-Low Income Units	
➤ Expenditures on Extremely-Low Income Units	
➤ Total Housing Development Expenditures	
<b>Total LMIHAF Expenditures in Fiscal Year</b>	<b>\$151,529</b>

The administrative expenditures total less than five percent (<5%) of the statutory value of real property owned by the Housing Successor and of loans and grants receivable held by the Housing Successor.



## **V. STATUTORY VALUE OF HOUSING ASSETS OWNED BY HOUSING SUCCESSOR IN LMIHAF**

Under the Dissolution Law and for purposes of this Report, the “statutory value of real property” means the value of properties formerly held by the former redevelopment agency as listed on the housing asset transfer schedule (HAT) approved by the Department of Finance (DOF) as listed in HAT under Section 34176(a)(2), the value of the properties transferred to the Housing Successor pursuant to Section 34181(f), and the purchase price of property(ies) purchased by the Housing Successor. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHAF.

The following provides the statutory value of assets owned by the Housing Successor (2018-19 CAFR).

Description	Ending Balance
<b>Statutory Value of Real Property Owned by Housing Authority</b>	\$2,995,594
<b>Value of Loans and Grants Receivable*</b>	\$18,931,137
<b>Total Value of Housing Successor Assets</b>	<b>\$21,926,731</b>

*\*This balance includes SERAF and ERAF loans totaling \$13,254,260 (which changed from the prior fiscal year, based on the State of California, Department of Finance’s (DOF) determination of allowable notes receivable balances). The total value of loans and grants receivable is gross of any allowance.*

## **VI. DESCRIPTION OF TRANSFERS**

The Housing Successor did not make any LMIHAF transfers to other housing successor(s) under Section 34176.1(c)(2) during FY 18-19.

## **VII. PROJECT DESCRIPTIONS**

Except as to the \$34,186.14 funded via ROPS 18-19, Line Item 55, related to continued implementation of the DOF-approved enforceable obligations referred to as the *Limon* Judgments (see Sections II and IX), the Housing Successor did not receive or hold property tax revenue pursuant to the ROPS process.

## **VIII. STATUS OF COMPLIANCE WITH SECTION 33334.16**

Section 34176.1 provides that Section 33334.16 does not apply to interests in real property acquired by the Housing Successor on or after February 1, 2012; nevertheless, this Report presents a status update on the status of real property, if and as applicable.

With respect to interests in real property acquired by the former redevelopment agency *prior* to February 1, 2012, the time periods described in Section 33334.16 shall be deemed to have commenced on the date that the Department of Finance approved the property as a housing asset in the LMIHAF; thus, as to real property acquired by the former redevelopment agency now held by the Housing Successor in the LMIHAF, the Housing Successor must initiate activities consistent with the development of the real property for the purpose for which it was acquired within five years of the date the DOF approved such property as a housing asset on the HAT.

The following table provides a status update on the real property or properties housing asset(s) that were acquired prior to February 1, 2012 and compliance with five-year period that commenced on August 30, 2012, the date of the letter issued by DOF approving the these properties as housing assets on the HAT:

<b>Address of Property</b>	<b>Date of Acquisition</b>	<b>Deadline to Initiate Development Activity</b>	<b>Status of Housing Successor Activity</b>
12892-12942 Grove St 10936 Acacia Pkwy, no site address for APNs 089-213-02, 29, 31,32	03/11/2011	04/29/2017	Vacant; public parking lot. Housing Authority (both as housing successor and housing authority) and City are scheduled to hold a public hearing on December 17, 2019 (after the date of preparation of this Report) to consider the exchange of this property with another property owned by the City, so that the City's exchange property may be planned for affordable housing purposes.
12291 Thackery Dr.	01/10/2008	04/29/2017	No status at this time [vacant].
12602 Keel Ave.	04/25/1989	n/a	This property is subject to an Affordable Housing Agreement with long-term ground lease, sublease and sub-sublease dated as of 6/25/1990 with Orange County Community Housing Corporation as ground lessee and ground sublessor, Shelter for the Homeless (now American Family Housing as sublessee and ground sub-sublessor), and Thomas House as sub-sublessee, and is encumbered with recorded affordable housing covenants (HAT).

[Report continues on next page]

The following table provides a status update on the project(s) for property(ies), if any, that have been acquired by the Housing Successor using LMIHAF since dissolution on or after February 1, 2012:

Address of Property	Date of Acquisition	Deadline to Initiate Development Activity	Status of Housing Successor Activity
The Housing Successor did not acquire property on or after February 1, 2012.			

## IX. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO HSC SECTION 33413

**Replacement Housing:** Whatever unmet obligation that existed according to the 2010-2014 Implementation Plan for Former Agency, if any, this obligation has been superseded and is being met pursuant to that certain *Stipulation to Substitute Party and for Entry of Interlocutory Judgment* approved by the Superior Court, County of Orange, State of California in the action *Marina Limon, et. al., v. Garden Grove Agency for Community Development*, Orange County Superior Court Case No. 30-2009-00291597 (Original *Limon* Judgment), attached as Exhibit A. There were two lawsuits related to this matter, which resulted in judgments that are both enforceable obligations under the Dissolution Law: (i) a lawsuit filed against the former redevelopment agency pre-dissolution that resulted in the Original *Limon* Judgment), and (2) a second lawsuit filed post-dissolution by the Plaintiffs in the original *Limon* action entitled *Marina Limon, et al v. State of California, et al.*, Sacramento Superior Court Case Number: 34-2014-80001994 (Writ Order to DOF), which together are referred to as the “*Limon* Judgments”. In implementation of the *Limon* Judgments, the Successor Agency to the Garden Grove Agency for Community Development (Successor Agency) in cooperation with the Housing Authority and the City have entered into, caused construction through completion, and continue to implement the 38 units of replacement housing required under the *Limon* Judgment through a series of subsidies, contracts and implementing instruments for: (i) Wesley Village a 47-unit, new construction senior and family affordable housing project and (ii) Sycamore Court, a 78-unit substantial rehabilitation multi-family project, both of which have recorded regulatory agreements with 55-year affordability covenants for tenancy and occupancy by qualified very low and low income households. During FY 17-18 and FY 18-19, the Successor Agency, as well as the City and Housing Authority, have provided documentation and supplemental documentation to the plaintiffs’ counsels in the *Limon* Judgment, but to date plaintiffs’ counsel for unstated reasons have refused to cause the filing in the Superior Court of a full satisfaction of judgment affirming complete satisfaction of the Original *Limon* Judgment. Further, in compliance with the *Limon* Judgments, the plaintiffs and all former residents/tenants at the RV Park were part of the outreach about the availability of the *Limon* Replacement Units for tenancy at the time of initial occupancy of both projects upon completion and issuance of certificates of occupancy. Legal counsel to Garden Grove continues to seek filing of that satisfaction of judgment presently, albeit financial issues exist related to the Wesley Village project that will necessitate restructuring of the existing loans and additional loans by the Housing Authority to ensure that the Limon Replacement Housing Units at Wesley Village remain in operation long-term in implementation of the Original *Limon* Judgment. The Successor Agency’s annual ROPS, in particular item 55, includes funding related to implementation of the *Limon* Judgments, including ROPS 18-19, current ROPS 19-20, and

prospective ROPS 20-21, all to ensure that the *Limon* Replacement Housing Units at Wesley Village (and Sycamore Court) remain in operation long-term in implementation of the Original *Limon* Judgment.

**Inclusionary/Production Housing:** Whatever unmet obligation that existed according to the 2010-2014 Implementation Plan for the Former Agency, if any, this obligation has been superseded and has been met in full by performance under the Original *Limon* Judgment (Exhibit A).

The Original *Limon* Judgment and the Former Agency's Implementation Plans are posted on the City's website at: <https://ggcity.org/econdev/redevelopment-agency-dissolution>.

## **X. EXTREMELY-LOW INCOME TEST**

HSC Section 34176.1(a)(3)(A) requires that the Housing Successor must require at least 30% of the funds in the LMIHAF to be expended for development of rental housing affordable to and occupied by households earning 30% or less of the AMI. Under HSC Section 34176.1(a)(3)(B), if the Housing Successor fails to comply with the Extremely Low Income requirement in any five-year report, then the Housing Successor must ensure that at least 50% of the funds remaining in the LMIHAF be expended in each fiscal year following the latest fiscal year following the report on households earning 30% or less of the AMI until the Housing Successor demonstrates compliance with the Extremely-Low Income requirement. The 2014–2019 period is the first of the five-year periods added by Section 34176.1.

<b>Extremely-Low Income Test</b>	<b>07/01/2014 – 6/30/2019</b>
<b>The Housing Successor did not expend LMIHAF on development of housing during the five-year reporting period of 2014-2019.</b>	

## **XI. SENIOR HOUSING TEST**

The Housing Successor is to calculate the percentage of units of deed-restricted rental housing restricted to seniors and assisted by the Housing Successor, the former redevelopment agency and/or the City within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted by the Housing Successor, the former redevelopment agency and/or City within the same time period. If this percentage exceeds 50%, then the Housing Successor cannot expend future funds in the LMIHAF to assist additional senior housing units until the Housing Successor or City assists and construction has commenced on a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units. The table below provides information regarding the Housing Successor's Senior Housing Test for the 10-year period of July 1, 2009 through June 30, 2019:

<b>Senior Housing Test</b>	<b>07/01/2009 – 6/30/2019</b>
<b># of Assisted Senior Rental Units (in the Wesley Village project 16 of the 47 units are senior units, and 30 are family units, with one manager's unit)</b>	16
<b># of Total Assisted Rental Units</b>	497
<b>Senior Housing Percentage</b>	3%

## **XII. EXCESS SURPLUS TEST**

Excess Surplus is defined in Section 34176.1(d) as an unencumbered amount in the account that exceeds the greater of one million dollars (\$1,000,000) or the aggregate amount deposited into the account during the Housing Successor's preceding four Fiscal Years (\$1,259,807), whichever is greater. The following provides the Excess Surplus test for the preceding Fiscal Years of the Housing Successor:

	<b>FY 2014/15</b>	<b>FY 2015/16</b>	<b>FY 2016/17</b>	<b>FY 2017/18</b>	<b>FY 2018/19</b>
<b>Beginning Balance</b>	<b>\$252,996</b>	<b>\$314,555</b>	<b>\$459,145</b>	<b>\$704,604</b>	<b>\$730,829</b>
Add: Deposits	\$135,552	\$222,078	\$500,105	\$402,072	\$210,647
<b>(Less) Expenditures</b>	<b>(\$73,992)</b>	<b>(\$77,488)</b>	<b>(\$254,646)</b>	<b>(\$375,847)</b>	<b>(\$344,001)</b>
<b>Ending Balance</b>	<b>\$314,555</b>	<b>\$459,145</b>	<b>\$704,604</b>	<b>\$730,829</b>	<b>\$597,475</b>

The Low and Moderate Income Housing Asset Fund does not have an Excess Surplus.

## **XIII. INVENTORY OF HOMEOWNERSHIP UNITS**

This section provides an inventory of homeownership units assisted by the Former Agency or the Garden Grove Housing Authority, as Housing Successor, that are subject to covenants or restrictions or to an adopted program that protects the Former Agency's investment of moneys from the former Low and Moderate Income Housing Fund (LMIHF) per HSC Section 33334.3(f). This inventory includes:

### **A. Total units assisted by the Former Agency.**

1. The total number of homeownership units assisted by the former Agency: **55 units**

<b>Address</b>	<b># of Units</b>
13741 Clinton #76, Garden Grove, CA	1 Unit
10302 Malinda, Garden Grove, CA	1 Unit
12191 Stanford, Garden Grove, CA	1 Unit
12661 James, Garden Grove, CA	1 Unit
11761 Samuel, Garden Grove, CA	1 Unit
5742 Ludlow, Garden Grove, CA	1 Unit
13180 Ferndale, Garden Grove, CA	1 Unit
8861 Calico, Garden Grove, CA	1 Unit
8183 Larson #D, Garden Grove, CA	1 Unit
12631 Woodland, Garden Grove, CA	1 Unit
10119 Andy Reese, Garden Grove, CA	1 Unit
12582 Spinnaker, Garden Grove, CA	1 Unit
12372 Elmwood, Garden Grove, CA	1 Unit
9852 Orangewood, Garden Grove, CA	1 Unit
1360 River Drive, Norco, CA	1 Unit

9611 Blanche, Garden Grove, CA	1 Unit
13421 Mickey, Garden Grove, CA	1 Unit
6732 Laurelton, Garden Grove, CA	1 Unit
10592 McKeen, Garden Grove, CA	1 Unit
14402 Ward, Garden Grove, CA	1 Unit
11682 MacDuff, Garden Grove, CA	1 Unit
6652 Belgrave, Garden Grove, CA	1 Unit
6662 Park, Garden Grove, CA	1 Unit
5452 Richmond, Garden Grove, CA	1 Unit
13096 Blackbird, Garden Grove, CA	1 Unit
11531 Faye, Garden Grove, CA	1 Unit
13582 Hope, Garden Grove, CA	1 Unit
11450 Brookhurst, Garden Grove, CA	1 Unit
13651 Havenwood, Garden Grove, CA	1 Unit
11291 Garden, Garden Grove, CA	1 Unit
Note: The following homeownership units were identified in further review of Garden Grove files, but had not been located or identified during preparation of the HAT in July 2012 that was submitted to and approved by the DOF or listed in the initial report prepared under HSC Section 34176.1(f)(13) relating to homeownership units assisted by the Former Agency, but are listed in this Report as each is an ownership unit assisted by the Former Agency prior to dissolution. Several of these loans have been paid off or the covenants expired, so are also listed in the tables that follow.	
11861 Winton St., Garden Grove, CA	1 Unit
12741-12831 Arbor Ct. & 12752-12852 Arbor Ct., Garden Grove, CA	17 Units
13143 Michael Monsoor Ct., Garden Grove, CA	1 Unit
10852 Sonoma Ln., Garden Grove, CA	1 Unit
13100 Mendocino Ln., Garden Grove, CA	1 Unit
10803 Sonoma Ln., Garden Grove, CA	1 Unit
10811 Sonoma Ln., Garden Grove, CA	1 Unit
10853 Sonoma Ln., Garden Grove, CA	1 Unit
10831 Sonoma Ln., Garden Grove, CA	1 Unit
<b>Total</b>	<b>55 Units</b>

## B. Summary of Lost Units.

1. The total number of homeownership units lost to the Housing Successor's portfolio between February 1, 2012 up to June 30, 2019, along with the reason or reasons for those losses: **28 units**

FY	Property Address	Units	Loss Date	Reason for Loss
11-12	11861 Winton St.	1	3/27/2012	Loan Repaid
13-14	9852 Orangewood Ave.	1	11/12/2013	Loan Repaid
14-15	12741-12831 & 12752-12852 Arbor Ct.	17	2014	Covenants Expired
14-15	10831 Sonoma Lane	1	5/8/2015	Loan Repaid
12-13	13741 Clinton #76	1	5/6/2013	Loan Repaid

17-18	10119 Andy Reese	1	9/18/2017	Loan Repaid
14-15	6732 Laurelton	1	3/17/2015	Loan Repaid
14-15	10592 McKeen	1	8/28/2014	Loan Repaid
15-16	6652 Belgrave	1	11/12/2015	Loan Repaid
13-14	11450 Brookhurst	1	3/31/2014	Loan Repaid
12-13	13651 Havenwood	1	6/18/2013	Loan Repaid
14-15	11291 Garden	1	8/11/2014	Loan Repaid

2. Total losses during FY 2018-19 (7/1/18 to 6/30/19): **0 units**

FY	Property Address	Units	Loss Date	Reason for Loss
<b>The Housing Successor had no losses from the homeownership portfolio in FY 18-19</b>				

3. Funds returned to the Housing Successor as part of an adopted program that protects the Former Agency's investment of moneys from the LMIHF. This includes repayments of all Single Family Rehab and First Time Homebuyer loans including principal, interest, and equity sharing payments from February 1, 2012 to June 30, 2019. There were cumulative repayments since dissolution of **\$103,907.54** and repayments during FY 18-19 of **\$7,233.19**.

C. State whether the Housing Successor has contracted with any outside entity for the management of the units and, if so, the identity of the entity.

1. The City's Neighborhood Improvement Division administered a majority of the Former Agency's Single Family Rehabilitation Program and First Time Homebuyer Program. The Neighborhood Improvement Division does have an existing agreement with Amerinational Community Services, Inc., a Minnesota corporation (dba AmeriNat), relating to certain, but not all, aspects of administration of the Former Agency's Single Family Rehabilitation loans and First Time Homebuyer loans that provided second lien mortgages for homeownership units. These consulting services include assistance with oversight and administration of amortized loan payments, if any, due; with tracking and calculation of loan balances in the event of payoff; and, other administrative activities for these outstanding Single Family Rehab and First Time Homebuyer loans. Additionally, the City has contracted with AIM Asset Property Management for property management services.

#### **XIV. ADDITIONAL INFORMATION ABOUT GARDEN GROVE HOUSING AUTHORITY'S ACTIVITIES FOR THE PRECEDING YEAR FY 18-19 PER HSC SECTION 34328**

The Housing Authority, as a housing authority, provides rental assistance to up to 2,337 tenant households per month through federal Section 8 housing choice portable vouchers. The lease-up rate by month for FY 2018-19 was as follows:

Month	# of Units Leased
July 2018	2212
August 2018	2214
September 2018	2213
October 2018	2209
November 2018	2209
December 2018	2217



January 2019	2222
February 2019	2214
March 2019	2216
April 2019	2223
May 2019	2216
June 2019	2218

Additionally, the Housing Authority administers a Tenant Based Rental Assistance (TBRA) Program through the City's Neighborhood Improvement Division funded with HOME Investment Partnership Program (HOME) funds from the Department of Housing and Urban Development. During FY 2018-19, the Housing Authority administered TBRA to one household.

During FY 2018-19, there were no terminations of Section 8 portable vouchers for victims of domestic violence.



**EXHIBIT A**

**Original *Limon* Judgment**

*Limón, et al. v. Garden Grove Agency for Community Development*

Case No. 30-2009-00291597

Stipulation to Substitute Party and for Entry of Interlocutory Judgment  
(attached)

**FILED**  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE  
CIVIL COMPLEX LITIGATION CENTER

**JUN 10 2014**

ALAN CARLSON, Clerk of the Court

*B. Zuanich*  
BY B. ZUANICH

ELECTRONICALLY RECEIVED  
Superior Court of California,  
County of Orange  
06/09/2014 at 10:06:50 AM  
Clerk of the Superior Court  
By Olga Lopez, Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF ORANGE

MARINA LIMON, *et al.*,

Plaintiffs and Petitioners,

v.

GARDEN GROVE AGENCY FOR  
COMMUNITY DEVELOPMENT, a municipal  
entity, *et al.*,

Defendants and Respondents.

GARDEN GROVE MXD, LLC, and  
MCWHINNEY REAL ESTATE SERVICES,  
and DOES 21 through 40,

Real Parties in Interest.

) Case No. 30-2009-00291597

) **JUDGMENT**

) Complaint Filed: August 10, 2009  
) Dept.: CX-102  
) Judge: Robert J. Moss

- 1 -

JUDGMENT

1 IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

2 Judgment is entered in favor of Plaintiff Maria Malta and against Defendants pursuant to  
3 the terms stated below.

4 1. As used herein, the term "Low Income Households" shall have the meaning set  
5 forth in Health and Safety Code section 50079.5.

6 2. As used herein, the term "Very Low Income Households" shall have the meaning  
7 set forth in Health and Safety Code section 50105.

8 3. As used herein, the term "Low Income Rent" shall be rent affordable to lower  
9 income households as set forth in Health and Safety Code section 50053(b)(3).

10 4. As used herein, the term "Very Low Income Rent" shall be rent affordable to very  
11 low income households as set forth in Health and Safety Code section 50053(b)(2).

12 5. Within the timeframe described in Paragraph 9, below, the Successor Agency or,  
13 at its discretion, the Housing Successor (hereinafter "Successors"), shall develop replacement  
14 housing. Pursuant to this paragraph funds held in the Low and Moderate Income Housing Asset  
15 Fund, as defined in Health and Safety Code section 34176, shall be available for development of  
16 the replacement housing pursuant to this Judgment. The Successors shall develop or cause to be  
17 developed twenty five (25) additional new construction dwelling units as replacement housing for  
18 the Travel Country Recreational Vehicle Park ("Park") to address Plaintiff Malta's claims for  
19 development of replacement housing pursuant to Health and Safety Code section 33413. No less  
20 than twelve (12) of the units developed pursuant to this paragraph shall be covenanted to be  
21 leased at Very Low Income Rent and restricted to occupancy by Very Low Income Households;  
22 the balance of thirteen (13) units shall be covenanted to be leased at Low Income Rent and  
23 restricted to occupancy by Low Income Households.

24 6. In addition to the dwelling units described in Paragraph 6, within the timeframe  
25 described in Paragraph 9, below Successors shall develop or cause to be developed thirteen (13)  
26 additional dwelling units, either as new construction or Substantial Rehabilitation (as defined  
27 below), as replacement housing for the Park to address Plaintiff Malta's claims for development  
28

- 2 -

of replacement housing pursuant to Health and Safety Code section 33413. No less than seven (7) of the units developed pursuant to this paragraph shall be covenanted to be leased at Very Low Income Rent and restricted to occupancy by Very Low Income Households; the balance of six (6) units shall be covenanted to be leased at Low Income Rent and restricted to occupancy by Low Income Households.

7. The Successors may reduce the number of dwelling units required to be developed pursuant to Paragraph 7 (but not Paragraph 6) by one dwelling unit for each dwelling unit offered to a household listed on Exhibit A hereto that is rejected by such household provided that a household's rejection of a unit under this section will not disqualify that household from eligibility under Paragraph 11. In order to reduce the unit count, (1) a displaced household must receive an offer of affordable replacement housing after a determination (provided to the displaced household in writing) by the operator of that housing that the displaced household is eligible for occupancy of the replacement housing with respect to all of its qualifications and restrictions, including but not limited to income, family size, rental history and credit score, (2) the offer of affordable housing must be either hand delivered to the displaced household as evidenced by a proof of personal service, or through regular and certified U.S. mail, and (3) the displaced household must be allowed ten (10) business days after receipt of the offer to accept or reject the offer.

8. The Successors shall develop, rehabilitate, construct or cause the development, rehabilitation or construction (as applicable) of the dwelling units described in Paragraphs 6 and 7 ("Replacement Units") within four years from entry of judgment in this case.

9. "Substantial Rehabilitation" shall have the same meaning as contained in Health and Safety Code section 33413.

10. In accordance with Health and Safety Code section 33411.3, all residents displaced by the Redevelopment Agency shall have priority in occupancy of the Replacement Units developed pursuant to this Judgment. Successors shall provide for such priority in any agreement

1 for development or administration of the Replacement Units, and shall maintain a list of eligible  
2 persons and families displaced by the Redevelopment Agency.

3 11. Pursuant to action of the California Legislature in Stats. 2012, Ch. 5 (Assembly  
4 Bill No. 26, 2011-2012 1st Ex. Sess.) (the "Dissolution Act"), effective June 29, 2011,  
5 redevelopment agencies throughout California began a dissolution process. The Dissolution Act  
6 provides that the city "that authorized the creation of each redevelopment agency" became the  
7 "successor agency" to that redevelopment agency, by operation of law, unless the designated  
8 successor entity elected not to serve as the successor agency. California Health and Safety Code  
9 sections 34173(a), (d). The Garden Grove City Council adopted resolutions electing to serve as  
10 the Successor Agency to the dissolved Redevelopment Agency pursuant to Health and Safety  
11 Code section 34173, and designating the Garden Grove Housing Authority as the Housing  
12 Successor pursuant to Health and Safety Code section 34176. City of Garden Grove Resolution  
13 Nos. 9072-11 (July 12, 2011) and 9089-12 (Jan 17, 2012). As prescribed by the Dissolution Act,  
14 the amounts the Successor Agency is obligated to pay pursuant to the terms of this Judgment shall  
15 be included as an enforceable obligation of the Successor Agency on each applicable Recognized  
16 Obligation Payment Schedule ("ROPS"), as defined in California Health and Safety Code section  
17 34171(h) and in accordance with Health and Safety Code section 34177(l), (m), and as set forth  
18 below.

19 12. The Successor Agency shall include in the ROPS due to be completed and  
20 approved by the oversight board of the Successor Agency no later than October 3, 2015 (ROPS  
21 2015-16B), amounts for Replacement Units that will be expended during the January 1, 2016  
22 through June 30, 2016 period. The amounts to be expended during this ROPS 2015-16B period  
23 shall be appropriate to complete development of the Replacement Units for occupancy within  
24 four years from entry of the Judgment.

25 13. The Successor Agency shall pay \$9,000 in attorneys' fees to counsel for Plaintiff  
26 Malta. The entire amount of attorneys' fees shall be placed on the ROPS due to be completed by  
27 the oversight board of the Successor Agency no later than October 3, 2014 (ROPS 2014-15B).

28 - 4 -

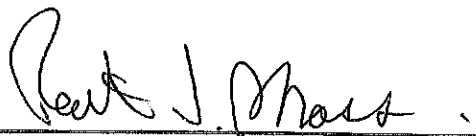
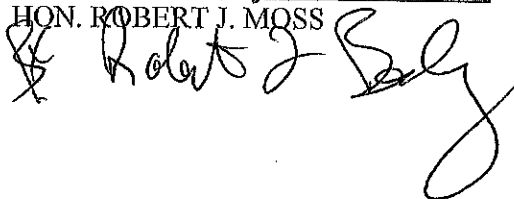
1 14. The obligations contained herein are obligations of the Garden Grove Agency for  
2 Community Development ("Redevelopment Agency"), now dissolved, prior to enactment of the  
3 Dissolution Act. The obligations set forth herein are not and under no circumstances shall they be  
4 construed as obligations of the City or Garden Grove Housing Authority other than in their roles  
5 as Successor Agency and Housing Successor, respectively. Consistent with Health and Safety  
6 Code § 34173(e), Successor Agency's liability for amounts owing pursuant to this Judgment shall  
7 be limited to the extent of the total sum of property tax revenues the Successor Agency and the  
8 Housing Successor receive pursuant to the ROPS process and the value of the assets received by  
9 the Successor Agency and the Housing Successor. The Successor Agency shall continue to list  
10 the obligations of this Judgment on each ROPS until all obligations required by the Judgment are  
11 satisfied.

12 15. The Court shall have continuing jurisdiction to enforce the terms of this settlement  
13 and Judgment pursuant to California Code of Civil Procedure section 664.6.

14 16. This Judgment represents the sole obligation among the parties hereto and all other  
15 causes of action and/or claims arising out of this action are dismissed with prejudice and forever  
16 waived.

17 IT IS SO ORDERED.

18  
19 DATED: 6/10/15

  
HON. ROBERT J. MOSS  


## **Exhibit B**

### **2018-2019 Audit of LMIHAF**

(pending and to be inserted)

Note: At the time of preparation of this Report, the FY 2018-19 Comprehensive Annual Financial Report (CAFR) is still under final review by the City and its independent auditors. It is anticipated this document will be finalized in December 2019 or January 2020, at which time the City Council and Housing Authority jointly will receive and file the Report.

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Lisa L. Kim
Dept.:	Director/City Manager	Dept.:	Community and Economic Development
Subject:	Adoption of a Resolution to approve an Exchange, Disposition and Cooperation Agreement between the Garden Grove Housing Authority and the City of Garden Grove. <i>(Joint Action with the Garden Grove City Council.)</i>		
		Date:	12/17/2019

OBJECTIVE

To approve a Joint Resolution to authorize execution of an Exchange, Disposition, and Cooperation Agreement for exchange of properties between the Garden Grove Housing Authority (HA) located at 10932, 12892, 12942 Acacia Parkway and the City of Garden Grove (City) located at 11391 Acacia Parkway.

BACKGROUND

In May 2019, the final Downtown Parking Management Strategic Plan (Plan) was presented to the City Council which summarized a variety of recommendations and strategies to mitigate future parking needs in the downtown Civic Center area. This parking effort was in response to early Reimagine Initiatives in which community feedback expressed the desire to have public art, bike lanes, community events, music festivals, holiday lighting, market food halls, and at the top of the list was the concern to accommodate enough parking for future development. Incorporated into the Plan was an on-line survey that provided a source of anecdotal information from the community and visitors in the downtown study area to determine parking preferences. Key takeaways from this survey revealed:

1. The majority users of the parking were downtown diners/shoppers; and,
2. The most important factor was "the distance to the destination from their parking space".

With increased visitors to the City's Historic Main Street and downtown area growing, the need for public parking is vital to ensure that the local small businesses continue to thrive. Over the past two years, the success of the Reimagine Initiatives have brought about new retailers and eateries including: ePatisserie, Phin Smith Coffee, Ambrosia Acai, AUM Beer, and the SteelCraft Garden Grove project that is home to nine tenants and the proposed business expansion of Louie's outdoor dining area and patio. With the ongoing trends of adaptive reuse and new development, ensuring available resources such as public parking for the downtown Civic Center Street is essential. To that end, promoting shared parking uses including the properties identified at 10936, 12892, 12942 Acacia Parkway are encouraged.

DISCUSSION

For consideration is a proposed Exchange, Disposition and Cooperation Agreement that provides for the exchange of properties between the City and HA. Currently operating on the City-owned property located at 11391 Acacia Parkway is North County Senior Services, LLC, previously, the Acacia Adult Day Services. In November 1992, the former Redevelopment Agency entered into a ground lease with Acacia Adult Day Services who proceeded to build a facility and has been providing adult day care services for senior citizens. The proposed Exchange takes into consideration the future needs and services of Garden Grove's senior population at the current center with the amended lease agreement approved by the City Council with North County Senior Services, LLC on November 26, 2019. The Exchange also presents an opportunity for the City to consider a future site for quality affordable housing.

The City owns the property located at 11391 Acacia Parkway comprised of approximately 1.6 acres (City Property). Acquired in 1956, the City Property was part of the former Fitz Intermediate School and subsequently utilized for many years as the original City Hall. The original City Hall was demolished in late 1995. Shortly



thereafter, in 1996, the City and Acacia Adult Day Services entered into a thirty (30) year ground lease agreement and as of today, the services continue to operate the adult day-care facility.

The HA owns the properties located at 10936, 12892, 12942 Acacia Parkway, collectively comprised of five (5) parcels and totals approximately 1.7 acres (together, HA Properties). The HA Properties are currently utilized as a public parking lot improved with 158 surface parking spaces.

To effectuate the exchange of City and HA properties, a Summary Report has been prepared pursuant to Health and Safety Code Section 33431 that authorizes the Housing Authority to sell or lease its real property acquired with tax increment, subject to certain noticing, public hearing, and reporting requirements. Substantiated by an MAI appraiser, Fair Market Appraisals were conducted for both the City and the HA properties and determined the values in the amounts of \$4,855,000 and \$5,330,000, respectively. The exchange of the City and HA properties would result in an amount of \$475,000 to be paid by the City to be deposited into the Low and Moderate Income Housing Trust Fund. The City would pay all related closing costs estimated at twenty thousand dollars (\$20,000).

Staff recommends that the City Council find that the effects of the proposed exchange of property is Categorically Exempt from the requirements to prepare additional environmental documentation per California Environmental Quality Act (CEQA) Guidelines, in particular Section 15004(b)(2)(A), which provides that agencies may designate a preferred project site and may enter into land acquisition agreements conditioned on CEQA compliance. Furthermore, CEQA applies only when a public agency has "approved" a project. For these purposes, "approval" means the decision by a public agency to a definite course of action (Guidelines Section 15352). Here, approval of the Exchange Agreement does not commit either agency to any specific construction plan or project. The Exchange Agreement does not define a particular project well enough to provide meaningful information for environmental assessment. In the future, if any of the sites become defined with a proposed project, subsequent CEQA analysis would be performed as required.

The proposed Exchange of properties would help towards ensuring that the Historic Main Street and Civic Center area continue to thrive and prosper by preserving the shared-use parking at parking at 10932, 12892, 12942 Acacia Parkway. This action presents the City with the opportunity to continue to provide parking, convenient parking for patrons, visitors, and reduce the need to park in the adjacent residential areas. Therefore, it is recommended that the City Council approve the Exchange, Disposition, and Cooperation Agreement.

#### FINANCIAL IMPACT

The proposed Exchange will result in a need of an additional appropriation of \$495,000 from the General Fund, which includes \$475,000 to be paid by the City to HA, and \$20,000 for estimated closing costs. Upon approval of the proposed Exchange and close of escrow, \$475,000 will be deposited into the Low and Moderate Income Housing Trust Fund.

#### RECOMMENDATION

It is recommended that the Housing Authority:

- Adopt the Resolution approving the Exchange, Disposition, and Cooperation Agreement between the City of Garden Grove and the Garden Grove Housing Authority;
- Authorize the City Manager and City Clerk to execute the Agreement, Grant Deed, pertinent documents needed to effectuate the Exchange and make minor modifications as needed, on behalf of the City; and,

It is recommended that the City Council:

- Adopt the Resolution approving the Exchange, Disposition, and Cooperation Agreement between the City of Garden Grove and the Garden Grove Housing Authority;
- Authorize the City Manager and City Clerk to execute the Agreement, Grant Deed, pertinent documents needed to effectuate the Exchange and make minor modifications as needed, on behalf of the City; and,
- Approve an additional appropriation of \$495,000 from the General Fund, and authorize the Finance Officer to transfer \$475,000 from the General Fund to the Low and Moderate Income Housing Trust Fund, and disburse related closing cost.

By: Paul Guerrero, Sr. Program Specialist/Real Property Agent

**ATTACHMENTS:**

<b>Description</b>	<b>Upload Date</b>	<b>Type</b>	<b>File Name</b>
HA Resolution	12/12/2019	Resolution	12-17-19_Resolution_of_Housing_Authority_Approving_Exchange_Agreement__4841-0268-7918_3.pdf
CC Resolution	12/12/2019	Resolution	12-17-19_Resolution_of_City_Council_Approving_Exchange_Agreement__4839-6847-0190_3.pdf
Exchange Agreement	12/13/2019	Agreement	Exchange_Disposition_and_Cooperation_Agreement_City_and_Housing_Authority.docx
Summary Report Regarding Exchange of Properties between City and Housing Authority	12/10/2019	Backup Material	Summary_Report_re_Exchange_of_Properties_between_City_and_Housing_Authority_under_HSC_34312.3__4850-4590-1998.docx

GARDEN GROVE HOUSING AUTHORITY

RESOLUTION NO.

A RESOLUTION OF THE GARDEN GROVE HOUSING AUTHORITY  
APPROVING THAT CERTAIN EXCHANGE, DISPOSITION AND COOPERATION  
AGREEMENT WITH ESCROW INSTRUCTIONS FOR EXCHANGE OF REAL PROPERTY  
("EXCHANGE AGREEMENT") BETWEEN THE CITY AND HOUSING AUTHORITY;  
AUTHORIZING THE AUTHORITY DIRECTOR TO CARRY OUT THE EXCHANGE  
AGREEMENT; AND MAKING CERTAIN OTHER FINDINGS IN CONNECTION  
THEREWITH

WHEREAS, the City of Garden Grove is a municipal corporation of the State of California ("City");

WHEREAS, the Housing Authority is a public body corporate and politic formed and operating under the California Housing Authorities Law, Health and Safety Code ("HSC") Section 34200, *et seq.* ("HAL") and serves as the housing successor under the Dissolution Law, Health and Safety Code Section 34170, *et seq.*, in particular Sections 34176 and 34176.1;

WHEREAS, prior to February 1, 2012, the Garden Grove Agency for Community Development ("Former Agency") was a community redevelopment agency duly organized and existing under the California Community Redevelopment Law (HSC Section 33000, *et seq.*), and was authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council ("City Council");

WHEREAS, Assembly Bill x1 26, chaptered and effective on June 27, 2011, added Parts 1.8 and 1.85 to Division 24 of the HSC that caused the dissolution of all California redevelopment agencies and winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484, chaptered and effective on June 27, 2012, (together, the "Dissolution Law"); and on and as of February 1, 2012, the Former Agency was dissolved under the Dissolution Law;

WHEREAS, on January 17, 2012, the City Council adopted Resolution No. 9089-12 by which the City declined to assume the housing assets and responsibility to perform the housing functions performed previously by the Former Agency and designated the Housing Authority to serve and act as the "housing successor" under HSC Section 34176(b);

WHEREAS, on January 24, 2012, the Housing Authority by motion and then unanimous vote accepted the rights, powers, assets, liabilities, duties and obligations associated with the housing functions of the Former Agency (at that date still the Garden Grove Agency for Community Development pre dissolution);

WHEREAS, on March 28, 2012, by Resolution No. 2-12, the Oversight Board to the Successor Agency to the Garden Grove Agency for Community Development

determined and affirmed that the Former Agency's housing assets and housing functions were transferred to the Garden Grove Housing Authority, acting as Housing Successor, on and as of February 1, 2012, and affirmed that the Housing Authority, acting as Housing Successor, has all rights, powers, duties and obligations relating to the housing assets and functions of the Former Agency under the Dissolution Law;

WHEREAS, under HSC Section 34176(a)(2), the Housing Authority, as housing successor to the Former Agency, prepared a Housing Asset Transfer Schedule ("HAT") and submitted the HAT to the State of California, Department of Finance ("DOF") for review and approval, and then, on August 30, 2012, the DOF approved the HAT with certain modifications that are unrelated to the HA Property; the approved HAT includes the subject HA Property and thereby is a DOF-approved housing asset under the Dissolution Law and asset of the Housing Authority under the HAL;

WHEREAS, therefore, on, as of, and ongoing the Housing Authority by operation of law, in particular under the Dissolution Law Sections 34176 and 34176.1, has been vested with the ownership and control of the housing assets, including without limitation the HA Property (defined in next recital) that is the subject of this Exchange Agreement;

WHEREAS, the Housing Authority is the owner of certain real property located at 10936, 12892, 12942 Acacia Parkway, Garden Grove, California (APNs: 089-213-02, 089-213-28, 089-213-29, 089-213-31, 089-213-32 and 089-213-36) (together, "HA Property") as to be exchanged and conveyed by the Housing Authority to the City for public purposes, under that certain *Exchange, Disposition and Cooperation Agreement with Escrow Instructions for Exchange of Real Property* ("Exchange Agreement");

WHEREAS, the City is the owner of certain real property located at 11391 Acacia Parkway, Garden Grove, California (APN 090-154-57 (portion)) (herein, "City Property") as proposed hereunder to be exchanged and conveyed by the City to Housing Authority for affordable housing purposes under HSC Section 34312.3(b) under the Exchange Agreement;

WHEREAS, by the Exchange Agreement, the Housing Authority intends to exchange and convey the HA Property to the City, and the City intends to exchange and convey the City Property to the Housing Authority;

WHEREAS, the Exchange with conveyance of the HA Property by the Housing Authority to City is subject to the provisions of HSC Sections 34312.3(b) and 33431; and, in implementation thereof, the City Council and Housing Authority have held a public hearing at a duly noticed special joint meeting and the Housing Authority by this Resolution desires to approve the Exchange Agreement;

WHEREAS, a summary report about the HA Property was prepared and made available to the public along with the Exchange Agreement and were presented to

the City Council and Housing Authority in connection with this matter and the joint public hearing;

WHEREAS, capitalized terms used in this Resolution are as defined in the Exchange Agreement, unless otherwise defined herein;

WHEREAS, the City Council and Housing Authority have duly considered all terms and conditions of the Exchange Agreement and believe that the Exchange in the vital and best interest of the City and Housing Authority and the health, safety and welfare of its residents, and in accord with the public purposes and provisions of applicable laws and by this Resolution the City Council and Housing Authority desire to approve the Exchange Agreement; and

WHEREAS, under the California Environmental Quality Act, California Public Resources Code Section 21000, *et seq.*, ("CEQA") and the implementing regulations set forth at Title 14 California Code of Regulations Section 15000, *et seq.* ("Guidelines"), in particular Section 15004(b)(2)(A) provides that agencies may designate a preferred project site and may enter into land acquisition agreements conditioned on CEQA compliance such that the Exchange Agreement is exempt from CEQA, because future development of an affordable housing project is required to undergo CEQA review by the City of Garden Grove. Furthermore, CEQA applies only when a public agency has "approved" a project. For these purposes, "approval" means the decision by a public agency which commits the agency to a definite course of action. (CEQA Guidelines section 15352.) Here, approval of the Exchange Agreement does not commit either agency to any specific construction plan or project. The Exchange Agreement does not define a particular project well enough to provide meaningful information for environmental assessment.

NOW, THEREFORE, BE IT RESOLVED BY THE GARDEN GROVE HOUSING AUTHORITY:

Section 1. The Housing Authority Board finds and determines the foregoing recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Housing Authority Board approves the Exchange Agreement between the City and Housing Authority with such changes mutually agreed and necessary as are minor and in substantial conformance with the form of the Exchange Agreement that has been submitted herewith. The Authority Chair, and his authorized designees, and the Secretary, and her authorized designees, are hereby authorized to execute and attest the Exchange Agreement on behalf of the Housing Authority. And, in implementation of the Exchange Agreement, the Director (and authorized designees) is authorized to sign the final version of the Exchange Agreement after completion of non-substantive, minor revisions, if any. Copies of the final form of the Exchange Agreement, when duly executed and attested, shall be placed on file in the office of the Secretary. Further, the Authority Director (or authorized designees) is authorized to implement the Exchange Agreement and take all further actions and execute all documents referenced therein and/or necessary

and appropriate to carry out such contract including any and all implementing agreements thereto. The Authority Director (or authorized designees) is hereby authorized to the extent necessary during the implementation of the Exchange Agreement to make technical or minor changes and interpretations thereto after execution and take other actions, as necessary, to properly implement and carry out the Exchange Agreement, provided any and all such changes and actions thereunder shall not in any manner materially affect the rights and obligations of the Housing Authority under the Exchange Agreement approved hereby.

Section 3. In addition to the authorization of Sections 2 above, the Authority Director (or authorized designees) is hereby authorized, on behalf of the Housing Authority, to sign all other documents necessary, and take other necessary actions appropriate to carry out and implement the Exchange Agreement, including causing the issuance of warrants in implementation thereto, and to administer the Housing Authority's obligations, responsibilities and duties to be performed under the Exchange Agreement.

Section 4. The Housing Authority Board finds and determines that the Exchange Agreement meets the categorical exemptions under CEQA as cited in the above recitals and that Housing Authority conditions future use of such properties on CEQA compliance.

Section 5. The Authority Director (and authorized designees) is hereby directed to file a Notice of Exemption with the County Clerk of the County of Orange, under Public Resources Code Section 21084 and CEQA Guidelines Section 15062 and 15374.

Section 6. The Secretary shall certify to the adoption of this Joint Resolution.

ATTACHMENT TO HOUSING AUTHORITY RESOLUTION  
ATTACH COPY OF EXCHANGE AGREEMENT

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING THAT CERTAIN EXCHANGE, DISPOSITION AND COOPERATION AGREEMENT WITH ESCROW INSTRUCTIONS FOR EXCHANGE OF REAL PROPERTY ("EXCHANGE AGREEMENT") BETWEEN THE CITY AND HOUSING AUTHORITY; AUTHORIZING THE CITY MANAGER TO CARRY OUT THE EXCHANGE AGREEMENT; AND MAKING CERTAIN OTHER FINDINGS IN CONNECTION THEREWITH

WHEREAS, the City of Garden Grove is a municipal corporation of the State of California ("City");

WHEREAS, the Housing Authority is a public body corporate and politic formed and operating under the California Housing Authorities Law, Health and Safety Code Section 34200, *et seq.* ("HAL") and serves as the housing successor under the Dissolution Law, Health and Safety Code Section 34170, *et seq.*, in particular Section 34176.1;

WHEREAS, prior to February 1, 2012, the Garden Grove Agency for Community Development ("Former Agency") was a community redevelopment agency duly organized and existing under the California Community Redevelopment Law (HSC Section 33000, *et seq.*), and was authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council ("City Council");

WHEREAS, Assembly Bill x1 26, chaptered and effective on June 27, 2011, added Parts 1.8 and 1.85 to Division 24 of the HSC that caused the dissolution of all California redevelopment agencies and winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484, chaptered and effective on June 27, 2012, (together, the "Dissolution Law"); and on and as of February 1, 2012, the Former Agency was dissolved under the Dissolution Law;

WHEREAS, on January 17, 2012, the City Council adopted Resolution No. 9089-12 by which the City declined to assume the housing assets and responsibility to perform the housing functions performed previously by the Former Agency and designated the Housing Authority to serve and act as the "housing successor" under HSC Section 34176(b);

WHEREAS, on January 24, 2012, the Garden Grove Housing Authority ("Housing Authority") by motion and then unanimous vote accepted the rights, powers, assets, liabilities, duties and obligations associated with the housing functions of the Former Agency (at that date still the Garden Grove Agency for Community Development pre dissolution.);



WHEREAS, on March 28, 2012, by Resolution No. 2-12, the Oversight Board to the Successor Agency to the Garden Grove Agency for Community Development determined and affirmed that the Former Agency's housing assets and housing functions were transferred to the Housing Authority, acting as Housing Successor, on and as of February 1, 2012, and affirmed that the Housing Authority, acting as Housing Successor, has all rights, powers, duties and obligations relating to the housing assets and functions of the Former Agency under the Dissolution Law;

WHEREAS, under HSC Section 34176(a)(2), the Housing Authority, as housing successor to the Former Agency, prepared a Housing Asset Transfer Schedule ("HAT") and submitted the HAT to the State of California, Department of Finance ("DOF") for review and approval, and then, on August 30, 2012, the DOF approved the HAT with certain modifications that are unrelated to the HA Property; the approved HAT includes the subject HA Property and thereby is a DOF-approved housing asset under the Dissolution Law and asset of the Housing Authority under the HAL;

WHEREAS, therefore, on, as of, and ongoing the Housing Authority by operation of law, in particular under the Dissolution Law Sections 34176 and 34176.1, has been vested with the ownership and control of the housing assets, including without limitation the HA Property (defined in next recital) that is the subject of this Exchange Agreement;

WHEREAS, the Housing Authority is the owner of certain real property located at 10936, 12892, 12942 Acacia Parkway, Garden Grove, California APNs: 089-213-02, 089-213-28, 089-213-29, 089-213-31, 089-213-32 and 089-213-36 (together, "HA Property") as to be exchanged and conveyed by the Housing Authority to the City for public purposes, under that certain *Exchange, Disposition and Cooperation Agreement with Escrow Instructions for Exchange of Real Property* ("Exchange Agreement");

WHEREAS, the City is the owner of certain real property located at 11391 Acacia Parkway, Garden Grove, California (APN 090-154-57 (portion)) (herein, "City Property") as proposed hereunder to be exchanged and conveyed by the City to Housing Authority for affordable housing purposes under HSC Section 34312.3(b) under the Exchange Agreement;

WHEREAS, by the Exchange Agreement, the Housing Authority intends to exchange and convey the HA Property to the City, and the City intends to exchange and convey the City Property to the Housing Authority;

WHEREAS, the Exchange with conveyance of the HA Property by the Housing Authority to City is subject to the provisions of HSC Sections 34312.3(b) and 33431; and, in implementation thereof, the City Council and Housing Authority have held a public hearing at a duly noticed special joint meeting and the City Council by this Resolution desires to approve the Exchange Agreement;

WHEREAS, a summary report about the HA Property was prepared and made available to the public along with the Exchange Agreement and were presented to the City Council and Housing Authority in connection with this matter and the joint public hearing;

WHEREAS, capitalized terms used in this Resolution are as defined in the Exchange Agreement, unless otherwise defined herein;

WHEREAS, the City Council and Housing Authority have duly considered all terms and conditions of the Exchange Agreement and believe that the Exchange in the vital and best interest of the City and Housing Authority and the health, safety and welfare of its residents, and in accord with the public purposes and provisions of applicable laws and by this Resolution the City Council and Housing Authority desire to approve the Exchange Agreement; and

WHEREAS, under the California Environmental Quality Act, California Public Resources Code Section 21000, *et seq.*, ("CEQA") and the implementing regulations set forth at Title 14 California Code of Regulations Section 15000, *et seq.* ("Guidelines"), in particular Section 15004(b)(2)(A) provides that agencies may designate a preferred project site and may enter into land acquisition agreements conditioned on CEQA compliance such that the Exchange Agreement is exempt from CEQA, because future development of an affordable housing project is required to undergo CEQA review by the City of Garden Grove. Furthermore, CEQA applies only when a public agency has "approved" a project. For these purposes, "approval" means the decision by a public agency which commits the agency to a definite course of action. (CEQA Guidelines section 15352.) Here, approval of the Exchange Agreement does not commit either agency to any specific construction plan or project. The Exchange Agreement does not define a particular project well enough to provide meaningful information for environmental assessment.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GARDEN GROVE:

Section 1. The City Council finds and determines the foregoing recitals are true and correct and are a substantive part of this Resolution.

Section 2. The City Council approves the Exchange Agreement between the City and Housing Authority with such changes mutually agreed and necessary as are minor and in substantial conformance with the form of the Exchange Agreement that has been submitted herewith. The Mayor, and his authorized designees, and the City Clerk, and her authorized designees, are hereby authorized to execute and attest the Exchange Agreement on behalf of the City. And, in implementation of the Exchange Agreement, the City Manager (and authorized designees) is authorized to sign the final version of the Exchange Agreement after completion of non-substantive, minor revisions, if any. Copies of the final form of the Exchange Agreement, when duly executed and attested, shall be placed on file in the office of the City Clerk. Further,

the City Manager (or authorized designees) is authorized to implement the Exchange Agreement and take all further actions and execute all documents referenced therein and/or necessary and appropriate to carry out such contract including any and all implementing agreements thereto. The City Manager (or authorized designees) is authorized to implement the Exchange Agreement and take all further actions and execute all documents referenced therein and/or necessary and appropriate to carry out such contract including any and all implementing agreements thereto. The City Manager (or authorized designees) is hereby authorized to the extent necessary during the implementation of the Exchange Agreement to make technical or minor changes and interpretations thereto after execution and take other actions, as necessary, to properly implement and carry out the Exchange Agreement, provided any and all such changes and actions thereunder shall not in any manner materially affect the rights and obligations of the City under the Exchange Agreement approved hereby.

Section 3. In addition to the authorization of Sections 2 above, the City Manager (or authorized designees) is hereby authorized, on behalf of the City, to sign all other documents and take other necessary actions appropriate to carry out and implement the Exchange Agreement, including causing the issuance of warrants in implementation thereto, and to administer the City's obligations, responsibilities and duties to be performed under the Exchange Agreement.

Section 4. The City Council finds and determines that the Exchange Agreement meets the categorical exemptions under CEQA as cited in the above recitals and that City Council conditions future use of such properties on CEQA compliance.

Section 5. The City Manager (and authorized designees) is hereby directed to file a Notice of Exemption with the County Clerk of the County of Orange, under Public Resources Code Section 21084 and CEQA Guidelines Section 15062 and 15374.

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

ATTACHMENT TO CITY COUNCIL RESOLUTION  
ATTACH COPY OF EXCHANGE AGREEMENT

**EXCHANGE, DISPOSITION AND COOPERATION AGREEMENT  
WITH ESCROW INSTRUCTIONS FOR  
EXCHANGE OF REAL PROPERTY**

This **EXCHANGE, DISPOSITION AND COOPERATION AGREEMENT WITH ESCROW INSTRUCTIONS FOR EXCHANGE OF REAL PROPERTY** (“Exchange Agreement”) is entered into as of December 17, 2019 by and between the City of Garden Grove, a California municipal corporation (“City”) and the Garden Grove Housing Authority, a public body, corporate and politic (“Housing Authority”). Each of the City and Housing Authority is a “Party” and together the “Parties”.

**RECITALS**

**A.** The Housing Authority is a public body corporate and politic formed and operating under the California Housing Authorities Law, Health and Safety Code Section 34200, *et seq.* (“HAL”).

**B.** The City is a California municipal corporation and general law city.

**C.** The Housing Authority is the fee owner of certain real property located at 10936, 12892, 12942 Acacia Parkway, Garden Grove, California APNs: 089-213-02, 089-213-28, 089-213-29, 089-213-31, 089-213-32 AND 089-213-36 (together, “HA Property”) as proposed hereunder to be exchanged and conveyed by the Housing Authority to the City for public purposes, which HA Property is legally described in the attached Exhibit A-1.

**D.** The HA Property is located at southeast corner of Acacia Avenue and Grove Avenue, extending southerly to Garden Grove Boulevard; has approximately 1.7 acres or about 74,052 square feet of land area; the property has a double corner location on two secondary streets and one primary street; and, is currently improved with a public parking lot.

**E.** The HA Property has been appraised by an independent professional appraiser, which appraisal dated as of November 18, 2019, which concludes a range of fair market value under two scenarios: (i) land value, “As-If” the site is re-zoned by the City as CC-3: \$5,330,000; and (ii) land value “As-Is” assuming PUD (M) zone with change to CC-3 designation: \$4,800,000.

**F.** The City is the owner of certain real property located at 11391 Acacia Parkway, Garden Grove, California (APN 090-154-57 (portion)) (herein, “City Property”) as proposed hereunder to be exchanged and conveyed by the City to Housing Authority for affordable housing purposes under HSC Section 34312.3(b), which City Property is legally described in the attached Exhibit A-2.

**G.** The City Property is located at the northwest corner of Acacia Parkway and Eighth Street in the Civic Center area and the site of the former city hall; is approximately 1.57 acres or about 68,388 square feet of land area; has a corner location on two secondary streets; is generally rectangular in land configuration; and is currently improved with adjoining buildings, one totaling 8600 sq. ft. and a smaller 4800 sq. ft. building, totaling approximately 13,400 sq. ft.

**H.** The City Property is subject to a lease agreement between the City, as landlord, and North County Senior Services, LLC, as “Tenant” (formerly Acacia Adult Day Services), which lease,

as amended, was approved by the City Council on and is dated as of November 26, 2019 and became effective on December 1, 2019 (“Acacia Lease”). Tenant is managed by Alzheimer's Orange County, a California nonprofit corporation, which operates Acacia Adult Day Services to provide care services for senior citizens with illnesses or disabilities or who are otherwise in need of limited supervision. The rent due under the Acacia Lease is nominal at \$1.00/year.

**I.** The City Property has been appraised by an independent professional appraiser, which appraisal is dated as of November 18, 2019 and concludes the fair market value of the Unencumbered Fee Simple Interest is \$4,855,000. Also, the independent appraisal presents an alternate valuation of the City Property, as encumbered by the Acacia Lease, at \$890,000.

**J.** The appraiser's conclusion of the Unencumbered Fee Simple Interest value of \$4,855,000 assumes for valuation purposes that the Acacia Lease would be terminated at a future date. In this regard, both Landlord and Tenant each have the right to terminate the Acacia Lease under Section 3(b) thereof, by issuance of a 270-day notice of termination by one party to the other, at which time the City Property would revert to the fee owner and would be available for a highest and best use development, including an affordable housing project. Based on the current zoning, the maximum residential density is 42 units/acre, which would allow approximately 66 housing units on the 1.57-acre parcel.

**K.** Under this Exchange Agreement, and the General Assignment, in the form Exhibits D-1 and D-2, the Housing Authority will assume the existing Acacia Lease, which allows continued operation of the existing adult day care services use until either party may elect to terminate the tenancy thereunder as described above.

**L.** City and Housing Authority are informed that Tenant is so successful in serving the community that current operations are at or above capacity in providing care services for senior citizens with illnesses or disabilities or who are otherwise in need of limited supervision. In this regard, the City and Tenant have communicated, and will continue to communicate, about potential alternate sites for Acacia Adult Day Care operations, which will be in the best interests of the community. Concurrently and over time, the Housing Authority desires to cooperate with the City and Tenant as well as seek and evaluate development proposals for construction and operation of an affordable housing project on the City Property under and subject to the requirements of the HAL, Dissolution Law and other applicable laws.

**M.** The HA Property and the City Property are depicted on the Site Map, attached as Exhibits B-1 and B-2, respectively.

**N.** By this Exchange Agreement, the Housing Authority desires and intends to exchange and convey the HA Property to the City, and the City desires and intends to exchange and convey the City Property to the Housing Authority.

**O.** Prior to February 1, 2012, the Garden Grove Agency for Community Development (“Former Agency”) was a community redevelopment agency duly organized and existing under the California Community Redevelopment Law (HSC Section 33000, *et seq.*), and was authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council (“City Council”).

**P.** Assembly Bill x1 26, chaptered and effective on June 27, 2011, added Parts 1.8 and 1.85 to Division 24 of the HSC that caused the dissolution of all California redevelopment agencies and winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484, chaptered and effective on June 27, 2012 (together, the “Dissolution Law”); and on and as of February 1, 2012 the Former Agency was dissolved under the Dissolution Law.

**Q.** On January 17, 2012, the City Council adopted Resolution No. 9089-12 by which the City declined to assume the housing assets and responsibility to perform the housing functions performed previously by the Former Agency and designated the Housing Authority to serve and act as the “housing successor” under HSC Section 34176(b).

**R.** On January 24, 2012, the Housing Authority by motion and unanimous vote accepted the rights, powers, assets, liabilities, duties and obligations associated with the housing functions of the Former Agency (at that date still the Garden Grove Agency for Community Development pre-dissolution.)

**S.** On March 28, 2012 by Resolution No. 2-12, the Oversight Board to the Successor Agency to the Garden Grove Agency for Community Development determined and affirmed that the Former Agency’s housing assets and housing functions were transferred to the Garden Grove Housing Authority, acting as Housing Successor, on and as of February 1, 2012 and affirmed that the Housing Authority, acting as Housing Successor, has all rights, powers, duties and obligations relating to the housing assets and functions of the Former Agency under the Dissolution Law.

**T.** Under HSC Section 34176(a)(2), the Housing Authority, as housing successor to the Former Agency, prepared a Housing Asset Transfer Schedule (“HAT”) and submitted the HAT to the State of California, Department of Finance (“DOF”) for review and approval. On August 30, 2012, the DOF approved the HAT with certain modifications that are unrelated to the HA Property. The approved HAT includes the subject HA Property and thereby is a DOF-approved housing asset under the Dissolution Law and asset of the Housing Authority under the HAL.

**U.** Therefore, on, as of, and ongoing the Housing Authority by operation of law, in particular under the Dissolution Law Sections 34176 and 34176.1, has been vested with the ownership and control of the housing assets, including without limitation the HA Property that is the subject of this Exchange Agreement.

**V.** The Exchange and conveyance of the HA Property by the Housing Authority to City is subject to the provisions of HSC Sections 34312.3(b) and 33431. In implementation thereof, the City Council and Housing Authority have held a public hearing at a duly noticed special joint meeting and considered and approved this Exchange Agreement. A summary report about the HA Property was prepared and made available to the public along with this Exchange Agreement and were presented to the City Council and Housing Authority in their respective consideration of this Exchange Agreement.

**W.** In connection with the Exchange, the Housing Authority covenants that the City Additional Consideration paid by City to Housing Authority hereunder shall be deposited into the Housing Authority’s low to moderate income housing asset fund (“LMIHAF”) immediately after the Closing described herein, and such funds will be administered by the Housing Authority in compliance with the HAL, the Dissolution Law, in particular HSC Section 34176.1, and other applicable laws and regulations.

**X.** The City and Housing Authority desire to set forth the terms and conditions of the exchange of the HA Property and City Property, including financial terms, escrow and title provisions, and timing therefor.

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

**1. Recitals Incorporated.** The Recitals set forth above (a) are an integral part of this Exchange Agreement, (b) set forth the intentions of the City and Housing Authority and the basis under which the Parties have decided to enter into this Exchange Agreement, and (c) are hereby incorporated by reference into this Exchange Agreement.

**2. Exchange.** City agrees to convey the City Property to the Housing Authority and the Housing Authority agrees to convey the HA Property to City in exchange (“Exchange”) on the terms and conditions set forth in this Exchange Agreement.

**3. Consideration.** As additional consideration for the Exchange, City shall pay to Housing Authority at the Closing an amount equal to the difference between the highest appraised value of the HA Property (\$5,330,000) and the highest appraised value of the City Property (\$4,855,000), which amount is Four Hundred and Seventy-Five Thousand Dollars (\$475,000.00) *plus* all Closing costs incurred for the Exchange transaction (together, “City Additional Consideration”).

**4. Escrow and Closing.**

(a) **Escrow Holder and Title Company.** City shall cause the opening of an escrow to complete the Exchange (“Escrow”) with Fidelity National Title Company (“Escrow Holder”), and Fidelity National Title Company shall be the title company (“Title Company”) that issues each Party, respectively, a CLTA standard buyer/owner’s policy of title insurance with coverage of each in the respective amount of the highest appraised value of the City Property and the HA Property (each a “Buyer’s Policy”).

(i) Escrow Holder and Title Company’s address is: 4400 MacArthur Blvd., Suite 200, Newport Beach, CA 92660, Escrow Officer: Major Accounts and Title Officer: Thomas Szopinski.

(b) **Escrow.** For purposes of this Exchange Agreement, the Escrow shall be deemed opened (“Opening of Escrow”) on the date that Escrow Holder receives (i) a fully executed and attested copy of this Exchange Agreement. City and Housing Authority shall use their best efforts to cause the Opening of Escrow to occur on or before December 19, 2019, which date is the second business day after the Effective Date. City and Housing Authority agree to execute, deliver and comply with any reasonable or customary supplemental escrow instructions or other instruments reasonably required by Escrow Holder to consummate the Exchange transaction contemplated by this Exchange Agreement; provided, however, no such instruments shall conflict with, amend or supersede any portion of this Exchange Agreement. If there is any conflict or inconsistency between the terms of such instruments and the terms of this Exchange Agreement, then the terms of this Exchange Agreement shall control.



(c) Closing. For purposes of this Exchange Agreement, the “Closing” shall be the date that each of the HA Property Grant Deed and the City Property Grant Deed are recorded in the Official Records, County of Orange, State of California (“Official Records”) but such Closing shall occur later than December 31, 2019 (“Outside Closing Date”). Unless changed in writing by the Parties, the Closing shall occur on or before the Outside Closing Date, subject to City and Housing Authority’s rights to terminate this Exchange Agreement as set forth herein.

(d) Deeds. The grant deed conveying the HA Property by the Housing Authority to the City with a certificate of acceptance (“HA Property Grant Deed”) is attached as Exhibit C-1, and the grant deed conveying the City Property by the City to the Housing Authority with a certificate of acceptance (“City Property Grant Deed”) is attached as Exhibit C-2. The HA Property Grant Deed and the City Property Grant Deed are collectively referred to herein as the “Deeds”.

(e) Remedies. If, prior to the Closing, any Party defaults in any of its obligations under this Exchange Agreement, or breaches any of its representations or warranties set forth in this Exchange Agreement, then any non-defaulting Party may: (i) terminate this Exchange Agreement by delivery of written notice to the other Party and to Escrow Holder in which event no Party shall have any further obligations or liability to the other, (ii) seek specific performance of this Exchange Agreement, or (iii) pursue any other remedies available at law or in equity.

**5. Conditions Precedent and Termination Right.** The Closing and the Parties’ obligation to consummate the Exchange transaction contemplated by this Exchange Agreement are subject to the timely satisfaction or written waiver of the following “Conditions Precedent”.

(a) Representations and Warranties. All representations and warranties of each of the Parties set forth in this Exchange Agreement shall be materially true and correct as of the date made and as of the Closing with the same effect as if those representations and warranties were made at and as of the Closing.

(b) No Default. As of the Closing, no Party shall be in default in the performance of any material covenant or agreement to be performed under this Exchange Agreement.

(c) Buyer’s Policies. Each Party’s respective Buyer’s Policy shall be ready to issue on or before the Outside Closing Date by the Title Company. City agrees to pay for each Party’s Buyer’s Policy, which shall be a CLTA standard coverage owner’s policy of title insurance with each policy showing fee title to City’s and Housing Authority’s respective interests from the Exchange, and subject only to the (i) the standard, preprinted exceptions thereto; (ii) liens to secure payment of real estate taxes and assessments, if any, not yet delinquent and subject to City and Housing Authority’s status as local government entities that are exempt from payment of property taxes and assessments; (iii) the Acacia Lease as to the City Property; and (iv) those matters approved in writing by City and Housing Authority. City and Housing Authority each shall have the right, at their sole cost and expense, to obtain coverage beyond that offered by a CLTA standard coverage policy; provided, however, the ability to obtain such extended coverage shall not be a contingency hereunder and shall in no way be conditioned or contingent upon obtaining such extended coverage.

**6. Deliveries to Escrow Holder.**

(a) Delivered Documents. On or before one (1) business day prior to the date set for Closing, each Party shall each deposit or cause to be deposited with Escrow Holder the following

items, duly executed, attested and, as applicable, acknowledged by a notary, by City and Housing Authority (together, “Delivered Items”):

(i) HA Property Grant Deed. The HA Property Grant Deed conveying the HA Property to the City, which shall be delivered to Escrow Holder with Housing Authority as grantor and City as grantee.

(ii) City Property Grant Deed. The City Property Grant Deed conveying the City Property to the Housing Authority, which shall be delivered to Escrow Holder with City as grantor and Housing Authority as grantee.

(iii) General Assignment. General Assignments in the form attached hereto as Exhibit D-1 and D-2 (“General Assignment”) for the HA Property and the City Property, one (1) from each of City and Housing Authority, respectively, including without limitation assignment of the Acacia Lease by City to Housing Authority.

(A) City shall send written notice to Tenant informing Tenant of the assignment of the Acacia Lease.

(iv) City Additional Consideration. City shall deliver and pay into Escrow not less than one business day prior the Closing the City Additional Consideration (\$475,000 plus costs incurred for the Escrow and Title Company in connection with this Exchange transaction and Exchange Agreement.)

(v) FIRPTA. A Transferor’s Certification of Non-Foreign Status, as and if applicable, (“FIRPTA Certificate”), one (1) from each of City and Housing Authority.

(vi) General Assignment. General Assignments in the form attached hereto as Exhibits D-1 and D-2 (each a “General Assignment”) for the HA Property and the City Property, one (1) from each of City and Housing Authority, respectively, including without limitation assignment of the Acacia Lease by City to Housing Authority.

(vii) Authority. Such proof of each Party’s authority and authorization to enter into this Exchange Agreement and to consummate the Exchange transaction contemplated hereby as may be reasonably requested by Title Company.

(viii) Preliminary Change of Ownership Report. A Preliminary Change of Ownership Report (“Preliminary Change of Ownership Report”), fully completed, one (1) from each of City and Housing Authority.

(ix) Further Documents or Items. Any other documents or items reasonably required to close the Exchange transaction contemplated by this Exchange Agreement.

## **7. Closing Procedure**

(a) Escrow Holder’s Closing Instructions. When the Title Company is prepared to issue each Buyer’s Policy to the City and Housing Authority, respectively, all Conditions Precedent to the Closing have been satisfied or waived, and all required documents and funds have been deposited with Escrow Holder, Escrow Holder shall immediately close Escrow on or before the Outside Closing Date in the manner and order provided below:

(b) Date; Counterparts. Escrow Holder shall date all instruments as of the date of the Closing (if not dated), and combine all counterparts of instruments delivered to Escrow Holder in counterparts.

(c) Document Recordation. Escrow Holder shall record the Deeds in the Official Records.

(d) Preliminary Change of Ownership Reports. Escrow Holder shall submit both Preliminary Change of Ownership Reports to the Recorder's Office concurrently with the submission of the Deeds for recordation.

(e) Notification. Escrow Holder shall provide telephonic notice to City and Housing Authority that the Closing has occurred.

(f) Disburse Funds. Escrow Holder shall disburse to Housing Authority the sum of \$475,000.00, then deliver final closing statements to each Party, and disburse remaining funds deposited for fees and costs of Escrow, Escrow Holder and Title Company, if any, to City.

(i) In this regard, Housing Authority agrees to deposit the full amount of \$475,000 into the LMIHAF, which funds shall be expended in compliance with the Dissolution Law, HAL and other applicable laws.

(g) Buyer's Title Policies. Escrow Holder shall cause the Title Company to issue each of the Buyer's Title Policies, respectively.

(h) Informational Reports. Escrow Holder shall file informational reports, if any, required by Internal Revenue Code Section 6045(e), as amended.

(i) Post-Closing Instructions. Escrow Holder shall deliver the following instruments:

(i) To City and Housing Authority:

(A) Copies of each of the Deeds;

(B) Copies of the FIRPTA, the General Assignment, and the Preliminary Change of Ownership Report; and

(C) Copies of the final Escrow closing statement.

**8. Representations and Warranties.** City and Housing Authority represent and warrant to the other under this Exchange Agreement:

(a) Power. Each Party has the legal power, right and authority to enter into this Exchange Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby.

(b) Requisite Action. All requisite action has been taken by City and Housing Authority, respectively, in connection with entering into this Exchange Agreement and the instruments referenced herein; and, by the Closing, all such necessary action will have been taken to authorize the consummation of the transaction contemplated hereby. By the Closing, no additional consent of any

governmental authority shall be required to consummate the transaction contemplated by this Exchange Agreement.

(c) No Conflict. Neither the execution and delivery of this Exchange Agreement and the documents and instruments referenced herein, nor incurring the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Exchange Agreement and the documents and instruments referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreement or instrument to which City or Housing Authority, respectively, is a Party or is bound.

(d) Survival of Representations and Warranties. The covenants, representations and warranties herein shall survive the Closing or the termination of this Exchange Agreement.

**9. Obtaining Information.** As a material inducement to the execution and delivery of this Exchange Agreement by City and Housing Authority and the performance hereunder each of the City and Housing Authority hereby acknowledges, represents, warrants and agrees that (a) City is acquiring the HA Property, and Housing Authority is acquiring the City Property, in an “**AS-IS,**” “**WITH-ALL-FAULTS**” condition, respectively, as of the Closing with respect to any facts, circumstances, conditions and defects; (b) City and Housing Authority each have no obligation to repair or correct any such facts, circumstances, conditions or defects (including, without limitation, any patent or latent defects or conditions affecting the City Property and HA Property, respectively) or to seek additional compensation or consideration for same; (c) each Party is fully satisfied that the City Additional Consideration is fair and adequate consideration for the Exchange to be consummated; and (d) each Party assumes the full risk of any loss or damage occasioned by any fact, circumstance, condition or defect pertaining to the condition of the HA Property and City Property, respectively.

**10. Liability and Indemnification.** In contemplation of the provisions of California Government Code Section 895.2 imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined by Government Code Section 895, each of the Parties hereto, as between themselves, pursuant to the authorization contained in Government Code Sections 895.4 and 895.6, shall assume the full liability imposed upon it, or any of its officers, agents or employees, by law for injury caused by negligent or wrongful acts or omissions occurring in the performance of this Exchange Agreement to the same extent that such liability would be imposed in the absence of Government Code Section 895.2. To achieve the above-stated purpose, each Party indemnifies, defends and holds harmless the other Party from and against any liability, losses, cost or expenses that may be incurred by such other Party solely by reason of Government Code Section 895.2.

**11. Further Assurances; Cooperation; Consultation.** The Parties agree to take such further actions, and to execute and deliver such additional documents, as may be reasonably necessary or appropriate to effectuate the provisions and intent of this Exchange Agreement. Without limiting the foregoing, the Agency Director or his authorized designee, on behalf of the Housing Authority, and the City Manager or his authorized designee, on behalf of the City, are hereby authorized to execute and deliver, and file and record each and all implementing documents, including without limitation subsequent amendment(s), if any, deemed by them to be reasonably necessary to evidence further the Parties’ intentions and obligations under this Exchange Agreement.

(a) Cooperation. The Parties agree to confer with each other to establish priorities for completion of the Exchange prior to the Outside Closing Date and thereafter in furtherance of this Exchange Agreement.

## **12. General Provisions.**

(a) Damage to Property. If, prior to the Closing, all or any portion of either the HA Property or the City Property, respectively, is damaged by earthquake, flood, fire or other casualty (collectively "Damage"), the transaction contemplated herein shall still proceed to the Closing, and each acquiring Party shall take the applicable property subject to such Damage, and each acquiring Party shall be entitled to receive any insurance proceeds for such Damage, if any.

(b) Brokers. Each Party hereby represents and warrants to the other that it has dealt with no broker or finder in connection with this Exchange transaction.

(c) Assignment. No Party may assign its rights or obligations under this Exchange Agreement without the prior written consent of the other Party, which consent may be withheld in any other Party's sole and absolute discretion.

(d) Survival. All covenants, representations, warranties, releases, waivers and indemnities set forth in this Exchange Agreement by each Party shall survive the Closing.

(e) Cooperation. The Parties agree to execute such instruments and documents and to diligently undertake such actions as may be required in order to consummate the Exchange contemplated herein and shall use all reasonable efforts to accomplish the Closing in accordance with the provisions hereof.

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

(g) Counterparts; Facsimile Signatures. This Exchange Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument. A facsimile signature shall be deemed an original signature.

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

(i) No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Exchange Agreement shall not be deemed to confer any rights upon,

nor obligate any of the Parties to this Exchange Agreement to, any person or entity other than the Parties hereto.

(j) Exhibits. Each and all of the exhibits referred to herein and attached hereto are incorporated by this reference for all purposes.

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

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

(m) Applicable Law. This Exchange Agreement shall be governed by and construed in accordance with the local law of the State of California.

**13. Approvals and Notices.** Any approval, disapproval, demand, document or other notice (“Notice”) which either Party may desire or be required to give to the other Party under this Agreement must be in writing at the address of the Party as set forth below, or at any other address as that Party may later designate in writing. Any Notice given under this paragraph, whether personally or by mail, shall be deemed received only upon actual receipt by the intended Party.

To City and Housing Authority: City Clerk and/or Housing Authority Secretary, as applicable  
Garden Grove City Hall  
11222 Acacia Parkway  
Garden Grove, CA 92840

With copies to: Scott Stiles, City Manager and Authority Director  
Garden Grove City Hall  
11222 Acacia Parkway  
Garden Grove, CA 92840

Omar Sandoval, City Attorney and General Counsel  
Garden Grove City Hall  
11222 Acacia Parkway  
Garden Grove, CA 92840

Celeste Stahl Brady, Special Counsel  
Stradling Yocca Carlson & Rauth  
660 Newport Center Drive, Suite 1600  
Newport Beach, California 92660

**14. Entire Agreement.** This Exchange Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between the City and Housing Authority with respect to the subject matter hereof. The Parties hereto expressly agree and confirm that this Exchange Agreement is executed without reliance on any oral or written statements, representations or promises of any kind which are not expressly contained in this Exchange Agreement. No subsequent agreement, representation or promise made by either Party

hereto, or by or to an employee, officer, agent or representative of either Party hereto shall be of any effect unless it is in writing and executed by the Party to be bound thereby.

**[Signature blocks on next page.]**

**IN WITNESS WHEREOF,** City and Housing Authority have signed this *Exchange, Disposition and Cooperation Agreement with Escrow Instructions for Exchange of Real Property* as of the date first set forth above.

**CITY**

**CITY OF GARDEN GROVE**  
a California municipal corporation

By: \_\_\_\_\_  
Steven R. Jones, Mayor  
or Authorized Designee

**ATTEST:**

**TERESA POMEROY, CMC, CITY CLERK**

\_\_\_\_\_  
Teresa Pomeroy or Authorized Designee

**APPROVED AS TO FORM:**

**WOODRUFF SPRADLIN & SMART**

By: \_\_\_\_\_  
Omar Sandoval, Esq., City Attorney  
or Authorized Designee

**HOUSING AUTHORITY**

**GARDEN GROVE HOUSING AUTHORITY**  
a public body, corporate and politic

By: \_\_\_\_\_  
Patrick Phat Bui, Chair  
or Authorized Designee

**ATTEST:**

**TERESA POMEROY, CMC, SECRETARY**

\_\_\_\_\_  
Teresa Pomeroy or Authorized Designee

**APPROVED AS TO FORM:**

**STRADLING YOCCA CARLSON & RAUTH**

\_\_\_\_\_  
Special Counsel



**EXHIBIT A-1**

**LEGAL DESCRIPTION OF CITY PROPERTY**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF GARDEN GROVE IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 2 OF PARCEL MAP NO. 97-149, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP THEREOF FILED IN BOOK 300, PAGES 9 AND 10 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 090-154-57

## **EXHIBIT A-2**

### **LEGAL DESCRIPTION OF HOUSING AUTHORITY PROPERTY**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF GARDEN GROVE IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

#### **PARCEL 1:**

LOTS 25 TO 36, INCLUSIVE, OF SCHOOL ADDITION TO GARDEN GROVE, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 5, PAGE 20 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

#### **PARCEL 2:**

THAT PORTION OF GROVE AVENUE, 40.00 FEET WIDE, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA AS SHOWN AND DEDICATED ON THE MAP OF SCHOOL ADDITION TO GARDEN GROVE RECORDED IN BOOK 5, PAGE 20 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND AS DELINEATED AND IDENTIFIED AS OLD C/L GROVE AVENUE ON THE MAP OF RECORD OF SURVEY 91-1127 FILED IN BOOK 138, PAGE 27 OF RECORDS OF SURVEY, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WHICH EXTENDS NORTHWESTERLY FROM THE SOUTHERLY PROLONGATION OF THE EAST LINE OF LOT 33 OF SAID SCHOOL ADDITION TO GARDEN GROVE, TO THE EAST LINE OF SAID GROVE AVENUE, AS SHOWN ON THE MAP THE SAID RECORD OF SURVEY 91-1127.

THE SIDELINES OF SAID GROVE AVENUE SHALL BE PROLONGED OR SHORTENED SO AS TO TERMINATE SOUTHEASTERLY ON SAID SOUTHERLY PROLONGATION OF THE EAST LINE OF SAID LOT 33 AND NORTHWESTERLY ON SAID EAST LINE OF GROVE AVENUE AS SHOWN ON THE MAP OF SAID RECORD OF SURVEY 91-1127.

EXCEPT THEREFROM THAT PORTION THEREOF, WHICH LIES WITHIN THE LINES OF GARDEN GROVE BOULEVARD AS, SAID STREET IS SHOWN ON THE MAP OF SAID RECORD OF SURVEY 91-1127.

TOGETHER WITH:

THAT PORTION OF GROVE AVENUE, AS HEREINABOVE DESCRIBED, LYING NORTH OF THE NORTHWESTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SAID OLD GROVE AVENUE, WEST OF THE WEST LINE OF LOTS 31 AND 32 OF SAID SCHOOL ADDITION TO GARDEN GROVE AND EAST OF THE EAST LINE OF SAID GROVE AVENUE AS SHOWN ON SAID RECORD OF SURVEY 91-1127.

**[Legal description continues on next page]**

**PARCEL 3:**

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN RANCHO LAS BOLSAS, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING A PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL 12-12A IN FINAL ORDER OF CONDEMNATION ENTERED JANUARY 5, 1983, SUPERIOR COURT CASE 12-03-46, A CERTIFIED COPY OF WHICH WAS RECORDED JANUARY 6, 1983 AS INSTRUMENT 83-007859 OF OFFICIAL RECORDS, WHICH LIES EASTERLY OF THE EAST LINE OF GROVE AVENUE 56.00 FEET WIDE AS SHOWN ON A MAP OF RECORD OF SURVEY 91-1127 FILED IN BOOK 138, PAGE 27 OF RECORDS OF SURVEY, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THAT PORTION OF SAID LAND WHICH LIES WITHIN GARDEN GROVE BOULEVARD AS SHOWN ON THE MAP OF SAID RECORD OF SURVEY.

APN: 089-213-02, 089-213-28, 089-213-29, 089-213-31, 089-213-32 AND 089-213-36

**EXHIBIT B-1**  
**SITE MAP OF CITY PROPERTY**

**EXHIBIT B-2**  
**SITE MAP OF HA PROPERTY**

**EXHIBIT C-1**

**GRANT DEED  
(Housing Authority to City)**

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

City of Garden Grove  
11222 Acacia Parkway  
Garden Grove, California 92840  
Attn: City Clerk

**DOCUMENTARY TRANSFER TAX \$ NONE**

The undersigned hereby declares this Instrument to be exempt from Recording Fees (Govt. Code §§ 6103 and 27383) and Documentary Transfer Tax (Rev. & Tax. Code §11922)

**GRANT DEED**

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the **GARDEN GROVE HOUSING AUTHORITY**, a public body, corporate and politic (“Grantor”), hereby GRANTS to the **CITY OF GARDEN GROVE**, a California municipal corporation (“Grantee”), the real property in the County of Orange, State of California, described in the legal description attached hereto as Attachment No. 1 and incorporated herein.

**1. Covenants of Non-Discrimination:** There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land. All deeds, leases or contracts affecting the Property, as applicable, shall contain or be subject to substantially the following nondiscrimination or non-segregation clauses:

*Deeds:*

In deeds: “The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the

grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

*Leases:*

In leases: “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

“That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.”

*Contracts:*

In contracts: “There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

**GRANTOR**

**GARDEN GROVE HOUSING AUTHORITY**  
a public body, corporate and politic

By: \_\_\_\_\_  
Scott Stiles, Authority Director  
or Authorized Designee

## **EXHIBIT A TO GRANT DEED**

### **LEGAL DESCRIPTION**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF GARDEN GROVE IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

#### **PARCEL 1:**

LOTS 25 TO 36, INCLUSIVE, OF SCHOOL ADDITION TO GARDEN GROVE, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 5, PAGE 20 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

#### **PARCEL 2:**

THAT PORTION OF GROVE AVENUE, 40.00 FEET WIDE, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA AS SHOWN AND DEDICATED ON THE MAP OF SCHOOL ADDITION TO GARDEN GROVE RECORDED IN BOOK 5, PAGE 20 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND AS DELINEATED AND IDENTIFIED AS OLD C/L GROVE AVENUE ON THE MAP OF RECORD OF SURVEY 91-1127 FILED IN BOOK 138, PAGE 27 OF RECORDS OF SURVEY, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WHICH EXTENDS NORTHWESTERLY FROM THE SOUTHERLY PROLONGATION OF THE EAST LINE OF LOT 33 OF SAID SCHOOL ADDITION TO GARDEN GROVE, TO THE EAST LINE OF SAID GROVE AVENUE, AS SHOWN ON THE MAP THE SAID RECORD OF SURVEY 91-1127.

THE SIDELINES OF SAID GROVE AVENUE SHALL BE PROLONGED OR SHORTENED SO AS TO TERMINATE SOUTHEASTERLY ON SAID SOUTHERLY PROLONGATION OF THE EAST LINE OF SAID LOT 33 AND NORTHWESTERLY ON SAID EAST LINE OF GROVE AVENUE AS SHOWN ON THE MAP OF SAID RECORD OF SURVEY 91-1127.

EXCEPT THEREFROM THAT PORTION THEREOF, WHICH LIES WITHIN THE LINES OF GARDEN GROVE BOULEVARD AS, SAID STREET IS SHOWN ON THE MAP OF SAID RECORD OF SURVEY 91-1127.

TOGETHER WITH:

THAT PORTION OF GROVE AVENUE, AS HEREINABOVE DESCRIBED, LYING NORTH OF THE NORTHWESTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SAID OLD GROVE AVENUE, WEST OF THE WEST LINE OF LOTS 31 AND 32 OF SAID SCHOOL ADDITION TO GARDEN GROVE AND EAST OF THE EAST LINE OF SAID GROVE AVENUE AS SHOWN ON SAID RECORD OF SURVEY 91-1127.

**[Legal description continues on next page]**



**PARCEL 3:**

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN RANCHO LAS BOLSAS, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING A PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL 12-12A IN FINAL ORDER OF CONDEMNATION ENTERED JANUARY 5, 1983, SUPERIOR COURT CASE 12-03-46, A CERTIFIED COPY OF WHICH WAS RECORDED JANUARY 6, 1983 AS INSTRUMENT 83-007859 OF OFFICIAL RECORDS, WHICH LIES EASTERLY OF THE EAST LINE OF GROVE AVENUE 56.00 FEET WIDE AS SHOWN ON A MAP OF RECORD OF SURVEY 91-1127 FILED IN BOOK 138, PAGE 27 OF RECORDS OF SURVEY, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THAT PORTION OF SAID LAND WHICH LIES WITHIN GARDEN GROVE BOULEVARD AS SHOWN ON THE MAP OF SAID RECORD OF SURVEY.

APN: 089-213-02, 089-213-28, 089-213-29, 089-213-31, 089-213-32 AND 089-213-36

STATE OF CALIFORNIA )  
 )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

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

WITNESS my hand and official seal

Page 58 of 75

**CERTIFICATE OF ACCEPTANCE**  
**Grant Deed by Housing Authority to City**

This is to certify that the interests in certain real property conveyed under the foregoing **GRANT DEED** dated as of December \_\_, 2019 as granted by the **GARDEN GROVE HOUSING AUTHORITY**, a public body corporate and politic ("Housing Authority" or "Grantor") to the **CITY OF GARDEN GROVE**, a California municipal corporation ("City" or "Grantee"), is hereby accepted by the undersigned officer or agent on behalf of the City pursuant to joint action by the City Council and Housing Authority on December 17, 2019 and the City consents to recordation of this Grant Deed by its duly authorized officer.

Dated: December \_\_, 2019

**CITY OF GARDEN GROVE,**  
a California municipal corporation

By: \_\_\_\_\_  
Scott Stiles, City Manager  
or Authorized Designee

**ATTEST:**

\_\_\_\_\_  
Teresa Pomeroy, CMC, City Clerk  
or Authorized Designee

**EXHIBIT C-2**

**GRANT DEED  
(City to Housing Authority)**

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

Garden Grove Housing Authority  
11222 Acacia Parkway  
Garden Grove, California 92840  
Attn: Secretary

DOCUMENTARY TRANSFER TAX \$ NONE

The undersigned hereby declares this Instrument to be exempt from Recording Fees (Govt. Code §§ 6103 and 27383) and Documentary Transfer Tax (Rev. & Tax. Code §11922).

**GRANT DEED**

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the **CITY OF GARDEN GROVE**, a California municipal corporation ("Grantor"), hereby GRANTS to the **GARDEN GROVE HOUSING AUTHORITY**, a public body, corporate and politic ("Grantee"), the real property in the County of Orange, State of California, described in the legal description attached hereto as Attachment No. 1 and incorporated herein.

**1. Covenants of Non-Discrimination:** There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land. All deeds, leases or contracts affecting the Property, as applicable, shall contain or be subject to substantially the following nondiscrimination or non-segregation clauses:

*Deeds:*

In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the

grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

*Leases:*

In leases: “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

“That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.”

*Contracts:*

In contracts: “There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

**“GRANTOR”:**

**CITY OF GARDEN GROVE**  
a California municipal corporation

By: \_\_\_\_\_  
Scott Stiles, City Manager  
or Authorized Designee

**EXHIBIT A TO GRANT DEED  
LEGAL DESCRIPTION**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF GARDEN GROVE IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 2 OF PARCEL MAP NO. 97-149, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP THEREOF FILED IN BOOK 300, PAGES 9 AND 10 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 090-154-57

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

STATE OF CALIFORNIA )  
 )  
COUNTY OF \_\_\_\_\_ ) ss.

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public,

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

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

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

**CERTIFICATE OF ACCEPTANCE**  
**Grant Deed to Housing Authority**

This is to certify that the interests in certain real property conveyed under the foregoing **GRANT DEED** dated as of December \_\_, 2019 as granted by **CITY OF GARDEN GROVE**, a California municipal corporation (“City” or “Grantor”), to the **GARDEN GROVE HOUSING AUTHORITY**, a public body corporate and politic, (“Housing Authority” or “Grantee”), is hereby accepted by the undersigned officer or agent on behalf of the Housing Authority pursuant to joint action by the City Council and Housing Authority on December 17, 2019 and the Housing Authority consents to recordation of this Grant Deed by its duly authorized officer.

Dated: December \_\_, 2019

**GARDEN GROVE HOUSING AUTHORITY**,  
a public body corporate and politic

By: \_\_\_\_\_  
Scott Stiles, Authority Director  
or Authorized Designee

**ATTEST:**

\_\_\_\_\_  
Teresa Pomeroy, CMC, Secretary  
or Authorized Designee



## **EXHIBIT D-1**

### **GENERAL ASSIGNMENT (City/Assignor to HA/Assignee)**

This **GENERAL ASSIGNMENT** (“**Assignment**”) is made and dated as of December \_\_, 2019 (“**Effective Date**”), by the **CITY OF GARDEN GROVE**, a California municipal corporation, as assignor (“**Assignor**” or “**City**”), in favor of the **GARDEN GROVE HOUSING AUTHORITY**, a public body corporate and politic, as assignee (“**Assignee**” or “**Housing Authority**”).

### **RECITALS**

Assignor is the fee owner of that certain real property located in the City of Garden Grove, County of Orange, State of California, more particularly described as follows:

PARCEL 2 OF PARCEL MAP NO. 97-149, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP THEREOF FILED IN BOOK 300, PAGES 9 AND 10 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 090-154-57

together with all improvements thereon, the “**Real Property**”). Assignor and Assignee are parties to that certain *Exchange, Disposition and Cooperation Agreement with Joint Escrow Instructions* dated as of December 17, 2019 (“**Exchange Agreement**”). Concurrently herewith, Assignor is conveying to Assignee Assignor’s interest in the Real Property pursuant to a grant deed.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **ASSIGNMENT.** Assignor hereby grants, assigns, transfers, conveys, and delivers to Assignee all of Assignor’s right, title, and interest in and to held by City as to the following described property (collectively, the “**Personal Property**”):

(a) **Lease.** City, as “Landlord”, and North County Senior Services, LLC, a California limited liability company, as “Tenant”, are parties to an existing lease agreement entitled *Amended Lease Agreement* dated as of November 26, 2019 (“Lease”). Under Section 1(e) of the Lease, City as Landlord, has the right to assign such Lease to the Housing Authority, as Assignee; therefore, by this Assignment, City, as Assignor and Landlord, assigns to Housing Authority, as Assignee and successor Landlord, all right and title to said Lease. In connection therewith, City agrees to notify Tenant of this assignment of the Lease in writing in compliance with Section 1(e) thereof.

(b) **Governmental Approvals.** All existing and pending permits, approvals, licenses, entitlements, applications for permits, approvals, licenses, entitlements, and other governmental approvals relating to the construction of improvements on the Real Property; and

(b) **Other Rights and Property.** All other rights, benefits, privileges, and property associated with, or related to, the ownership, operation, maintenance, repair, replacement, renovation, management, development, or construction of the Real Property or the improvements thereon, including, without limitation, any water rights appurtenant to the Real Property.

2. **GENERAL.**

(a) ***Successors and Assigns.*** This Assignment shall be binding on the parties hereto and shall inure to the benefit of their respective heirs, successors, and assigns.

(b) ***Governing Law.*** This Assignment shall be governed by and construed in accordance with the local law of the State of California. The Assignment was made in and is to be performed entirely within the State of California, and its interpretation, its construction and the remedies for its enforcement or breach are to be applied pursuant to, and in accordance with, the laws of the State of California for contracts made and to be performed therein.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the date first written above.

**ASSIGNOR/CITY**

**CITY OF GARDEN GROVE**  
a California municipal corporation

By: \_\_\_\_\_  
Scott Stiles, City Manager  
or Authorized Designee

**ATTEST:**

**TERESA POMEROY, CMC, CITY CLERK**

\_\_\_\_\_  
Teresa Pomeroy or Authorized Designee

**ASSIGNEE/HOUSING AUTHORITY**

**GARDEN GROVE HOUSING AUTHORITY**  
a public body, corporate and politic

By: \_\_\_\_\_  
Scott Stiles, Authority Director  
or Authorized Designee

**ATTEST:**

**TERESA POMEROY, CMC, SECRETARY**

\_\_\_\_\_  
Teresa Pomeroy or Authorized Designee

## **EXHIBIT D-2**

### **GENERAL ASSIGNMENT (HA/Assignor to City/Assignee)**

This **GENERAL ASSIGNMENT** (“**Assignment**”) is made and dated as of December \_\_, 2019 (“**Effective Date**”), by the **GARDEN GROVE HOUSING AUTHORITY**, a public body corporate and politic, as assignee (“**Assignor**” or “**Housing Authority**”) in favor of the **CITY OF GARDEN GROVE**, a California municipal corporation, as assignor (“**Assignee**” or “**City**”).

### **RECITALS**

Assignor is the fee owner of that certain real property located in the City of Garden Grove, County of Orange, State of California, more particularly described in Exhibit A, attached hereto and fully incorporated by this reference together with all improvements thereon, (“**Real Property**”). Assignor and Assignee are parties to that certain *Exchange, Disposition and Cooperation Agreement with Joint Escrow Instructions* dated as of December 17, 2019 (“**Exchange Agreement**”). Concurrently herewith, Assignor is conveying to Assignee Assignor’s interest in the Real Property pursuant to a grant deed.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **ASSIGNMENT.** Assignor hereby grants, assigns, transfers, conveys, and delivers to Assignee all of Assignor’s right, title, and interest in and to held by Housing Authority as to the following described property (collectively, the “**Personal Property**”):

(a) ***Governmental Approvals.*** All existing and pending permits, approvals, licenses, entitlements, applications for permits, approvals, licenses, entitlements, and other governmental approvals relating to the construction of improvements on the Real Property; and

(b) ***Other Rights and Property.*** All other rights, benefits, privileges, and property associated with, or related to, the ownership, operation, maintenance, repair, replacement, renovation, management, development, or construction of the Real Property or the improvements thereon, including, without limitation, any water rights appurtenant to the Real Property.

2. **GENERAL.**

(a) ***Successors and Assigns.*** This Assignment shall be binding on the parties hereto and shall inure to the benefit of their respective heirs, successors, and assigns.

(b) ***Governing Law.*** This Assignment shall be governed by and construed in accordance with the local law of the State of California. The Assignment was made in and is to be performed entirely within the State of California, and its interpretation, its construction and the remedies for its enforcement or breach are to be applied pursuant to, and in accordance with, the laws of the State of California for contracts made and to be performed therein.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the date first written above.

**ASSIGNOR/HOUSING AUTHORITY**

**GARDEN GROVE HOUSING AUTHORITY**

a public body, corporate and politic

By: \_\_\_\_\_  
Scott Stiles, Authority Director  
or Authorized Designee

**ATTEST:**

**TERESA POMEROY, CMC, SECRETARY**

\_\_\_\_\_  
Teresa Pomeroy or Authorized Designee

**ASSIGNEE/CITY**

**CITY OF GARDEN GROVE**

a California municipal corporation

By: \_\_\_\_\_  
Scott Stiles, City Manager  
or Authorized Designee

**ATTEST:**

**TERESA POMEROY, CMC, CITY CLERK**

\_\_\_\_\_  
Teresa Pomeroy or Authorized Designee

## **EXHIBIT A**

### **LEGAL DESCRIPTION**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF GARDEN GROVE IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

#### **PARCEL 1:**

LOTS 25 TO 36, INCLUSIVE, OF SCHOOL ADDITION TO GARDEN GROVE, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 5, PAGE 20 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

#### **PARCEL 2:**

THAT PORTION OF GROVE AVENUE, 40.00 FEET WIDE, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA AS SHOWN AND DEDICATED ON THE MAP OF SCHOOL ADDITION TO GARDEN GROVE RECORDED IN BOOK 5, PAGE 20 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND AS DELINEATED AND IDENTIFIED AS OLD C/L GROVE AVENUE ON THE MAP OF RECORD OF SURVEY 91-1127 FILED IN BOOK 138, PAGE 27 OF RECORDS OF SURVEY, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WHICH EXTENDS NORTHWESTERLY FROM THE SOUTHERLY PROLONGATION OF THE EAST LINE OF LOT 33 OF SAID SCHOOL ADDITION TO GARDEN GROVE, TO THE EAST LINE OF SAID GROVE AVENUE, AS SHOWN ON THE MAP THE SAID RECORD OF SURVEY 91-1127.

THE SIDELINES OF SAID GROVE AVENUE SHALL BE PROLONGED OR SHORTENED SO AS TO TERMINATE SOUTHEASTERLY ON SAID SOUTHERLY PROLONGATION OF THE EAST LINE OF SAID LOT 33 AND NORTHWESTERLY ON SAID EAST LINE OF GROVE AVENUE AS SHOWN ON THE MAP OF SAID RECORD OF SURVEY 91-1127.

EXCEPT THEREFROM THAT PORTION THEREOF, WHICH LIES WITHIN THE LINES OF GARDEN GROVE BOULEVARD AS, SAID STREET IS SHOWN ON THE MAP OF SAID RECORD OF SURVEY 91-1127.

TOGETHER WITH:

THAT PORTION OF GROVE AVENUE, AS HEREINABOVE DESCRIBED, LYING NORTH OF THE NORTHWESTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SAID OLD GROVE AVENUE, WEST OF THE WEST LINE OF LOTS 31 AND 32 OF SAID SCHOOL ADDITION TO GARDEN GROVE AND EAST OF THE EAST LINE OF SAID GROVE AVENUE AS SHOWN ON SAID RECORD OF SURVEY 91-1127.

**[Legal description continues on next page]**

Exhibit D-2  
Legal Description  
General Assignment  
Housing Authority/Assignor to City /Assignee  
Page 1 of 2

**PARCEL 3:**

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN RANCHO LAS BOLSAS, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING A PORTION OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL 12-12A IN FINAL ORDER OF CONDEMNATION ENTERED JANUARY 5, 1983, SUPERIOR COURT CASE 12-03-46, A CERTIFIED COPY OF WHICH WAS RECORDED JANUARY 6, 1983 AS INSTRUMENT 83-007859 OF OFFICIAL RECORDS, WHICH LIES EASTERLY OF THE EAST LINE OF GROVE AVENUE 56.00 FEET WIDE AS SHOWN ON A MAP OF RECORD OF SURVEY 91-1127 FILED IN BOOK 138, PAGE 27 OF RECORDS OF SURVEY, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THAT PORTION OF SAID LAND WHICH LIES WITHIN GARDEN GROVE BOULEVARD AS SHOWN ON THE MAP OF SAID RECORD OF SURVEY.

APN: 089-213-02, 089-213-28, 089-213-29, 089-213-31, 089-213-32 AND 089-213-36

**SUMMARY REPORT REGARDING  
EXCHANGE AND DISPOSITION OF**

10936, 12892, 12942 Acacia Parkway, Garden Grove, California  
APNs: 089-213-02, 089-213-28, 089-213-29, 089-213-31, 089-213-32 AND 089-213-36

under the proposed

**EXCHANGE, DISPOSITION AND COOPERATION AGREEMENT WITH ESCROW  
INSTRUCTIONS FOR EXCHANGE OF REAL PROPERTY**

between

**GARDEN GROVE HOUSING AUTHORITY  
and  
CITY OF GARDEN GROVE**

**As of December 2, 2019**

**BACKGROUND**

*Garden Grove Housing Authority, as housing successor  
to the former Garden Grove Agency for Community Development*

Prior to February 1, 2012, the Garden Grove Agency for Community Development ("Former Agency") was a community redevelopment agency duly organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.* ("CRL").<sup>1</sup> Assembly Bill x1 26 ("AB x1 26"), as chaptered and effective on June 27, 2011, caused the dissolution of the Former Agency and all other California redevelopment agencies. The law was ruled constitutional by the California Supreme Court in *California Redevelopment Association v. Matosantos*, S194861 (December 29, 2011), and thereafter were amended by legislation, including Assembly Bill 1484, Senate Bill 341, and Senate Bill 107 (together as amended, the "Dissolution Law").

Prior to dissolution, the City of Garden Grove ("City"), as the sponsoring jurisdiction, elected to serve at dissolution as the Successor Agency to the Garden Grove Agency for Community Development ("Successor Agency"). On February 1, 2012, the Former Agency was dissolved; and, in June 2012 by AB 1484, the Legislature established successor agencies as public entities separate from their sponsoring cities, so the Successor Agency now is itself a separate public entity under Section 34173(g).

Also, under AB x1 26, the City had to elect whether or not to accept at and upon dissolution the Former Agency's housing assets and functions and become the "housing successor", which the City declined; but, concurrently the City selected the Garden Grove Housing Authority ("Housing Authority") to serve as the housing successor under Section 34176(a)(3) of the Dissolution Law. Further, as a housing authority, the Housing Authority is also governed by the California Housing Authorities Law, Part 2 of Division 24, Section 34200, *et seq.* ("HAL").

As required by Section 34176(a)(2), in July 2012, the Authority prepared a Housing Asset Transfer schedule ("HAT") listing all of the Former Agency's "housing assets" (defined in Section 34176(e))

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<sup>1</sup> All statutory references are to the California Health and Safety Code ("HSC") unless otherwise stated.

and submitted the HAT to the State Department of Finance ("DOF"); on August 30, 2012, the DOF approved the HAT confirming the housing assets of the Former Agency were vested by operation of law with the Housing Authority. The HA Property discussed below in this report is one of those DOF-approved housing assets.

### **Legal Framework for Disposition of Housing Assets**

Senate Bill 341 governs the disposition of housing assets by the Housing Authority, as housing successor, and provides in Section 34176(d) that the Low and Moderate Income Housing Asset Fund (LMIHAF) and housing assets are subject to the CRL. Sections 33431 (and prior to dissolution Section 33433) authorized the Former Agency to sell or lease its real property acquired with tax increment, subject to certain noticing, public hearing, and reporting requirements. In furtherance and compliance with Senate Bill 341, the Housing Authority has duly noticed a joint public hearing of the City Council and Housing Authority on December 17, 2019 and has prepared this summary report in connection with the exchange and disposition of the subject HA Property since it is a housing asset. Further, Section 34312.3 of the HAL authorizes the Authority, after a noticed public hearing, to sell, lease, or otherwise dispose of its real property without complying with surplus property disposition law so long as the real property is sold or leased at not less than fair value and the proceeds, net costs of sale, are used for affordable housing. In connection with the Exchange as defined and described in that certain *Exchange, Disposition and Cooperation Agreement with Escrow Instructions for Exchange of Real Property* ("Exchange Agreement") the City agrees to convey certain City Property to the Housing Authority and the Housing Authority agrees to convey the HA Property to City in exchange ("Exchange") on the terms and conditions set forth therein.

### **HA Property and City Property**

The Housing Authority is the fee owner of certain real property located at 10936, 12892, 12942 Acacia Parkway, Garden Grove, California APNs: 089-213-02, 089-213-28, 089-213-29, 089-213-31, 089-213-32 AND 089-213-36 (together, "HA Property"), which under the Exchange Agreement, if approved by the City Council and Housing Authority, would be exchanged and conveyed by the Housing Authority to the City for public purposes. The HA Property is located at southeast corner of Acacia Avenue and Grove Avenue, extending southerly to Garden Grove Boulevard; has approximately 1.7 acres or about 74,052 square feet of land area; the property has a double corner location on two secondary streets and one primary street; and, is currently improved with a public parking lot. The HA Property has been appraised by an independent professional appraiser, which appraisal dated as of November 18, 2019, which concludes a range of fair market value under two scenarios: (i) land value, "As-If" the site is re-zoned by the City as CC-3: \$5,330,000; and (ii) land value "As-Is" assuming PUD (M) zone with change to CC-3 designation: \$4,800,000.

The City is the owner of certain real property located at 11391 Acacia Parkway, Garden Grove, California (APN 090-154-57 (portion)) (herein, "City Property"), which under the Exchange Agreement, if approved by the City Council and Housing Authority, would be exchanged and conveyed by the City to Housing Authority for affordable housing purposes under HSC Section 34312.3(b). The City Property is located at the northwest corner of Acacia Parkway and Eighth Street in the Civic Center area and the site of the former city hall; is approximately 1.57 acres or about 68,388 square feet of land area; has a corner location on two secondary streets; is generally



rectangular in land configuration; and is currently improved with adjoining buildings, one totaling 8600 sq. ft. and a smaller 4800 sq. ft. building, totaling approximately 13,400 sq. ft. The City Property is subject to an existing lease agreement between the City, as landlord, and North County Senior Services, LLC, as "Tenant" (formerly Acacia Adult Day Services), which lease, as amended, is dated as of November 26, 2019 and became effective on December 1, 2019 ("Acacia Lease"). Tenant is managed by Alzheimer's Orange County, a California nonprofit corporation, which operates Acacia Adult Day Services that provides care services for senior citizens with illnesses or disabilities or who are otherwise in need of limited supervision. The rent due under the Acacia Lease is nominal at \$1.00/year. The City Property has been appraised by an independent professional appraiser, which appraisal is dated as of November 18, 2019 and concludes the fair market value of the Unencumbered Fee Simple Interest is \$4,855,000. Also, the independent appraisal presents an alternate valuation of the City Property, as encumbered by the Acacia Lease, at \$890,000. The appraiser's conclusion of the Unencumbered Fee Simple Interest value of \$4,855,000 assumes for valuation purposes that the Acacia Lease would be terminated at a future date. In this regard, both Landlord and Tenant each have the right to terminate the Acacia Lease under Section 3(b) thereof, by issuance of a 270-day notice of termination by one party to the other, at which time the City Property would revert to the fee owner and would be available for a highest and best use development, including an affordable housing project. Based on the current zoning, the maximum residential density is 42 units/acre, which would allow approximately 66 housing units on the 1.57-acre City Property.

As additional consideration for the Exchange, under the Exchange Agreement, the City will pay to Housing Authority at the Closing an amount equal to the difference between the highest appraised value of the HA Property (\$5,330,000) and the highest appraised value of the City Property (\$4,855,000), which amount is \$475,000.00 plus all Closing costs incurred for the Exchange transaction (together, "City Additional Consideration"). Therefore, here, the Dissolution Law, HAL and CRL permit the Authority, with the consent of the City Council, to exchange and convey the HA Property to the City after a public hearing, and after the Closing the Housing Authority will deposit \$475,000 into the LMIHAF to be later expended in compliance with the Dissolution Law, the HAL, and other applicable laws. The eligible expenditures thereunder include development of affordable housing and other eligible activities; and, specifically as to development, that term is defined under Section 34176.1(a)(3)(D) to allow: (i) new construction, (ii) acquisition and rehabilitation, (iii) substantial rehabilitation, (iv) acquisition of long-term affordability covenants on multifamily units, and (v) preservation of existing subsidized housing that is at-risk of converting to market rate housing.

## **SUMMARY OF THE EXCHANGE AGREEMENT**

City and Housing Authority staff and legal counsel have prepared the Exchange Agreement for exchange and disposition of the HA Property and City Property. As required by Section 34312.3 of the HAL, the Authority will use the net proceeds of the exchange (\$475,000) and the City Property acquired at the Closing for eligible affordable housing activities under the HAL and the Dissolution Law, including development of affordable housing in the community.

On December 17, 2019, City and Housing Authority staff will present this Report and the Exchange Agreement to the City Council and Housing Authority; a joint public hearing will be conducted, public

testimony will be received and considered and the City Council and Authority will consider and take action to approve, or not, the sale of the Exchange Agreement.

*Parties to the Exchange Agreement*

The parties to the Exchange Agreement are the Garden Grove Housing Authority and the City of Garden Grove.

*Property and Interest to be Conveyed*

As noted above, the HA Property is located at southeast corner of Acacia Avenue and Grove Avenue, extending southerly to Garden Grove Boulevard; has approximately 1.7 acres or about 74,052 square feet of land area; the property has a double corner location on two secondary streets and one primary street; and, is currently improved with a public parking lot.

*Cost of the Exchange Agreement and the HA Property to the Former Agency*

The Former Agency acquired the Property at a cost of \$2,300,000 by agreement dated as of March 8, 2011. A summary of financial information about the Property, including the costs incurred by the Former Agency prior to dissolution and then the Housing Authority since dissolution, are set forth in the following table:

Purchase Price of HA Property as of March 2011	\$2,300,000
Estimated maintenance costs related to the HA Property between March 2011 to December 2019	\$22,503.69
Estimated costs for advisory assistance, such as legal and professional services, for HA Property between March 2011 to December 2019	\$0
Total estimated accrued cost of HA Property ownership between March 2011 to December 2019	\$22,504
Valuation of HA Property for Exchange under Exchange Agreement  The HA Property has been appraised by an independent professional appraiser, which appraisal dated as of November 18, 2019, which concludes a range of fair market value under two scenarios: (i) land value, "As-If" the site is re-zoned by the City as CC-3: \$5,330,000; and (ii) land value "As-Is" assuming PUD (M) zone with change to CC-3 designation: \$4,800,000.	\$5,330,000 (higher value used under Exchange Agreement)
Valuation of City Property for Exchange under Exchange Agreement  The City Property has been appraised by an independent professional appraiser, which appraisal is dated as of November 18, 2019 and concludes the fair market value of the Unencumbered Fee Simple Interest is \$4,855,000; and, the	\$4,855,000 (higher value used under Exchange Agreement)

appraisal presents an alternate valuation of the City Property, as encumbered by the Acacia Lease, at \$890,000.	
Net Asset Value plus Cash/Revenue to Housing Authority per City Additional Consideration paid by City under Exchange Agreement	\$5,330,000 \$475,000 + \$4,855,000 (and City paying costs of Closing under Exchange Agreement)

*Estimated Revenue to the Housing Authority*

See above table.

*Net Asset Value and Cash/Revenue to the Housing Authority as Housing Successor*

See above table.

*Estimated Value of the Interest to be Conveyed*

See above table.

*Consideration Received and Reasons Therefor*

Under the terms of the Exchange Agreement, the consideration of \$5,330,000 to the Authority is equal to, not less than, the fair market value of the HA Property at its highest and best use, as determined by an independent appraiser.

*City Property Acquired by Housing Authority*

The proposed Exchange and subsequent reuse the City Property as described in the Exchange Agreement further the goals and objectives of the Housing Authority, the City's Housing Element of the General Plan, all in compliance with affordable housing and other eligible activities under the HAL and Dissolution Law.