



AGENDA

Garden Grove Housing Authority

Tuesday,
September 13, 2022

6:30 PM

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

George S. Brietigam

Chair

Kim B. Nguyen

Vice Chair

Carol Beckles

Commissioner

Patrick Phat Bui

Commissioner

Steve Jones

Commissioner

Stephanie

Klopfenstein

Commissioner

Diedre Thu-Ha

Nguyen

Commissioner

Tan Nguyen

Commissioner

John R. O'Neill

Commissioner

COVID-19 Information: Members of the public can address the City Council during the public comment portion of the meeting in person or via e-mail. If you plan to attend the meeting in person, masks or face coverings are required to be worn if you are not vaccinated. If you feel ill or are showing symptoms of COVID-19, please consider submitting comments by e-mail. Instructions are available on the City's website at <https://ggcity.org/city-council/meetings-participation>

Meeting Assistance: Any person requiring auxiliary aids and services, due to a disability, to address the City Council, 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 City Council 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 Council Members 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 City Council meeting agenda; and (3) at the Council Chamber at the time of the meeting.

Public Comments: Members of the public who attend the meeting in-person and would like to address the City Council 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 before the meeting begins. General comments are made during "Oral Communications" and should be limited to matters under consideration and/or what the City Council has jurisdiction over. Persons wishing to address the City Council regarding a Public Hearing matter will be called to the

podium at the time the matter is being considered.

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

Time Limitation: When any group of persons wishes to address the City Council on the same subject matter, the Mayor may request a spokesperson be chosen to represent the group, so as to avoid unnecessary repetition. At the City Council'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 BUI, COMMISSIONER JONES, COMMISSIONER KLOPFENSTEIN, COMMISSIONER D. NGUYEN, COMMISSIONER T. NGUYEN, COMMISSIONER O'NEILL, VICE CHAIR K. NGUYEN, CHAIR BRIETIGAM

1. ORAL COMMUNICATIONS

2. PUBLIC HEARINGS

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

2.a. Adoption of a Resolution approving a disposition agreement for real property located at 12291 Thackery Drive, Garden Grove, California. *(Joint Action Item with the City Council)*

3. MATTERS FROM CHAIR, COMMISSIONERS AND DIRECTOR

4. ADJOURNMENT

The next Regular Housing Authority Meeting is scheduled for Tuesday, September 27, 2022, at 5:30 p.m. in the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California 92840.

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Lisa L. Kim
Dept.:	Executive Director/City Manager	Dept.:	Community & Economic Development
Subject:	Adoption of a Resolution approving a disposition agreement for real property located at 12291 Thackery Drive, Garden Grove, California. <i>(Joint Action Item with the City Council)</i>		
		Date:	9/13/2022

OBJECTIVE

For the Housing Authority Commission in a joint action with the City Council consider approving that certain agreement with escrow instructions for disposition of real property ("Disposition Agreement") between the City and Housing Authority; authorizing the Executive Director/City Manager to carry out the Disposition Agreement; and making certain other findings in connection therewith regarding 12291 Thackery Drive.

BACKGROUND

The real property that is located at 12291 Thackery Drive, Garden Grove, California 92840, Assessor Parcel No. 231-471-22 was purchased by the Garden Grove Agency for Community Development in 2007. The size of the parcel is approximately 7,200 square feet, and is vacant and unimproved. The Property is located in the R-1-7 (Single-Family Residential) zone district; however, the underlying land use designation in the City's General Plan is International West Mixed Use (IW).

As of February 1, 2012, the Garden Grove Agency for Community Development ("Former Agency") was dissolved pursuant to State Law and the Housing Authority became the successor to the rights, powers, assets, liabilities, duties and obligations associated with the housing functions of the Former Agency. Pursuant to Health & Safety Code 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 subject Property. The approved HAT includes the subject Property.

DISCUSSION

The City of Garden Grove and New Age Garden Grove, LLC, ("Developer") are parties to that certain Second Amended and Restated Exclusive Negotiation Agreement (ENA) dated as of April 24, 2018, which agreement was amended by certain amendments that extended the term of the ENA through December 31, 2022. The representatives of the parties to the ENA have been negotiating the terms and conditions of a certain proposed Disposition and Development Agreement ("DDA") for an economic development hotel project, which DDA will be presented to the City's City Council at a duly noticed public hearing of even date with the public hearing that is the subject of this Disposition Agreement or at a later date. The subject of the DDA affects certain parcels of real property that are described and defined collectively in the DDA as the

"Site." One parcel that is a part of the Site is the subject Property. Under the Disposition Agreement herein, the Housing Authority desires and intends to convey the Property to the City at its fair market value, and the City desires and intends to convey the Property to the Developer. A Summary Report was prepared pursuant to California Health and Safety Code Sections 33433 and 34312b (Attached). The Summary Report provides:

- The proposed disposition of the Property by the Housing Authority to the City will be at the appraised value of the Property in the amount of \$460,000. The appraisal is attached.
- The public purpose for the disposition is for economic development reuse by the City pursuant to the DDA.
- Under the DDA, the City will sell the larger, full Site, which includes the subject Property, to the Developer for construction and operation of a new first-class hotel development with ancillary uses.
- The Former Agency expended and incurred \$588,954 in costs related to acquisition and ownership of the Property.
- The Housing Authority will deposit the proceeds net costs of sale of the Property into the LMIHAF for future development of affordable housing.

In conformance with CEQA and the CEQA Guidelines, on August 23, 2022, the City Council adopted Resolution No. 9768-22 approving a Mitigated Negative Declaration and Mitigation Monitoring Program, which evaluates and analyses the anticipated physical environmental impacts of the Developer's hotel project and provides for specified mitigation measures. The Mitigated Negative Declaration and Mitigation Monitoring Program is available for review on the City's website at <https://ggcity.org/planning/environmental-documents>. A complete copy of the Mitigated Negative Declaration and Mitigation Monitoring Program is on file and can be viewed in the Planning and Building Department of the City located at 11222 Acacia Pkwy, Garden Grove, CA 92840.

FINANCIAL IMPACT

Minimal impacts are anticipated. The City's payment will be reimbursed by the Developer through the proposed DDA.

RECOMMENDATION

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

- Adopt the Resolutions approving the Disposition Agreement between the Housing Authority and City; and,
- Authorize the Executive Director/City Manager to execute the Disposition Agreement, Grant Deed, pertinent documents needed to effectuate the Disposition Agreement and make minor modifications as needed, on behalf of the Housing Authority and City.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Housing Authority Resolution	9/2/2022	Resolution	9-13-22_Resolution_of_Housing_Authority_Approving_Disposition_of_12291_Thackery_to_City_(4).pdf
City Council Resolution	9/2/2022	Resolution	9-13-22_Resolution_of_City_Council_Approving_Disposition_of_12291_Thackery_to_City_(2).pdf

Summary Report	9/2/2022	Backup Material	9-13-22_Summary_Report_12291_Thackey_Drive_333433_and_34312_(B).pdf
Disposition Agreement	9/2/2022	Agreement	9-13-22_Disposition_Agreement-City_and_Housing_Authority-12291_Thackery_(1).pdf
Appraisal	9/6/2022	Backup Material	GG_Thackery_12291_Appraisal_Report.pdf
Public Hearing Notice	9/6/2022	Notice	9-13-22_Affidavit__for_HAT_without_costs.pdf

GARDEN GROVE HOUSING AUTHORITY

RESOLUTION NO.

A RESOLUTION OF THE GARDEN GROVE HOUSING AUTHORITY APPROVING THAT CERTAIN AGREEMENT WITH ESCROW INSTRUCTIONS FOR DISPOSITION OF REAL PROPERTY ("DISPOSITION AGREEMENT") BETWEEN THE CITY AND HOUSING AUTHORITY; AUTHORIZING THE AUTHORITY DIRECTOR TO CARRY OUT THE DISPOSITION 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"); and

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; and

WHEREAS, the Housing Authority is the fee owner of certain real property located at 12291 Thackery Drive, Garden Grove, California APN: 231-471-22 ("Property") as proposed hereunder to be conveyed by the Housing Authority to the City for economic development objectives; and

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"); and

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; and

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); and

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; and

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; and

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; and

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 Disposition Agreement; and

WHEREAS, the Property has been appraised by an independent professional appraiser, which appraisal dated as of July 14, 2022, establishes a fair market value of \$460,000; and

WHEREAS, the City and New Age Garden Grove, LLC, a California limited liability company ("Developer") are parties to that certain Second Amended and Restated Exclusive Negotiation Agreement dated as of April 24, 2018, which agreement was amended by certain amendments that extended the term of such agreement; the term of the ENA, as amended, expires on December 31, 2022 (together, as amended "ENA").

WHEREAS, pursuant to the ENA, representatives of the parties have been negotiating the terms and conditions of a certain proposed Disposition and Development Agreement ("DDA") for an economic development hotel project, which DDA will be presented to the City's City Council at a duly noticed public hearing for consideration and discretionary action of even date with the public hearing that is the subject of this Disposition Agreement or at a date after such public hearing. The subject of the DDA affects certain parcels of real property that are described and defined collectively in the DDA as the "Site". One parcel that is a part of the Site is the subject Property.

WHEREAS, by this Disposition Agreement, the Housing Authority desires and intends to convey the Property to the City at its fair market value, and the City desires and intends to convey the Property to the Developer.

WHEREAS, the conveyance of the 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 Disposition Agreement; and

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

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

WHEREAS, the City Council and Housing Authority have duly considered all terms and conditions of the Disposition Agreement and believe that the disposition of the Property 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 Disposition Agreement; and

WHEREAS, pursuant to and in accordance with the provisions of the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*; herein referred to as "CEQA"), and the State of California Guidelines for the Implementation of the California Environmental Quality Act (commencing with Section 15000 of Title 14 of the California Code of Regulations; herein referred to as the "CEQA Guidelines"), the City is the "lead agency" for the preparation and consideration of environmental documents for the hotel project;

WHEREAS, in conformance with CEQA and the CEQA Guidelines, on August 23, 2022, the City Council adopted Resolution No. 9768-22 approving a Mitigated Negative Declaration and Mitigation Monitoring Program, which evaluates and analyses the anticipated physical environmental impacts of the hotel project and provides for specified mitigation measures. The Mitigated Negative Declaration and Mitigation Monitoring Program is available for review on the City's website at <https://ggcity.org/planning/environmental-documents>. A complete copy of the Mitigated Negative Declaration and Mitigation Monitoring Program is on file and can be viewed in the Planning and Building Department of the City located at 11222 Acacia Pkwy, Garden Grove, CA 92840.

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 Disposition 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 Disposition Agreement that has been submitted herewith. The Authority Executive Director, and his authorized designees, and the Secretary, and her authorized designees, are hereby authorized to execute and attest the Disposition Agreement on behalf of the Housing Authority. And, in implementation of the Disposition Agreement, the Director (and authorized designees) is authorized to sign the final version of the Disposition Agreement after completion of non-substantive, minor revisions, if any. Copies of the final form of the Disposition Agreement, when duly executed and attested, shall be placed on file in the office of the Secretary. Further, the Director (or authorized designees) is authorized to implement the Disposition 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 Director (or authorized designees) is hereby authorized to the extent necessary during the implementation of the Disposition 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 Disposition 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 Disposition Agreement approved hereby.

Section 3. In addition to the authorization of Sections 2 above, the 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 Disposition 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 Disposition Agreement.

Section 4. The Secretary shall certify to the adoption of this Joint Resolution.

ATTACHMENT TO HOUSING AUTHORITY RESOLUTION
COPY OF DISPOSITION AGREEMENT

GARDEN GROVE CITY COUNCIL

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING THAT CERTAIN AGREEMENT WITH ESCROW INSTRUCTIONS FOR DISPOSITION OF REAL PROPERTY ("DISPOSITION AGREEMENT") BETWEEN THE CITY AND HOUSING AUTHORITY; AUTHORIZING THE CITY MANAGER TO CARRY OUT THE DISPOSITION 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"); and

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; and

WHEREAS, the Housing Authority is the fee owner of certain real property located at 12291 Thackery Drive, Garden Grove, California APN: 231-471-22 ("Property") as proposed hereunder to be conveyed by the Housing Authority to the City for economic development objectives; and

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"); and

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; and

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); and

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.); and

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; and

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; and

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 Disposition Agreement; and

WHEREAS, the Property has been appraised by an independent professional appraiser, which appraisal dated as of July 14, 2022, establishes a fair market value of \$460,000; and

WHEREAS, the City and New Age Garden Grove, LLC, a California limited liability company ("Developer") are parties to that certain Second Amended and Restated Exclusive Negotiation Agreement dated as of April 24, 2018, which agreement was amended by certain amendments that extended the term of such agreement; the term of the ENA, as amended, expires on December 31, 2022 (together, as amended "ENA").

WHEREAS, pursuant to the ENA, representatives of the parties have been negotiating the terms and conditions of a certain proposed Disposition and Development Agreement ("DDA") for an economic development hotel project, which DDA will be presented to the City's City Council at a duly noticed public hearing for consideration and discretionary action of even date with the public hearing that is the subject of this Disposition Agreement or at a date after such public hearing. The subject of the DDA affects certain parcels of real property that are described and defined collectively in the DDA as the "Site". One parcel that is a part of the Site is the subject Property.

WHEREAS, by this Disposition Agreement, the Housing Authority desires and intends to convey the Property to the City at its fair market value, and the City desires and intends to convey the Property to the Developer.

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 Disposition Agreement; and

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

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

WHEREAS, the City Council and Housing Authority have duly considered all terms and conditions of the Disposition 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 Disposition Agreement; and

WHEREAS, pursuant to and in accordance with the provisions of the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*; herein referred to as "CEQA"), and the State of California Guidelines for the Implementation of the California Environmental Quality Act (commencing with Section 15000 of Title 14 of the California Code of Regulations; herein referred to as the "CEQA Guidelines"), the City is the "lead agency" for the preparation and consideration of environmental documents for the hotel project;

WHEREAS, in conformance with CEQA and the CEQA Guidelines, on August 23, 2022, the City Council adopted Resolution No. 9768-22 approving a Mitigated Negative Declaration and Mitigation Monitoring Program, which evaluates and analyses the anticipated physical environmental impacts of the hotel project and provides for specified mitigation measures. The Mitigated Negative Declaration and Mitigation Monitoring Program is available for review on the City's website at <https://ggcity.org/planning/environmental-documents>. A complete copy of the Mitigated Negative Declaration and Mitigation Monitoring Program is on file and can be viewed in the Planning and Building Department of the City located at 11222 Acacia Pkwy, Garden Grove, CA 92840.

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 Disposition 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 Disposition Agreement that has been submitted herewith. The City Manager, and his authorized designees, and the City Clerk, and her authorized designees, are hereby authorized to execute and attest the Disposition Agreement on behalf of the City. And, in implementation of the Disposition Agreement, the City Manager (and authorized designees) is authorized to sign the final version of the Disposition Agreement after completion of non-substantive, minor revisions, if any. Copies of the final form of the Disposition 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 Disposition 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 Disposition 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 Disposition 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 Disposition 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 Disposition 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 Disposition 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 Disposition Agreement.

Section 4. The City Clerk shall certify to the adoption of this Resolution.

ATTACHMENT TO CITY COUNCIL RESOLUTION
COPY OF DISPOSITION AGREEMENT

**SUMMARY REPORT RELATED TO DISPOSITION OF CERTAIN PROPERTY
BY GARDEN GROVE HOUSING AUTHORITY TO CITY OF GARDEN GROVE
12291 Thackery Drive, Garden Grove, California 92840, APN 231-471-22
HSC 33433 and 34312.3(b)**

This Summary Report is prepared and presented pursuant to California Health and Safety Code¹ Sections 33433 and 34312.3(b). The Garden Grove Housing Authority ("Housing Authority") desires to sell the subject Property (described and defined below) to the City of Garden Grove ("City") for economic development public purposes. Also to be presented to the City Council for consideration and action are several other action items that relate and affect the Property and certain adjacent parcels of real property and those action items include a more detailed description of the economic development objectives for the Property and the Site described and defined below.

Description of Subject Property

The real property that is the subject of this Summary Report has a common address of 12291 Thackery Drive, Garden Grove, California 92840, Assessor Parcel No. 231-471-22 and is located on the west side of Thackery Drive, beginning 150± feet north of Twintree Avenue ("Property"). The size of the parcel is approximately 7,200 square feet, is situated at interior location on a secondary street, and is vacant and unimproved. The Property is located in the R-1-7 (Single-Family Residential) zone district; however, the underlying land use designation in the City's General Plan is International West Mixed Use (IW). The Property is owned in fee by the Garden Grove Housing Authority ("Housing Authority").

Background of Housing Authority

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 ("CRL"), Health and Safety Code Section² 33000, *et seq.* Assembly Bill x1 26, as chaptered and effective on June 27, 2011, caused the dissolution of the Former Agency and all other California redevelopment agencies. The dissolution laws are codified in the HSC Division 24, Part 1.8 Section 34160, *et seq.* and Part 1.85 Section 34170, *et seq.* (together, "Dissolution Law"). Before dissolution of all California redevelopment agencies, the City, as the sponsoring jurisdiction, elected to serve at dissolution as the successor agency to the Former Agency. On February 1, 2012, the Former Agency was dissolved; and, in June 2012 by Assembly Bill 1484, the Legislature established successor agencies as public entities separate from their sponsoring city (or county), so the

¹ Statutory references in this Summary Report are to the California Health and Safety Code ("HSC") unless otherwise stated.

² Statutory references in this Summary Report are to the California Health and Safety Code ("HSC") unless otherwise stated.

Successor Agency to the Garden Grove Agency for Community Development (“Successor Agency”) itself is a separate public entity pursuant to Section 34173(g) of the Dissolution Law.

In January 2012 and pursuant to the Dissolution Law, the City had to elect whether or not, upon dissolution, to accept the Former Agency’s housing assets and functions and become the “housing successor”, which the City declined; but, concurrently the City selected the Housing Authority to serve as the “housing successor” under Section 34176(a)(3) of the Dissolution Law. The Housing Authority was an existing public entity that was originally and duly formed as a housing authority and operates as a housing authority pursuant to the California Housing Authorities Law, Part 2 of Division 24, Section 34200, *et seq.* (“HAL”).

As required by HSC Section 34176(a)(2), in July 2012, the Housing Authority prepared that certain Housing Asset Transfer schedule (“HAT”) listing all of the Former Agency’s “housing assets” (as defined in Section 34176(e)) and submitted the HAT to the State Department of Finance (“DOF”). The DOF approved the HAT confirming the housing assets of the Former Agency were vested by operation of law with the Authority. The subject Property discussed in this Summary Report is one of those DOF-approved housing assets.

Surplus Land Act; SLA Exemption

The California Surplus Land Act is set forth in Government Code Section 54220, *et seq.* and the Surplus Land Act Guidelines issued by State of California, Department of Housing and Community Development (“HCD”) implement such statutes (together, “SLA”). Under the SLA, an exclusive negotiating agreement (or ENA) is defined as a legally binding agreement that binds a prospective buyer and seller under which the seller cannot make any similar deals with other potential buyers for a specified period.³ The City and New Age Garden Grove, LLC, a California limited liability company (“Developer”) are parties to that certain *Second Amended and Restated Exclusive Negotiation Agreement* dated as of April 24, 2018, which agreement was amended by certain amendments that extended the term of such agreement; the term of the ENA, as amended, expires on December 31, 2022 (together, as amended “ENA”). Pursuant to the ENA, representatives of the parties have been negotiating the terms and conditions of a certain proposed *Disposition and Development Agreement* (“DDA”) for an economic development hotel project, which DDA will be presented to the City Council at a duly noticed public hearing for consideration and discretionary action of even date with the public hearing that is the subject of this Summary Report or at a date after such public hearing. The subject of the DDA affects certain parcels of real property that are described and defined collectively in the DDA as the “Site”. One parcel that is a part of the Site is the subject Property discussed in this Summary Report. Pursuant to Government Code Section 54234 and HCD Guidelines Section 103, Exemptions, the parcels that comprise the Site are not subject to the SLA as amended and in effect presently.

³ Surplus land that meets one or more of the following conditions is exempt from Articles II and III of these [SLA] Guidelines:

(1) An ENA or legally binding agreement to dispose of property that meets the requirements of Government Code Section 54234 is not subject to the requirements of AB 1486 ...

(A) Surplus land subject to an ENA or legally binding agreement to dispose of property is not subject to Articles II and III of these Guidelines so long as the local agency entered into the ENA or legally binding agreement on or before September 30, 2019, and the disposition of the property is completed by December 31, 2022.

Legal Framework for Disposition of Subject Property

Senate Bill 341 governs the disposition of housing assets by the Housing Authority, as housing successor, and provides in HSC Section 34176(d) that the Low and Moderate Income Housing Asset Fund (“LMIHAF”) and housing assets are subject to certain provisions of the CRL. HSC Sections 33431 and 33433 of the CRL authorized the Former Agency to sell or lease its real property acquired with tax increment, subject to certain reporting, noticing and public hearing requirements; therefore, Senate Bill 341 requires the Housing Authority to comply with these provisions before disposition of the subject Property since it is now a housing asset of the LMIHAF. Further, Section 34312.3(b) of the HAL authorizes the Housing 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 market value and the proceeds, net costs of sale, are used for affordable housing.⁴ Therefore, here, the Dissolution Law, HAL and CRL permit the Housing Authority, with the consent of the City Council, to sell the subject Property after a public hearing provided the net sale proceeds are deposited into the LMIHAF and later expended for development of affordable housing and other eligible activities. Under HSC Section 34176.1(a)(3)(D), the term “development” allows (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.

Background and Costs Related to the Property

The Property was acquired by the Former Agency with property tax increment sourced from the former low to moderate income housing fund; thus, the proposed sale of the Site by the Housing Authority to the City may be subject to the HSC Section 33433 reporting requirements. Section 33433 provides that a redevelopment agency conveying property prepare a report to provide information about the provisions of the proposed disposition and development and to outline the reasons therefor as to the subject Property. Where HSC Section 33433 applies, the approval of the City Council is required for the sale of property by the Housing Authority as housing successor. It is not clearly established as a matter of law whether HSC Section 33433 applies to conveyances of property by a housing authority where the subject property was originally acquired by a former redevelopment agency. Nonetheless, in an abundance of caution, and to provide information to the public and overall transparency, staff has prepared and presents this Summary Report.

Summary Report Topics

This Summary Report describes and specifies all of the following required under HSC Sections 33433 and 34312.3(b).

⁴ HSC 34312.3(b), second paragraph, states: “So long as the proceeds of any sale, lease, or other disposition of real property, net of the cost of sale, are to be used directly to assist a housing project pursuant to this section for persons of low income, and the funds in any trust fund established pursuant to subdivision (f) are used directly to assist housing units for persons of very low income, an authority may, after a public hearing, sell, lease, or otherwise dispose of the real property without complying with any provision of law concerning disposition of surplus property, including, but not limited to, Sections 34315.5 and 34315.7.”

1. The cost of the agreement to the Former Agency and thereafter the Housing Authority, including the land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the Authority, plus the expected interest on any loans or bonds to finance the agreements.
2. The estimated value of the interest to be conveyed to be determined at the highest and best uses permitted. The purchase price for the Property to be paid by the City to the Housing Authority at not less than appraised value pursuant to HSC 34312.3(b).
3. The estimated value of the interest to be conveyed to be determined at the use and with the conditions, covenants, and development costs required by the sale. If the sale price is less than the fair market value of the interest to be conveyed, determined at the highest and best use consistent with the redevelopment plan, then the Authority shall provide as part of the summary as explanation of the reasons for the difference; provided however, that is not applicable here because the purchase price that the City will pay to the Housing Authority is the appraised value of the Property.
4. An explanation of why the sale of the property will assist in the elimination of blight, with reference to all supporting facts and materials relied upon in making this explanation.

It is the intent of this Summary Report to meet all these requirements and provide the necessary information and data. This balance of this Summary Report is organized into the following topics:

I. DISPOSITION OF PROPERTY; SALE BY HOUSING AUTHORITY TO CITY, THEN DISPOSITION OF PROPERTY THAT IS PART OF THE LARGER SITE BY THE CITY TO THE DEVELOPER UNDER THE DDA. The proposed sale of the Property is by the Housing Authority to the City at a purchase price that is equal to the appraised value. The public purpose for this sale is for economic development reuse by the City pursuant to the DDA, if approved by separate discretionary consideration and action of the City Council. The City will pay the Housing Authority the purchase price of \$460,000 for the Property as a condition precedent to sale and recordation of the grant deed in the Official Records. Under the DDA, the City will sell the larger, full Site, which includes the subject Property, to the Developer for construction and operation of a new first-class hotel development with ancillary uses. The sale of the Site under the DDA is subject to a series of conditions precedent as set forth in the DDA.

II. COSTS INCURRED RELATED TO THE PROPERTY BY FORMER AGENCY PRE-DISSOLUTION, AND BY HOUSING AUTHORITY POST-DISSOLUTION. The Former Agency expended and incurred \$588,954 in costs related to acquisition and ownership of the Property. The Housing Authority, as housing successor, has incurred no costs (\$0) related to the Property. A breakdown summary of the Former Agency's costs is presented in the below table:

Original Purchase Price of Property	\$521,200
Maintenance costs related to the Property for period of ownership	\$5558
Demolition and/or other site preparation costs	\$57,196
Professional services pre-and post-dissolution efforts to develop housing	\$5,000
Total accrued cost of Property ownership	<u>\$588,954</u>
Appraised value of Property as of July 2022	\$460,000
Purchase Price for Sale between Housing Authority and City	\$460,000
Net Revenue to Authority	\$460,000 (less costs of escrow/sale)

III. ESTIMATED VALUE OF THE INTERESTS TO BE CONVEYED DETERMINED AT THE HIGHEST USE PERMITTED UNDER THE PROPERTY'S ZONING. After considering the various factors which influence value, the fee simple market value of the Property, as set forth in an appraisal report dated as of July 14, 2022, is estimated as: Four Hundred Sixty Thousand Dollars (\$460,000) based on an independent appraisal prepared by LP Lauraine and Associates.

IV. ESTIMATED APPRAISED VALUE OF THE INTEREST TO BE CONVEYED; REUSE VALUE, IF EVALUATED. The appraised valuation of the Property is Four Hundred Sixty Thousand Dollars (\$460,000); in any event in connection with the DDA, the reuse value has been determined and that valuation is zero (\$0), which is based on an analysis prepared by the City's economic consultant, HTL Hospitality Advisors. Nonetheless, pursuant to the HAL, the City will pay the appraised value of \$460,000 to the Housing Authority as the purchase price, and the Housing Authority will deposit the proceeds net costs of sale into the LMIHAF for future development of affordable housing.

V. CONSIDERATION RECEIVED AND COMPARISON WITH ESTABLISHED VALUE. The consideration to be received by the Housing Authority is \$460,000 less costs of sale, which complies with the HAL.

VI. BLIGHT ELIMINATION. The hotel development proposed under the DDA, if approved, will result in a master planned development. As a result of the City and Developer's investment in the community, the existing blighted conditions, and this unimproved and underutilized parcel will become part of the larger Site and overall new development. The implementation of the DDA, will eliminate blight and blighting conditions, and provide economic incentives to facilitate the development, construction and operation of the new hotel project. This will result in City achieving certain goals stated in the 2021 Office of Economic Development Strategic Plan, including:

1. Provide desirable and attractive experiences for both local residents and tourists;
2. Increase employment through additional jobs in the City as a result of private sector investment;
3. Indirectly encourage other property owners to upgrade and enhance properties;
4. Maintain and enhance a consistent business friendly environment;
5. Generate net increased transient occupancy tax (TOT) revenue to the City, which will assist in the revitalization of neighborhoods and support the public services provided by the City to its residents, visitors, and businesses; and
6. Increase the economic competitiveness of the City.

**AGREEMENT WITH ESCROW INSTRUCTIONS
FOR DISPOSITION OF REAL PROPERTY**

This **AGREEMENT WITH ESCROW INSTRUCTIONS FOR DISPOSITION OF REAL PROPERTY** (“Disposition Agreement”) is entered into as of September 13, 2022 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”.

R E C I T A L S

A. 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”).

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 12291 Thackery Drive, Garden Grove, California APN: 231-471-22 (“Property”) as proposed hereunder to be conveyed by the Housing Authority to the City for economic development objectives.

D. The Property has been appraised by an independent professional appraiser, which appraisal dated as of July 14, 2022, establishes a fair market value of \$460,000.

E. The City and New Age Garden Grove, LLC, a California limited liability company (“Developer”) are parties to that certain Second Amended and Restated Exclusive Negotiation Agreement dated as of April 24, 2018, which agreement was amended by certain amendments that extended the term of such agreement; the term of the ENA, as amended, expires on December 31, 2022 (together, as amended “ENA”).

F. Pursuant to the ENA, representatives of the parties have been negotiating the terms and conditions of a certain proposed Disposition and Development Agreement (“DDA”) for an economic development hotel project, which DDA will be presented to the City’s City Council at a duly noticed public hearing for consideration and discretionary action of even date with the public hearing that is the subject of this Disposition Agreement or at a date after such public hearing. The subject of the DDA affects certain parcels of real property that are described and defined collectively in the DDA as the “Site”. One parcel that is a part of the Site is the subject Property.

G. By this Disposition Agreement, the Housing Authority desires and intends to convey the Property to the City at its fair market value, and the City desires and intends to convey the Property to the Developer.

H. 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.

I. 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.

J. 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).

K. 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.)

L. 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.

M. 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 Property. The approved HAT includes the subject Property and thereby is a DOF-approved housing asset under the Dissolution Law and asset of the Housing Authority under the HAL.

N. 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 Property that is the subject of this Disposition Agreement.

O. The conveyance of the 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 Disposition Agreement. A summary report about the Property was prepared and made available to the public along with this Disposition Agreement and were presented to the City Council and Housing Authority in their respective consideration of this Disposition Agreement.

P. In connection with the disposition of the Property, the Housing Authority covenants that the 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.

Q. The City and Housing Authority desire to set forth the terms and conditions of the disposition of the 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 are hereby incorporated by reference into this Disposition Agreement.

2. Disposition. The Housing Authority agrees to convey the Property to the City on the terms and conditions set forth in this Disposition Agreement.

3. Consideration. City shall pay to Housing Authority at the Closing an amount equal to the appraised value of the Property, which amount is Four Hundred Sixty Thousand Dollars (\$460,000.00) *plus* all Closing costs incurred for the disposition transaction (together, “Consideration”).

4. Escrow and Closing.

(a) **Escrow Holder.** City shall cause the escrow to complete the disposition (“Escrow”) with First American Title Company or such escrow company as the parties in the DDA may designate (“Escrow Holder”).

(b) **Escrow.** For purposes of this Disposition 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 Disposition Agreement. 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 disposition transaction contemplated by this Disposition Agreement; provided, however, no such instruments shall conflict with, amend or supersede any portion of this Disposition Agreement. If there is any conflict or inconsistency between the terms of such instruments and the terms of this Disposition Agreement, then the terms of this Disposition Agreement shall control.

(c) **Closing.** For purposes of this Disposition Agreement, the “Closing” shall be the date that the Grant Deed is recorded in the Official Records, County of Orange, State of California (“Official Records”). Unless changed in writing by the Parties, the Closing shall occur on or before December 31, 2022, subject to City and Housing Authority’s rights to extend the date or terminate this Disposition Agreement as set forth herein.

(d) **Deed.** The grant deed conveying the Property by the Housing Authority to the City with a certificate of acceptance (“Property Grant Deed”) is attached as Exhibit A.

5. Conditions Precedent and Termination Right. The Closing and the Parties’ obligation to consummate the disposition transaction contemplated by this Disposition 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 Disposition 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 Disposition Agreement.

(c) Approval of DDA with Developer. As of the Closing, the City shall have approved the DDA with the Developer.

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

(ii) Consideration. City shall deliver and pay into Escrow not less than one business day prior the Closing the Consideration (\$460,000 plus costs incurred for the Escrow and Title Company in connection with this transaction and Disposition Agreement.)

(iii) FIRPTA. A Transferor's Certification of Non-Foreign Status, as and if applicable, ("FIRPTA Certificate"), one (1) from each of City and Housing Authority.

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

(v) Preliminary Change of Ownership Report. A Preliminary Change of Ownership Report ("Preliminary Change of Ownership Report"), fully completed.

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

7. Closing Procedure.

(a) Escrow Holder's Closing Instructions. When 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 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 Deed in the Official Records.

(d) Preliminary Change of Ownership Reports. Escrow Holder shall submit the Preliminary Change of Ownership Report to the Recorder's Office concurrently with the submission of the Deed 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 \$460,000.00, then deliver final closing statements to each Party, and disburse remaining funds deposited for fees and costs of Escrow to Escrow Holder, and remaining funds, if any, to City.

(i) In this regard, Housing Authority agrees to deposit the full amount of \$460,000 into the LMIHAF, which funds shall be expended in compliance with the Dissolution Law, HAL and other applicable laws.

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

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

(a) Power. Each Party has the legal power, right and authority to enter into this Disposition 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 Disposition 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 Disposition Agreement.

(c) No Conflict. Neither the execution and delivery of this Disposition 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 Disposition 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 Disposition Agreement.

9. Obtaining Information. As a material inducement to the execution and delivery of this Disposition 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 Property in an “AS-IS,” “WITH-ALL-FAULTS” condition 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 Property) or to seek additional compensation or consideration for same; (c) each Party is fully satisfied that the 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 Property.

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 Disposition 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 Disposition 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 Disposition Agreement.

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

12. General Provisions.

(a) Damage to Property. If, prior to the Closing, all or any portion of the Property 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 Disposition 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 Disposition 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 disposition 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 Disposition 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 Disposition 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 Disposition Agreement are solely for the convenience of the Parties hereto, are not a part of this Disposition Agreement, and shall not be used for the interpretation or determination of the validity of this Disposition Agreement or any provision hereof.

(i) No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Disposition Agreement shall not be deemed to confer any rights upon, nor obligate any of the Parties to this Disposition 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 Disposition Agreement. The terms of this Disposition 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 Disposition Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

(m) Applicable Law. This Disposition 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

Tom Clark, Special Counsel
Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660

14. Entire Agreement. This Disposition 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 Disposition Agreement is executed without reliance on any oral or written statements, representations or promises of any kind which are not expressly contained in this Disposition 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 *Disposition Agreement with Escrow Instructions for Disposition of Real Property* as of the date first set forth above.

CITY OF GARDEN GROVE
a California municipal corporation

By: _____
Scott C. Stiles, City Manager
or Authorized Designee

ATTEST:

TERESA POMEROY, CMC, CITY CLERK

Teresa Pomeroy or Authorized Designee

APPROVED AS TO FORM:

By: _____
Omar Sandoval, City Attorney
or Authorized Designee

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

By: _____
Scott C. Stiles, Executive Director
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
GRANT DEED

**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 A 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, Executive 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:

APN: 231-471-22

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

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CERTIFICATE OF ACCEPTANCE

This is to certify that the interests in certain real property conveyed under the foregoing **GRANT DEED** dated as of September __, 2022 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 September 13, 2022 and the City consents to recordation of this Grant Deed by its duly authorized officer.

Dated: September __, 2022

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

APPRAISAL REPORT

VACANT LAND PARCEL
12291 THACKERY DRIVE
GARDEN GROVE, CALIFORNIA
APN: 231-471-22



R. P. LAURAIN
& ASSOCIATES
INCORPORATED

APPRAISAL REPORT

VACANT LAND PARCEL
12291 THACKERY DRIVE
GARDEN GROVE, CALIFORNIA
APN: 231-471-22

Effective Date
of
Market Value Study
July 14, 2022

Prepared for
CITY OF GARDEN GROVE
ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT
11222 Acacia Parkway
Garden Grove, CA 92842

Prepared by
R. P. LAURAIN & ASSOCIATES, INC.
3353 Linden Avenue, Suite 200
Long Beach, California 90807

Date of Report
July 18, 2022

R . P . LAURAIN
& ASSOCIATES

INCORPORATED



3353 LINDEN AVENUE, SUITE 200
LONG BEACH, CALIFORNIA 90807
TELEPHONE (562) 426-0477
FACSIMILE (562) 988-2927
RPLA@RPLAURAIN.COM

July 18, 2022

City of Garden Grove
Economic and Community Development Department
11222 Acacia Parkway
Garden Grove, CA 92842

Attention: Paul Guerrero
Real Property

Subject: Vacant Land Parcel
12291 Thackery Drive
Garden Grove, California
APN: 231-471-22

In accordance with your request and authorization, I have personally inspected and appraised the above-referenced property. The appraisal study included (1) an inspection of the subject property, (2) a review of market data, and (3) the valuation analysis.

The subject property is located on the west side of Thackery Drive, beginning 150± feet north of Twintree Avenue, in the City of Garden Grove. The subject property contains 7,200 square feet of land area. The site has an interior location on a secondary street. The subject property is an effectively vacant land parcel. The subject property is located in the R-1-7 (Single-Family Residential) zone district of the City of Garden Grove. The underlying land use designation, however, is International West Mixed Use (IW).

It will be demonstrated in the accompanying report that the maximally productive use, and therefore, the highest and best use of the subject property is low density residential development. The subject property has been appraised accordingly.

After considering the various factors which influence value, the fee simple market value of the subject property, as of July 14, 2022, is estimated at:

FOUR HUNDRED SIXTY THOUSAND DOLLARS
\$460,000.

City of Garden Grove
Attention: Paul Guerrero
July 18, 2022
Page 2

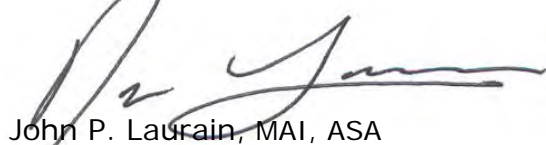
The foregoing value is subject to the assumptions and limiting conditions set forth in the Preface Section, and the valuation study in the Valuation Analysis Section. No portion of this report shall be amended or deleted.

This appraisal complies with the reporting requirements set forth in the Uniform Standards of Professional Appraisal Practice, under Standard Rule 2-2(a), for an Appraisal Report. This report has been submitted as an electronic (PDF) document; a file copy has been retained.

If you have any questions regarding the report, please contact the undersigned at your convenience.

Very truly yours,

R. P. LAURAIN & ASSOCIATES, INC.

A handwritten signature in dark ink, appearing to read 'John P. Laurain', is written over the printed name.

John P. Laurain, MAI, ASA
Certified General Real Estate Appraiser
California Certification No. AG 025754

JPL:jlr

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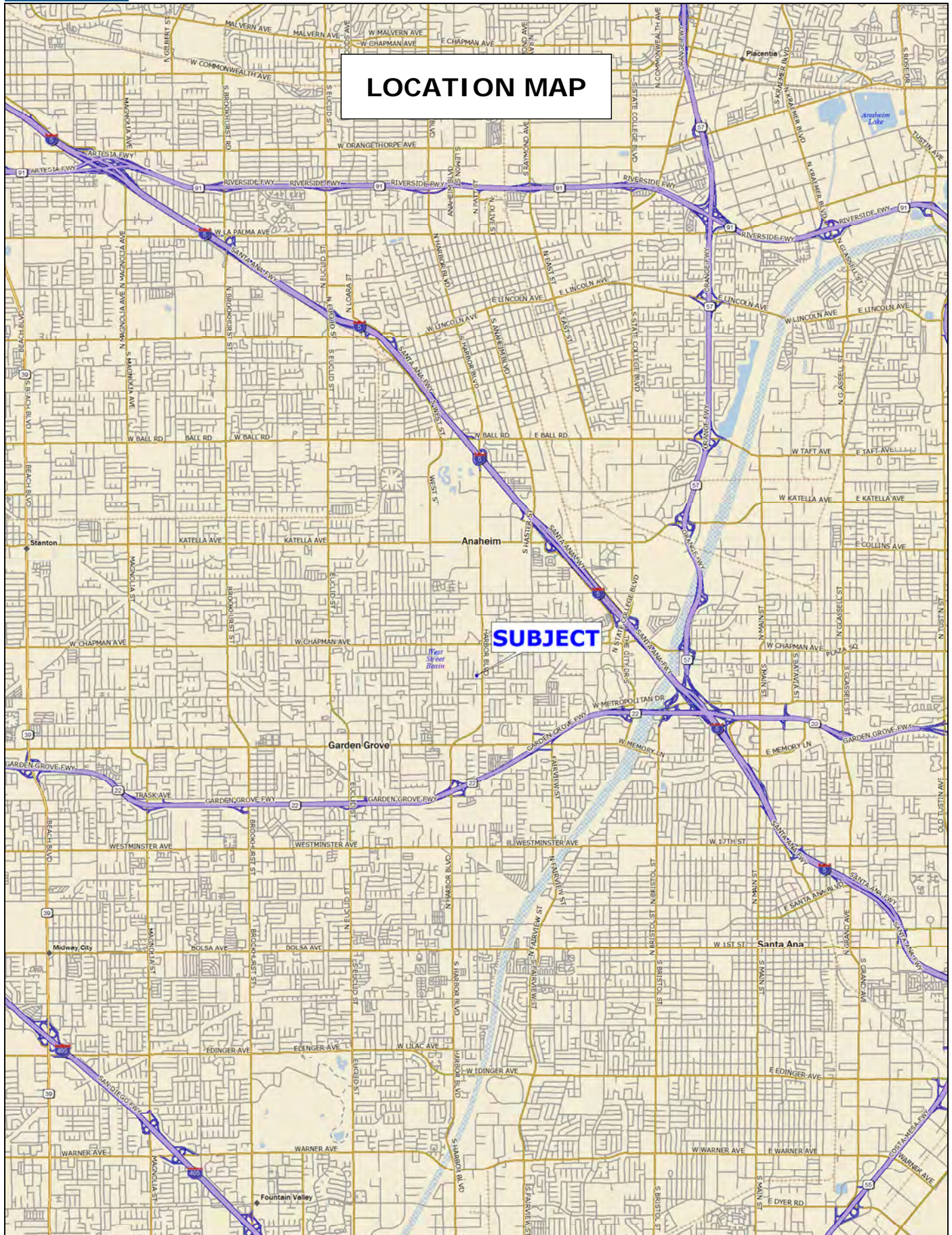
MARKET DATA

Summary of Land Value Indicators
Land Sales Data and Photographs
Market Data Map

ADDENDA

Additional Photographs
Orange County Regional Data
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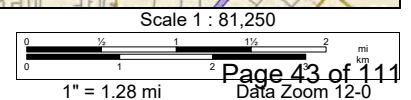
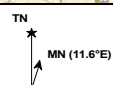
PREFACE



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www.delorme.com



DATE OF VALUE

The date of value (effective date) employed in this report, and all opinions and computations expressed herein, are based on July 14, 2022. Said date being generally concurrent with the inspection of the subject property, and the valuation analysis process.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal report is to express an estimate of market value, in fee simple, for the subject property, absent any liens, leases, or other encumbrances, as of the date of value set forth above. The definition of market value is set forth in the following portion of this section following the heading "Terms and Definitions."

Further, it is the purpose of this appraisal report to describe the subject property, and to render an opinion of the highest and best use based on (1) the character of potential development of the property appraised, (2) the requirements of local governmental authorities affecting the subject property, (3) the reasonable demand in the open market for properties similar to the subject property, and (4) the location of the subject property considered with respect to other existing and competitive districts within the immediate and general subject market area.

Further, it is the purpose of this appraisal report to provide an outline of certain factual and inferential information which was compiled and analyzed in the process of completing this appraisal study.

PROPERTY RIGHTS APPRAISED

The property rights appraised herein are those of the fee simple interest. Fee simple is defined as, "An absolute fee; a fee without limitations to any particular class of heirs, or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. An inheritable estate."

INTENDED USER OF APPRAISAL

It is understood that the intended user of the appraisal will be the client, the City of Garden Grove, and specific representatives thereof.

INTENDED USE OF APPRAISAL

It is understood that this appraisal will be utilized by the City of Garden Grove and specific representatives thereof to establish the market value of the subject property for the possible acquisition (purchase) of the property appraised.

CERTIFICATION

The undersigned does hereby certify that:

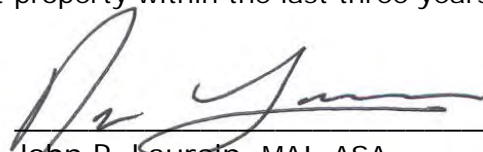
I have personally inspected the subject property; I have no present or contemplated future interest in the real estate which is the subject of this appraisal report. Also, I have no personal interest or bias with respect to the subject matter of this appraisal report, or the parties involved in this assignment.

My engagement in this assignment and the amount of compensation are not contingent upon the reporting or development of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a predetermined or stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Also, to the best of my knowledge and belief the statements of fact contained in this appraisal report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.

This appraisal report sets forth all of the assumptions and limiting conditions (imposed by the terms of this assignment or by the undersigned), affecting my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institutes, and the Uniform Standards of Professional Appraisal Practice. As of the date of this report I have completed the continuing education program for Designated Member of the Appraisal Institute, the State of California and the American Society of Appraisers; note that duly authorized representatives of said organizations have the right to review this report. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

No one other than the undersigned prepared the analyses, conclusions, and opinions for this appraisal study. No other person provided significant professional assistance. I have appraised the subject property within the last three years, for the client, the City of Garden Grove.



John P. Laurain, MAI, ASA
Certified General Real Estate Appraiser
California Certification No. AG 025754
Renewal Date: April 16, 2023

SCOPE OF THE APPRAISAL

The appraiser, in connection with the following appraisal study, has:

1. Been retained, and has accepted the assignment, to make an objective analysis and valuation study of the subject property and to report, without bias, the estimate of fair market value. The subject property is particularly described in the following portion of this report in the section entitled Subject Property Description.
2. Toured the general area by automobile to become acquainted with the extent, condition, and quality of nearby developments, sales and offerings in the area, density and type of development, topographical features, economic conditions, trends toward change, etc.
3. Walked within the subject property, and some of the nearby neighborhood, to become acquainted with the current particular attributes, or shortcomings, of the subject property.
4. Completed an inspection of the subject property for the purpose of becoming familiar with certain physical characteristics.
5. Made a visual observation concerning public streets, access, drainage, and topography of the subject property.
6. Obtained information regarding public utilities and sanitary sewer available at the subject site.
7. Made, or obtained from other qualified sources, calculations on the area of land contained within the subject property. Has made, or caused to be made, plats and plot plan drawings of the subject property, and has checked such plats and plot plan drawings for accuracy and fair representation.
8. Taken photographs of the subject property, together with photographs of the immediate environs.
9. Made, or caused to be made, a search of public records for factual information regarding recent sales of the subject property.

SCOPE OF THE APPRAISAL (Continued)

10. Reviewed current maps, zoning ordinances, and other material for additional background information pertaining to the subject property, and sale properties.
11. Attempted to visualize the subject property as it would be viewed by a willing and informed buyer, as well as a willing and informed seller.
12. Interviewed various persons, in both public and private life, for factual and inferential information helpful in this appraisal study.
13. Formed an opinion of the highest and best use applicable to the subject property appraised herein.
14. Made, or caused to be made, a search for recent sales of comparable properties. Has viewed, confirmed the sale price, and obtained certain other information pertaining to each sale property contained in this report.
15. Formed an estimate of market value of the subject property, as of the date of value expressed herein, by application the Sales Comparison Approach; the Cost and Income Capitalization Approaches were not considered applicable in the subject case.
16. Prepared and delivered this appraisal report in accordance with the Uniform Standards of Professional Appraisal Practice, and in summation of all the activities outlined above.

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is made with the following understanding as set forth in items No. 1 through 17, inclusive:

1. That this narrative Appraisal Report is intended to comply with reporting requirements set forth in the Uniform Standards of Professional Appraisal Practice, under Standard Rule 2-2(a), for an Appraisal Report. The information contained in this appraisal report is specific to the needs of the client; no responsibility is assumed for the unauthorized use of this report.
2. That title to the subject property is assumed to be good and merchantable. Liens and encumbrances, if any, have not been deducted from the final estimate of value. The subject property has been appraised as though under responsible ownership. The legal description is assumed accurate.
3. That the appraiser assumes there are no hidden or unapparent conditions of the subject property, subsoil, structures, or other improvements, if any, which would render them more or less valuable, unless otherwise stated. Further, the appraiser assumes no responsibility for such conditions or for the engineering which might be required to discover such conditions. That mechanical and electrical systems and equipment, if any, except as otherwise may be noted in this report, are assumed to be in good working order. The property appraised is assumed to meet all governmental codes, requirements, and restrictions, unless otherwise stated.
4. That no soils report of the subject property was provided to the appraiser; therefore information, if any, provided by other qualified sources pertaining to these matters is believed accurate, but no liability is assumed for such matters. Further, information, estimates and opinions furnished by others and contained in this report pertaining to the subject property and market data were obtained from sources considered reliable and are believed to be true and correct. No responsibility, however, for the accuracy of such items can be assumed by the appraiser.

ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

5. That unless otherwise stated herein, it is assumed there are no encroachments, easements, soil toxics/contaminants, or other physical conditions adversely affecting the value of the subject property.
6. That no report(s) pertaining to mold, organic toxins, or chemical substances at the subject property was provided to the appraiser; therefore, information, if any, provided by other qualified sources pertaining to these matters is believed accurate, but no liability is assumed by the appraiser for such matters. That unless otherwise stated herein, the subject property has been appraised assuming the absence of mold, organic toxins, the presence of asbestos, or other organic and/or chemical substances which may adversely affect the value of the subject property.
7. That no opinion is expressed regarding matters which are legal in nature or which require specialized investigation or knowledge ordinarily not employed by real estate appraisers, even though such matters may be mentioned in the report.
8. That no oil rights have been included in the opinion of value expressed herein. Further, that oil rights, if existing, are assumed to be at least 500 feet below the surface of the land, without the right of surface entry.
9. That the distribution of the total valuation in this report between land and improvements, if any, applies only under the existing program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
10. That the valuation of the property appraised is based upon economic and financing conditions prevailing as of the date of value set forth herein. Further, the valuation assumes good, competent, and aggressive management of the subject property.
11. That the appraiser has conducted a visual inspection of the subject property and the market data properties. Should subsequent information be provided relative to changes or differences in (1) the quality of title, (2) physical condition or characteristics of the property, and/or (3) governmental

ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

restrictions and regulations, which would increase or decrease the value of the subject property, the appraiser reserves the right to amend the final estimate of value.

12. That the appraiser, by reason of this appraisal, is not required to give testimony in court or at any governmental or quasi-governmental hearing with reference to the property appraised, unless contractual arrangements have been previously made therefor.
13. That drawings, plats, maps, and other exhibits contained in this report are for illustration purposes only and are not necessarily prepared to standard engineering or architectural scale.
14. That this report is effective only when considered in its entire form, as delivered to the client. No portion of this report will be considered binding if taken out of context.
15. That possession of this report, or a copy thereof, does not carry with it the right of publication, nor shall the contents of this report be copied or conveyed to the public through advertising, public relations, sales, news, or other media, without the written consent and approval of the appraiser, particularly with regard to the valuation of the property appraised and the identity of the appraiser, or the firm with which he is connected, or any reference to the Appraisal Institute, or the American Society of Appraisers, or designations conferred by said organizations.
16. That the form, format, and phraseology utilized in this report, except the Certification, and Terms and Definitions, shall not be provided to, copied, or used by, any other real estate appraiser, real estate economist, real estate broker, real estate salesperson, property manager, valuation consultant, investment counselor, or others, without the written consent and approval of Ronald P. Laurain.
17. That this appraisal study is considered completely confidential and will not be disclosed or discussed, in whole or in part, with anyone other than the client, or persons designated by the client.

TERMS AND DEFINITIONS

Certain technical terms have been used in the following report which are defined, herein, for the benefit of those who may not be fully familiar with said terms.

MARKET VALUE (or Fair Market Value):

Market value is sometimes referred to as Fair Market Value; the latter is a legal term and a common synonym of Market Value. Market value as defined in Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) is defined as follows:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing, or sales concessions granted by anyone associated with the sale."

SALES COMPARISON APPROACH:

One of the three accepted methods of estimating Market Value. This approach consists of the investigation of recent sales of similar properties to determine the price at which said properties sold. The information so gathered is judged and considered by the appraiser as to its comparability to the subject properties. Recent comparable sales are the basis for the Sales Comparison Approach.

TERMS AND DEFINITIONS (Continued)

COST-SUMMATION APPROACH:

Another accepted method of estimating Market Value. This approach consists of estimating the new construction cost of the building and yard improvements and making allowances for appropriate amount of depreciation. The depreciated reconstruction value of the improvements is then added to the Land Value estimate gained from the Sales Comparison Approach. The sum of these two figures is the value indicated by the Cost-Summation Approach.

INCOME CAPITALIZATION APPROACH:

The Income Capitalization Approach consists of capitalizing the net income of the property under study. The capitalization method studies the income stream, allows for (1) vacancy and credit loss, (2) fixed expenses, (3) operating expenses, and (4) reserves for replacement, and estimates the amount of money which would be paid by a prudent investor to obtain the net income. The capitalization rate is usually commensurate with the risk, and is adjusted for future depreciation or appreciation in value.

DEPRECIATION:

Used in this appraisal to indicate a lessening in value from any one or more of several causes. Depreciation is not based on age alone, but can result from a combination of age, condition or repair, functional utility, neighborhood influences, or any of several outside economic causes. Depreciation applies only to improvements. The amount of depreciation is a matter for the judgment of the appraiser.

HIGHEST AND BEST USE:

Used in this appraisal to describe that private use which will (1) yield the greatest net return on the investment, (2) be permitted or have the reasonable probability of being permitted under applicable laws and ordinances, and (3) be appropriate and feasible under a reasonable planning, zoning, and land use concept.

SUBJECT PROPERTY DESCRIPTION

SUBJECT PROPERTY



View looking northwesterly at the subject property from intersection of Thackery Drive and Twintree Avenue. See additional photographs in the Addenda Section.

VESTEE:	Garden Grove Agency for Community Development
ADDRESS:	12291 Thackery Drive Garden Grove, CA 92840
LEGAL DESCRIPTION:	Lot 35, Tract No. 2148, per map recorded in Book 58, Pages 46, 47, and 48 of Miscellaneous Maps, in the office of the County Recorder, County of Orange, California.

SITE DESCRIPTION

LOCATION:	The subject property is located on the west side of Thackery Drive, beginning 150± feet north of Twintree Avenue, in the City of Garden Grove.
LAND SHAPE:	Effectively rectangular land configuration.
DIMENSIONS:	72' x 100'.
LAND AREA:	7,200 square feet.
TOPOGRAPHY:	Effectively level.
DRAINAGE:	Appears to be adequate.
FLOOD HAZARD:	The subject property is located on FEMA Flood Zone Map 06059C0141J, dated December 3, 2009; per said map, the subject site is located in Flood Zone X with a reduced flood risk due to levee. Flood insurance (for improved properties) is not federally required by lenders for loans on properties in Flood Zone X.
SOIL STABILITY:	Appears to be adequate based on the subject development, as well as developments in the immediate area. A soils report, however, was not provided for review.
SOIL CONTAMINATION:	None known or observed, however, an environmental assessment report was not provided for review. The subject site has been appraised as though free of soil contaminants requiring remediation.
OIL/MINERAL RIGHTS:	The subject appraisal specifically excludes any existing oil or mineral rights. Further, oil or mineral rights, if existing, are assumed to be at least 500 feet below the surface of the land, without the right of surface entry.

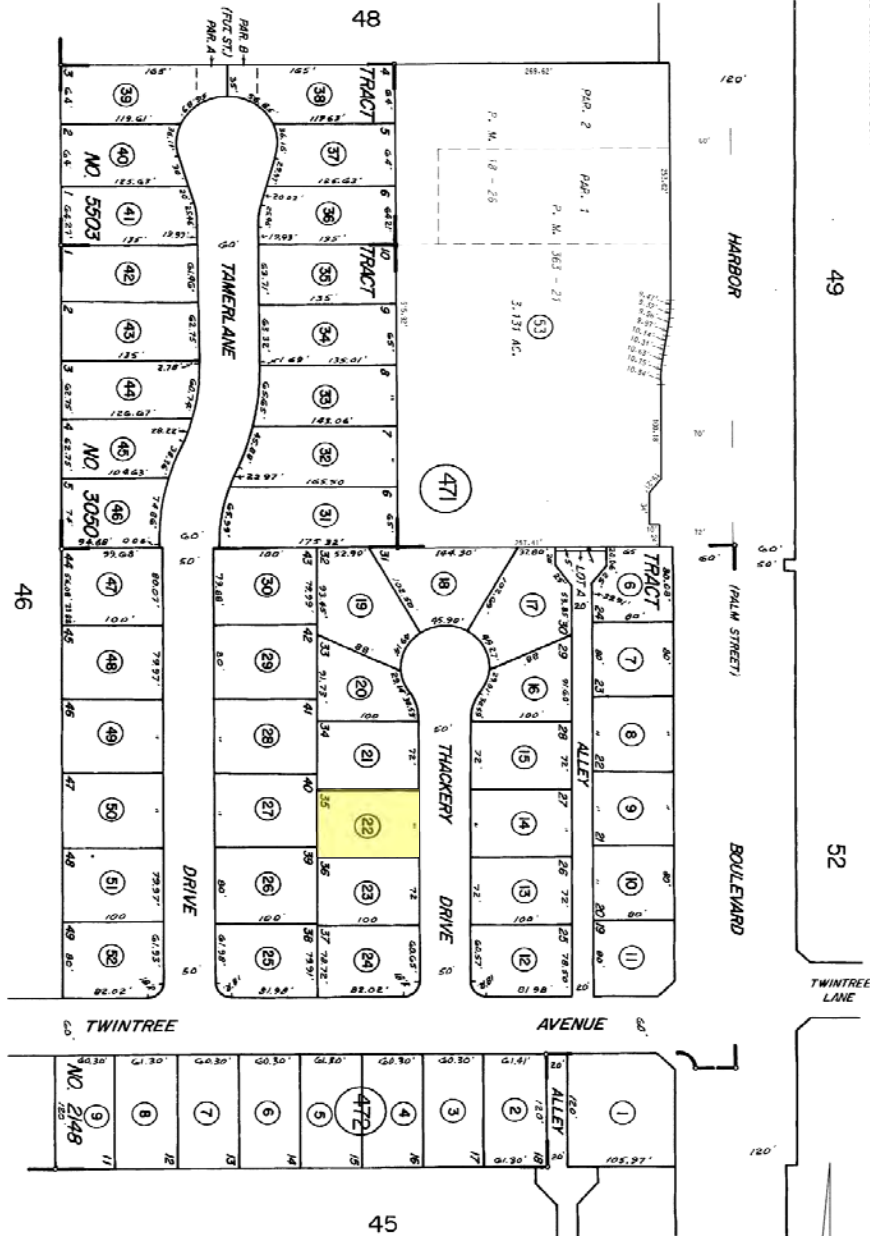
APN: 231-471-22

MARCH 1980

TRACT NO. 2148
TRACT NO. 3050
TRACT NO. 5503
PARCEL MAP
M.M. 58-46, 47, 48
M.M. 92-31, 32
M.M. 201-29, 30
P.M. 18-26

NOTE - ASSESSOR'S BLOCK &
PARCEL NUMBERS
SHOWN IN CIRCLES

ASSESSOR'S MAP
BOOK 231 PAGE 47
COUNTY OF ORANGE



THIS MAP WAS PREPARED FOR ORANGE
COUNTY, FLORIDA, BY
THE ASSessor. THE ASSessor MAKES NO GUARANTEE AS TO
THE ACCURACY OF THE INFORMATION CONTAINED HEREIN,
AND OTHER USERS SHOULD NOT BE RELIED UPON.
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POR. NE 1/4, NW 1/4, SEC. 34, T 4 S, R 10 W

231-47

R. P. LAURAIN
& ASSOCIATES
APPRAISERS - ANALYSTS

SITE IMPROVEMENTS (Continued)

EARTHQUAKE FAULT:	While the greater Southern California area is prone to earthquakes, no seismic or geological studies were provided for review. No responsibility is assumed for the possible impact of seismic activity or earthquakes.
FRONTAGE:	The subject property has 72 feet of frontage on Thackery Drive.
RIGHT OF WAY WIDTH:	Thackery Drive: 50 feet.
STREET SURFACING:	Asphalt paving at west portion of Thackery Drive; gravel surfacing at east portion.
CURB, GUTTER, SIDEWALK:	Concrete curbs and gutters on both sides of the street (no sidewalks).
STREETLIGHTS:	Ornamental standards; street light fixtures have been removed as of the date of value.
UTILITIES:	Water, gas, electric power, telephone service, and sanitary sewer are available in the immediate area.
ENCROACHMENTS:	None apparent, however, a survey pertaining to the subject property was not provided for review.
EASEMENTS:	A Preliminary Title Report prepared by First American Title, dated May 18, 2021, pertaining to multiple parcels, inclusive of the subject site, was provided for review. The subject site appears to be impacted by easements for public road purposes, assumed to be the existing Thackery Drive, as well as utility pole line easements. Said easements are deemed typical of the subject area and are not considered to have an impact on the existing or future highest and best use.

SITE IMPROVEMENTS (Continued)

EASEMENTS: (Continued)

Other easements, if existing, are assumed to be located along the property boundaries and/or not interfering with the existing or any future highest and best use development. It is assumed there are no "cross-lot" or "blanket" easements which will preclude a highest and best use development.

The title report also identifies a Declaration of Protective Covenants which initially limited the use of sites in the subject larger Tract No. 2148 to single family residential dwellings. The covenant was originally established in 1954, with a 25 year term, renewed automatically every ten years unless an agreement is signed by a majority of the lot owners terminating the covenant. While it is understood that the covenant has not been terminated, certain lots have been developed with buildings other than single family residences. It is also understood that the subject site may be joined with other adjacent parcels in the same tract for a hotel development.

ILLEGAL USES:

None observed.

PRESENT USE:

Effectively vacant land.

ZONING:

The subject property is located in the R-1-7 (Single-Family Residential) zone district of the City of Garden Grove.

The "R-1" zone district "is intended to provide for the establishment and promotion of single family detached residences on individual lots and compatible associated activities."

SITE IMPROVEMENTS (Continued)

ZONING: (Continued)

The minimum lot size is 7,200 square feet. The maximum building height is 35 feet. The front yard setback is 20 feet. The rear yard setback is 20% of the lot depth not to exceed 25 feet. The interior side yard setback is 5 feet, however, the street side yard setback is 10 feet.

Note, however, the land use designation is International West Mixed Use (IW). The IW land use is "intended to provide for a mix of uses, including resort, entertainment, retail, hotel, and some higher density residential." The density for residential development is 42.1 to 60 dwelling units per acre.

HIGHEST AND BEST USE:

The reader is referred to the first portion of the Valuation Analysis Section for a discussion regarding the highest and best use of the subject site.

OWNERSHIP HISTORY

COMMENT: Information regarding the date of acquisition by the Garden Grove Agency for Community Development was not provided to the appraiser. Orange County Assessor's records indicate the subject property has been vested with the current owner for more than five years. The acquisition of the property by a public agency, however, may not be reflective of, or relevant to, the current fair market value.

ASSESSMENT DATA

ASSESSOR'S PARCEL NO.:	231-471-22
ASSESSED VALUATIONS:	Land: \$571,845
	Improvements: \$53,098
TAX RATE AREA:	18055
TAX YEAR:	2021-2022
REAL ESTATE TAXES:	\$349.88*

* Real estate taxes will be adjusted in the event the subject property is sold to a private party. The adjusted real estate taxes will be 1.02±% of the sale price, or Assessor's "cash value." In the absence of a sale, transfer, or capital improvements, the maximum allowable increase in the assessed valuations is 2% per year, per Real Estate Tax Initiative of 1978 (Proposition 13).

NEIGHBORHOOD ENVIRONMENT

LOCATION:

The subject property is located in the northeast portion of the City of Garden Grove. The City of Garden Grove encompasses 18 square miles populated by just under 175,000 residents within the corporate limits of the City. The predominant land use in the City is residential (51%), followed by commercial and industrial (14%). Office use make up less than 1% of the land within the city limits. The remaining land area is open space, institutional/government, vacant land parcels, and street and railroad rights of way.

ACCESS:

Major north-south thoroughfares in the subject area include Fairview Street, Harbor Boulevard, and Euclid Street. Major east-west thoroughfares include Garden Grove Boulevard, Chapman Avenue, and Lampson Avenue. The Santa Ana (5) Freeway is located approximately one and one half miles to the northeast and the Garden Grove (22) Freeway is located approximately one mile to the south of the subject property. Said freeways are part of the greater freeway network serving the Southern California region.

LAND USES:

The immediate neighborhood is zoned R-1-7 (single family). The majority of secondary streets in the immediate subject area are developed with low density single family residential developments. As stated, primary streets are predominantly developed with commercial uses. The Orange County Outlets is located one and one quarter miles to the east of the subject property. Disneyland and Downtown Disney are located approximately two miles northerly. A hotel development is located within one block north of the subject property.

NEIGHBORHOOD ENVIRONMENT (Continued)

BUILT-UP: The subject neighborhood is effectively 95% built-up, including public parks, public facilities, parking lots, and school sites.

PRICE RANGE: Single family residential properties generally range from \$800,000 to exceeding \$1,200,000 exclusive of condominium developments.

The indicated price range is dependent upon the various elements of comparability which include location, building size, building condition, design, number of bedrooms and baths, and the overall land size.

PRICE TREND: There was an upward value trend affecting residential properties in the general subject market area, from the first portion of 2000 through the mid portion of 2006, after which property values generally stabilized.

Beginning in 2007, residential property values began to decrease significantly. The decrease in residential sales activity and pricing continued through the mid to latter portion of 2009, due primarily to the subprime credit and housing crisis, and a lack of available financing.

In the latter portion of 2009 residential values abruptly stabilized, due primarily to fiscal stimulus programs and first-time home buyer tax credits. The residential real estate market remained largely flat from the latter portion of 2009 through the mid portion of 2012.

Residential property values in the greater subject market area began to increase in the first part of 2013, due largely to the continued availability of relatively low mortgage interest rates. Said price increase continued through the latter portion of 2019, however, the rate of increase slowed in 2019 as compared to prior years.

NEIGHBORHOOD ENVIRONMENT (Continued)

PRICE TREND: (Continued)

Note that while there was a decrease in appreciation rates in 2020, residential property values have not been negatively affected by the COVID-19 pandemic and resultant "Stay-at-home" orders (lockdown), which began in March 2020. While the number of sale transactions decreased at the start of the lockdown, after some limited activity, residential buying activity surged, with many residential property listings receiving multiple offers, sometimes at "above asking" prices. In the first to mid portion of 2021, there was a significant increase in single family residential property values. As of the first portion of 2022 the year over year increase in single family residential property values, as ranged in excess of 20% to 25% per year, in the subject area and many nearby communities. Said increases, which have continued through the present time, are due to historically low mortgage interest rates, as well as a lack of current inventory. While interest rates have risen in recent months, there remains significant demand and value increases in many residential markets.

AGE RANGE:

The age range of residential buildings in the immediate and general subject market area is generally from 25 to 70 years. Single family residential properties within the immediate subject market area range from effectively new to 70 years.

OTHER:

The availability and adequacy of public facilities, transportation, schools, commercial facilities, recreational opportunities, and residential housing are rated fair-average. The City of Garden Grove provides police protection and fire protection.

Refer to the the Orange County Regional Data, in the Addenda Section.

VALUATION ANALYSIS

VALUATION ANALYSIS

The purpose of this valuation study is the estimation of market value of the subject property, as of the date of value set forth herein. Prior to the application of the appraisal process, which in this case employs the Sales Comparison Approach, it is necessary to consider and analyze the highest and best use of the subject property.

HIGHEST AND BEST USE ANALYSIS:

The 14th Edition of The Appraisal of Real Estate, by the Appraisal Institute, defines highest and best use on Page 332, as follows:

"The reasonably probable use of property that results in the highest value."

In the process of forming an opinion of highest and best use, consideration must be given to various environmental and political factors such as zoning restrictions, probability of zone change, private deed restrictions, location, land size and configuration, topography, and the character/quality of land uses in the immediate and general subject market area.

There are four basic criteria utilized in the highest and best use analysis of a property as if vacant, as well as presently improved. The four criteria are summarized as follows:

1. Physically possible.
2. Legally permissible.
3. Financially feasible.
4. Maximally productive.

The foregoing are typically considered sequentially; for example, a specific use may prove to be maximally productive, however, if it is not legally permissible, or physically possible, the productivity is irrelevant.

The subject property is located at the west side of Thackery Drive beginning 150± feet north of Twintree Avenue, in the City of Garden Grove. The subject property contains 7,200 square feet of land area, per Orange County Assessor's mapping. The site has an interior location on a secondary street, however, only the westerly portion of the street (Thackery Drive) is paved at the subject property frontage; the easterly portion of the street has gravel surfacing.

VALUATION ANALYSIS (Continued)

HIGHEST AND BEST USE ANALYSIS: (Continued)

The site has an effectively rectangular land configuration. The subject property is rated average with respect to overall access.

All public utilities including water, gas, electric power, telephone, as well as sanitary sewer are available to the site. The physical characteristics of the subject parcel are considered adequate to accommodate legally permissible uses.

The subject property is located in the R-1-7 (Single-Family Residential) zone district of the City of Garden Grove. The "R-1" zone district "is intended to provide for the establishment and promotion of single family detached residences on individual lots and compatible associated activities." The minimum lot size is 7,200 square feet. The maximum building height is 35 feet. The front yard setback is 20 feet. The rear yard setback is 20% of the lot depth not to exceed 25 feet. The interior side yard setback is 5 feet; however, the street side yard setback is 10 feet.

Note, however, the land use designation is International West Mixed Use (IW). The IW land use is "intended to provide for a mix of uses, including resort, entertainment, retail, hotel, and some higher density residential." The density for residential development is 42.1 to 60 dwelling units per acre. Due to the relatively small land size, and considering on-site parking requirements, setbacks, landscaped areas, etc., it is reasonable to assume the subject site could accommodate a low to medium density multiple family residential development.

The foregoing IW land use, and potential development density, however, is considered somewhat offset by (1) the relatively small lot size, and (2) the existing covenant which may have an impact on development of the site as a single entity. Note, however, even single family lots are permitted a second Accessory Dwelling Unit (ADU) under current State standards.

After considering (1) the physical characteristics of the subject property, (2) the existing R-1-7 zoning and the IW (International West Mixed Use) General Plan land use designation allowing for a higher density multiple family residential development, and (3) the financially feasible uses, the maximally productive use, and therefore, the highest and best use of the subject property is low to medium density residential development, given the relatively small lot size. Many single family lots are sold, marketed and/or developed with two units, inclusive of an ADU. The subject property has been appraised accordingly.

VALUATION ANALYSIS (Continued)

VALUATION METHODS:

There are three conventional methods (approaches) which can be used to estimate value. They are the Sales Comparison Approach, Cost-Summation Approach, and Income Capitalization Approach. The Sales Comparison Approach is the only valuation method considered reliable as an indicator of land value.

The reader is referred to the last portion of the Preface Section, following the heading "Terms and Definitions," for a brief description of each approach to value.

SALES COMPARISON APPROACH:

The Sales Comparison Approach takes into account properties which have sold in the open market. This approach, whether applied to vacant or improved property, is based on the Principle of Substitution which states, "The maximum value of a property tends to be set by the cost of acquiring an equally desirable substitute property, assuming no costly delay is encountered in making the substitution." Thus, the Sales Comparison Approach attempts to equate the subject property with sale properties by reviewing and weighing the various elements of comparability.

The Sales Comparison Approach has been applied to the subject property after an investigation was conducted of reasonably comparable multiple family residential land having recently sold within the immediate and general subject market area. The reader is referred to the Market Data Section for detailed information pertaining to each sale property. Refer also to the Market Data Map in the Market Data Section, for an illustration of the location of each sale property.

The reader is referred to the summary of Land Value Indicators on the following page. The sale properties surveyed consist of effectively vacant land parcels, and improved parcels acquired for redevelopment, ranging in size from 4,356 to 68,936 square feet. The purchase prices per square foot of land area range from \$41.81 to \$70.02. The sales are set forth in chronological order and took place between January 2020 and May 2022. Data 8 represents a current listing.

LAND VALUE INDICATORS:

<u>Data</u>	<u>Sale Date</u> <u>Address</u>	<u>Zoning</u>	<u>Land Size</u>	<u>Corner/Alley</u>	<u>Sale Price</u>	<u>\$ Per SF</u>
1	1-20 11831 Trask Ave., Garden Grove	R-1-7	6,369 sf	no/no	\$310,000	\$48.67
2	5-20 7072 Spruce St., Westminster	R2	22,500 sf	no/no	\$1,205,000	\$53.56
3	12-20 13052 Nelson St., Garden Grove	GGMU-2	4,356 sf	no/no	\$305,000	\$70.02
4	2-21 10761 Rose St., Stanton	RL	6,885 sf	no/yes	\$375,000	\$54.47
5	9-21 5891 Stanton Ave., Buena Park	RS-6	6,911 sf	no/no	\$470,000	\$68.01
6	9-21 4622 Watkins Way, Santa Ana	R2	14,350 sf	no/no	\$600,000	\$41.81
7	5-22 12701 Buaro St. and 12722 Dungan Ln., Garden Grove	R2/R-1-7	68,936 sf	no/no	\$3,100,000	\$44.97
8	asking 8671 Orangewood Ave., Garden Grove	R-1-7	36,270 sf	no/no	\$2,100,000	\$57.90

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

Financing and Cash Equivalency Adjustments:

Sale properties are adjusted for financing arrangements involved in transactions which are not market-typical. A cash equivalency adjustment is generally made in those cases where the cash down payment is generally less than 10% of the purchase price and the financing is other than conventional. The less-than-typical cash down payment, combined with other than conventional financing (such as seller financing), could influence a higher purchase price.

All of the sale properties involved all cash transactions or conventional financing. A cash equivalency adjustment, therefore, has not been applied to any of the sale transactions.

Market Conditions:

An adjustment for market conditions (date of sale) is appropriate when certain sales occur during a rising or declining market. The adjustments are based upon observations of the real estate market and value appreciation/declining cycles dating back more than 15 years.

Real estate trends affecting residential properties in the subject market area experienced an upward value trend from 2003 through the first portion of 2007, after which property values generally stabilized. In the first portion of 2008, the residential real estate market experienced a significant decrease in price levels and development activity, which decrease accelerated in the latter portion of 2008 and continued through the latter portion of 2011.

Per discussions with various brokers, a review of various published reports and a review of numerous sale transactions, residential property values generally stabilized in 2012. In the latter part of 2012, the number of sale transactions began to increase, which led to nominal price increases beginning in the first portion of 2013. The rate of increase accelerated in 2015 through 2017. In 2018 and 2019 there was some stabilization in pricing, however, the upward trend in began to increase in 2020, despite the COVID-19 pandemic. The rate of increase accelerated in the mid to later portion of 2021, through the present time.

The reader is referred to the following Zillow graph pertaining to the median sale price of single family residences in the City of Garden Grove.

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)



While there has been a significant increase in value of improved single family residences, the rate of increase for the overall land market is considered to be somewhat less, given the limited number of developers/buyers of vacant land, and greater difficulty in obtaining construction financing, as compared to the predominantly owner-user single family residential market. Based on the foregoing, the market conditions adjustment applied to the sale properties is based on the following schedule:

January-December 2020:	+ 6.0% per year,	or	+ 0.5% per month
January-June 2021:	+ 12.0% per year,	or	+ 1.0% per month
July-December 2021:	+ 18.0% per year,	or	+ 1.5% per month
January-June 2022:	+ 18.0% per year,	or	+ 1.5% per month

Elements of Comparability:

All of the sales employed herein conveyed title to the fee simple interest, and represent arms-length transactions. After viewing all of the land sale properties, an analysis was made of the various elements of comparability. Some of those elements include, but are not limited to, the following:

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

General location.	Traffic/noise pollution
Best use/zoning.	Topography.
Land size.	Improvements/demolition
Land configuration and utility.	Plans or entitlements.
Corner location/access.	Easements/site utility.
	Off-site improvements.

As stated, the marketability of each sale property was considered. Marketability is the practical aspect of selling a property in view of all the elements constituting value, and certain economic and financing conditions prevailing as of the date of sale.

It should be noted that the above elements of comparability were not assigned equal weight in making the analysis of each property. The general location, best use/zoning, land size, land configuration, traffic/noise pollution, plans or entitlements, and off-site improvements were considered the most important factors when analyzing the various sale properties, in the subject case.

The reader is referred to the Land Sales Comparison Grid on the following page. As stated, quantitative adjustments have been applied to the various sale properties for market conditions (date of sale). The elements of comparability have been considered on a qualitative basis due to the lack of direct market evidence regarding quantitative adjustments in the subject market. Note that the various elements of comparability were not assigned similar weight; the overall comparability of each sale property is set forth on the bottom of the Comparison Grid.

MARKET ANALYSIS COMPARISON GRID

	Data	1	2	3	4	5	6	7	8
	Subject Site								
Purchase price:	-----	\$310,000	\$1,205,000	\$305,000	\$375,000	\$470,000	\$600,000	\$3,100,000	\$2,100,000
Rate per sq. ft.:	-----	\$48.67	\$53.56	\$70.02	\$54.47	\$68.01	\$41.81	\$44.97	\$57.90
Transactional adjustments									
Property rights conveyed:	fee simple	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financing:	-----	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Conditions of sale:	-----	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expenditures after sale:	-----	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Date of sale:	6-22	1-20	5-20	12-20	2-21	9-21	9-21	5-22	asking
Market conditions:	-----	29.5%	27.5%	24.0%	22.0%	13.5%	13.5%	1.5%	0.0%
Adjusted unit rates:	-----	\$63.03	\$68.29	\$86.82	\$66.45	\$77.19	\$47.45	\$45.64	\$57.90
Comparability adjustments	Subject Site								
Location:	average	similar	superior	similar	inferior	similar	inferior	similar	similar
Land size:	7,200 sf	similar	inferior	superior	similar	similar	similar	inferior	inferior
Zoning/best use:	R-1-7 (IW)	similar	superior	superior	similar	similar	superior	superior	similar
Topography:	effect. level	similar	similar	similar	similar	similar	similar	similar	similar
Land configuration:	average	inferior	similar	similar	similar	similar	similar	inferior	similar
Corner/access:	average	similar	similar	similar	superior	similar	inferior	inferior	similar
Traffic/noise pollution:	average	inferior	similar	similar	inferior	similar	similar	similar	similar
Buildings/on-site improvements:	vacant	similar	similar	similar	similar	similar	similar	similar	similar
Plans/entitlements:	none	superior	similar	similar	similar	superior	similar	similar	similar
Easements/site utility:	average	similar	similar	similar	similar	similar	similar	similar	similar
Utilities available:	average	similar	similar	similar	similar	similar	similar	similar	similar
Street/off-site improvements:	below average	superior	superior	superior	superior	superior	similar	superior	superior
	Data	1	2	3	4	5	6	7	8
Overall comparability:		slightly inferior	superior	superior	slightly superior	superior	inferior	inferior	inferior

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

Data 2, located in Westminster, is deemed superior to the subject property regarding general location, while Data 4 and 6, located in Stanton and Santa Ana, respectively, are deemed inferior regarding location. All other sales are considered generally similar with respect to location.

Note that larger properties, whether improved or vacant land, sometimes sell at overall lower rates per square foot in accordance with general economic principals. As such, Data 2, 7 and 8, being larger land parcels, are deemed inferior regarding land size, when considered on a rate per square foot basis. Conversely, Data 3, representing a relatively small lot, is deemed superior regarding land size, on a rate per square foot basis.

The subject property is zoned R-1-7, however the General Plan Land Use is IW, having a development density of 42 units per acre, or one unit per 1,037 square feet of land area. Given the relatively small lot size, and considering the existing covenant, a high density residential site is not considered feasible, though the subject site could support more than one unit, especially considering an Accessory Dwelling Unit (ADU) allowance. Note, that the other sale properties zoned for single family residential use would likewise support a second ADU. Data 2, 3, 6 and 7 are considered having superior zoning, allowing slightly higher densities, and are deemed superior accordingly. The remaining sale properties are considered generally similar with respect to zoning.

Data 1 and 7 have irregular land configurations and are deemed inferior accordingly.

Data 1 backs to a freeway and Data 4 is near an active railroad; said sales are considered inferior with respect to traffic/noise pollution.

Data 1 and 5 sold with plans/entitlements and are deemed superior accordingly.

As noted, the subject site fronts on a public street, however, only a portion of Thackery Drive is improved; the east portion of the street is unimproved (gravel). Data 6 is located on a relatively narrow alley, and is similar regarding overall off-site improvements. The remaining sale properties are located on fully paved streets and are deemed superior with respect to off-site improvements.

VALUATION ANALYSIS (Continued)

SALES COMPARISON APPROACH: (Continued)

No other adjustments were warranted in the subject case.

The reader is referred to the following array of the land sale properties utilized herein. The sales are placed in order within the array by rating with respect to overall comparability, i.e. superior, similar, inferior. Based on the foregoing, the market conditions adjusted unit rates applicable to the land sale properties range from \$45.64 to \$86.82 per square foot of land area, as follows:

<u>Data</u>	<u>Overall Comparability</u>	<u>Adjusted Rate Per SF Land</u>
3	superior	\$86.82
5	superior	\$77.19
2	superior	\$68.29
4	slightly superior	\$66.45
Subject	- - -	\$64.00
1	slightly inferior	\$63.03
6	inferior	\$47.45
7	inferior	\$45.64

All of the sale properties were considered helpful in the analysis. While Data 4, at \$65.64 per square foot is deemed slightly superior, Data 1 at \$62.30 is deemed slightly inferior. As stated, Data 8, at an indicated rate of \$57.90 per square foot, is deemed inferior to the subject site, however, Data 8 represents a current listing and is included herein for informational purposes only.

Based on the foregoing, the unit rate considered applicable to the subject property is estimated at \$64.00 per square foot of land area, as follows:

Land value:

7,200 SF @ \$64.00 = \$460,800.

Adjusted: \$460,000.

VALUATION ANALYSIS (Continued)

FINAL ESTIMATE OF VALUE:

Based on the foregoing valuation, the fee simple market value of the subject property, as of July 14, 2022, is estimated as follows:

FOUR HUNDRED SIXTY THOUSAND DOLLARS
\$460,000

MARKETING EXPOSURE:

The marketing exposure of a particular property is a direct function of supply and demand within a particular market segment. Generally, a higher demand results in a shorter marketing period. During the course of market research for the subject valuations, interviews were conducted with parties involved in the transactions employed in the Sales Comparison Approach. Based on said interviews, as well interviews with real estate brokers specializing in the subject market area, the marketing exposure estimated for the subject property, assuming an aggressive and comprehensive marketing program, is approximately 3 to 9 months.

MARKET DATA

MARKET DATA SUMMARY

RESIDENTIAL LAND SALE PROPERTIES:

<u>Data</u>	<u>Sale Date</u> <u>Address</u>	<u>Zoning</u>	<u>Land Size</u>	<u>Corner/Alley</u>	<u>Sale Price</u>	<u>\$ Per SF</u>
1	1-20 11831 Trask Ave., Garden Grove	R-1-7	6,369 sf	no/no	\$310,000	\$48.67
2	5-20 7072 Spruce St., Westminster	R2	22,500 sf	no/no	\$1,205,000	\$53.56
3	12-20 13052 Nelson St., Garden Grove	GGMU-2	4,356 sf	no/no	\$305,000	\$70.02
4	2-21 10761 Rose St., Stanton	RL	6,885 sf	no/yes	\$375,000	\$54.47
5	9-21 5891 Stanton Ave., Buena Park	RS-6	6,911 sf	no/no	\$470,000	\$68.01
6	9-21 4622 Watkins Way, Santa Ana	R2	14,350 sf	no/no	\$600,000	\$41.81
7	5-22 12701 Buaro St. and 12722 Dungan Ln., Garden Grove	R2/R-1-7	68,936 sf	no/no	\$3,100,000	\$44.97
8	asking 8671 Orangewood Ave., Garden Grove	R-1-7	36,270 sf	no/no	\$2,100,000	\$57.90

MARKET DATA #1

11831 Trask Avenue (formerly 11831 Sorrell Drive), Garden Grove



GRANTOR:	George & Beverly Paras	APN:	100-352-33 (former APNs 28 & 31)
GRANTEE:	Property Group, LLC	LAND SIZE:	6,369 square feet
SALE DATE:	January 24, 2020	ZONING:	R1-7
DOC. NO.:	32204	TOPOGRAPHY:	Effectively level
SALE PRICE:	\$310,000	PRESENT USE:	Vacant land
TERMS:	All cash	UNIT RATE:	\$48.67 per SF

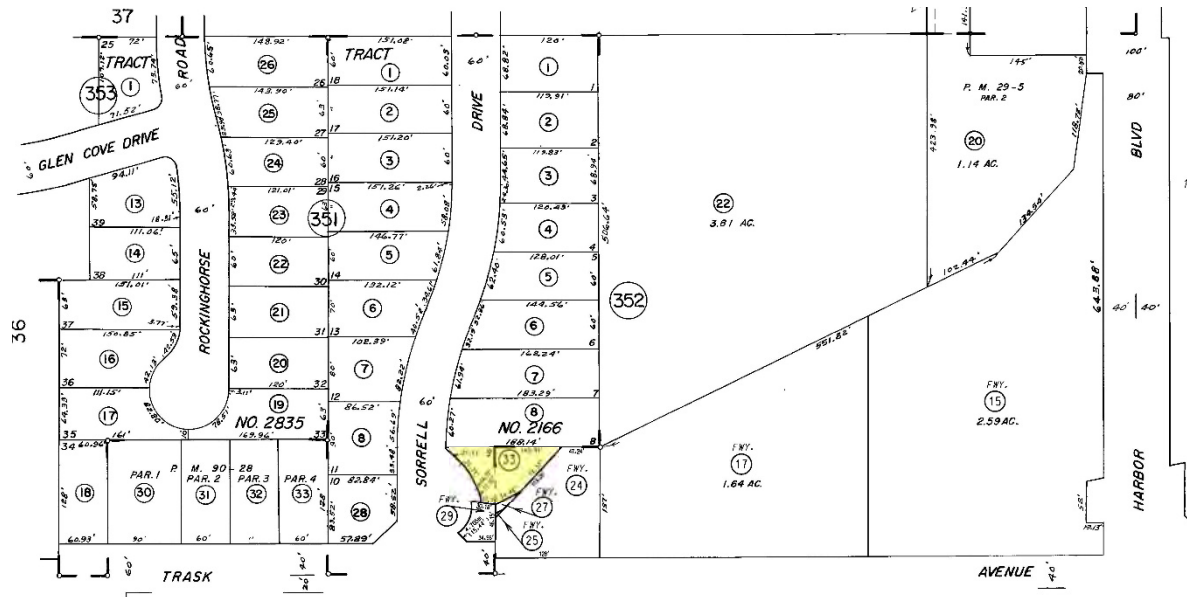
CONFIRMED BY: George Paras, seller

COMMENT: The property is a vacant land parcel that backs to the Garden Grove (22) Freeway. The sale included building plans for a single family residence containing 3,266 square feet. The property previously sold in June 2018 for \$349,000, which equates to \$54.80 per square foot. The seller, George Paras, indicated that he purchased the site with the intent of developing the site, but then decided to sell the property, at a loss. It appears that Mr. Paras paid an above-market price to acquire the property (in 2018).

R . P . LAURAIN
& ASSOCIATES

APPRAISERS - ANALYSTS

APN: 100-352-33



R. P. LAURAIN
& ASSOCIATES

APPRAISERS - ANALYSTS

MARKET DATA #2
7072 Spruce Street, Westminster



GRANTOR:	T. T. & T. Nomiya Living Trust	APN:	096-102-03
GRANTEE:	Tony Nguyen	LAND SIZE:	22,500 square feet 0.517 acres
SALE DATE:	May 29, 2020	ZONING:	R2
DOC. NO.:	244862	TOPOGRAPHY:	Effectively level
SALE PRICE:	\$1,205,000	PRESENT USE:	Vacant land
TERMS:	All cash	UNIT RATE:	\$53.56 per SF land

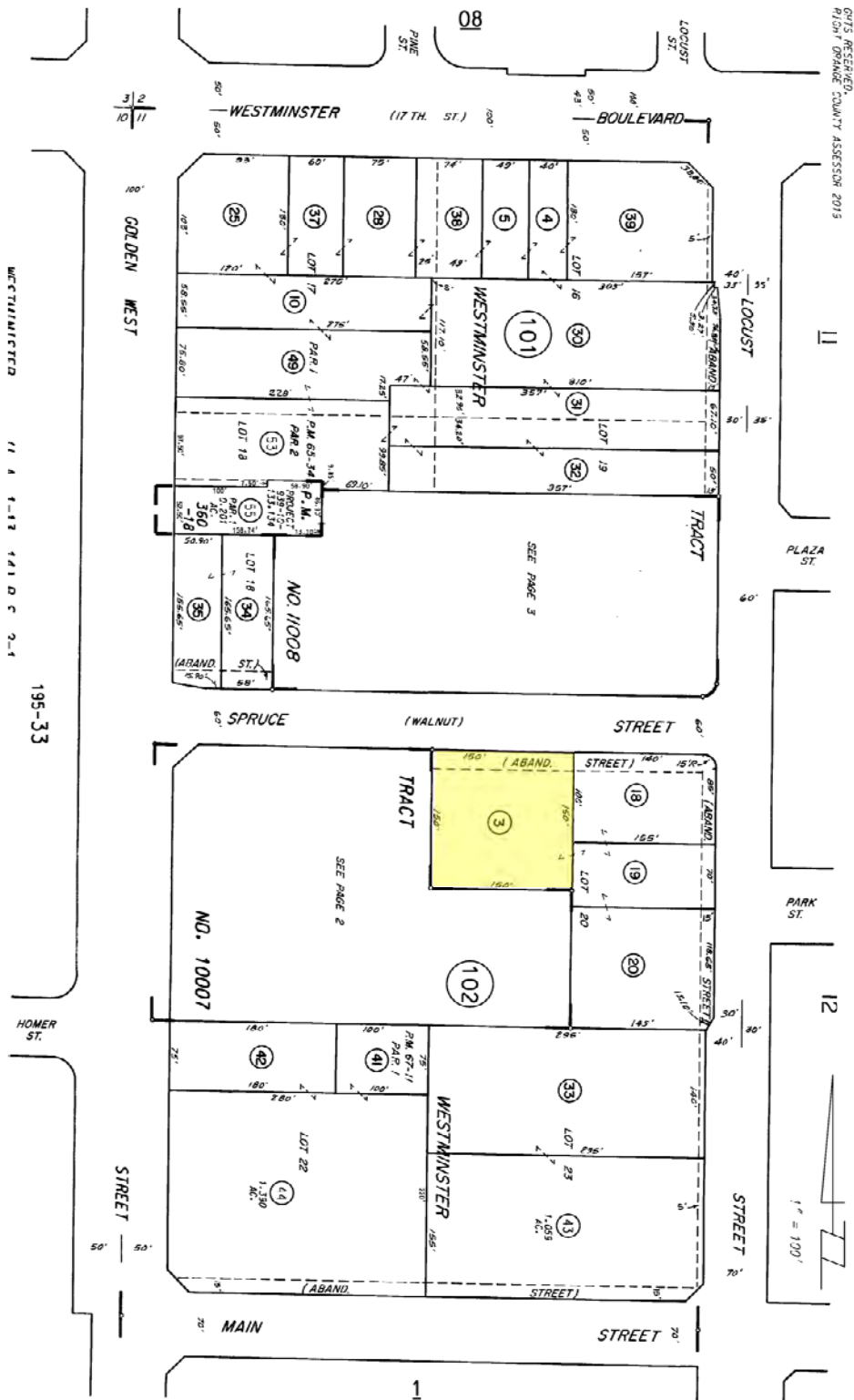
CONFIRMED BY: Oanh Nguyen, subsequent listing agent

COMMENT: The property is improved with a single family residence containing 1,494 square feet, built in 1958, in poor condition; the property sold based on the value of the underlying land (site could support development of six multi-family units). The property was purchased by an investor who renovated the existing dwelling and leased it to a tenant, with plans to develop the site in the next year or two. The owner subsequently relisted the property for \$1,818,000 (\$80.80/sf), but received no offers on the listing.

R . P . L A U R A I N
& A S S O C I A T E S

APPRAISERS - ANALYSTS

APN: 096-102-03



R. P. LAURAIN
& ASSOCIATES

APPRAISERS - ANALYSTS

MARKET DATA #3
13052 Nelson Street, Garden Grove



GRANTOR:	Justin Hoang and Jackie Hoang	APN:	099-081-28
GRANTEE:	Buchanan Family Trust	LAND SIZE:	4,356 square feet
SALE DATE:	December 17, 2020	ZONING:	GGMU-2 (Garden Grove Mixed Use-2)
DOC. NO.:	747263	TOPOGRAPHY:	Effectively level
SALE PRICE:	\$305,000	PRESENT USE:	Vacant land
TERMS:	\$251,000 conventional	UNIT RATE:	\$70.02 per SF land

CONFIRMED BY: Tim Smith, broker

COMMENT: The property is a vacant land parcel and was marketed as a mixed commercial and residential site, allowing the development of two residential units. The buyer's plans are unknown

R . P . LAURAIN
& ASSOCIATES

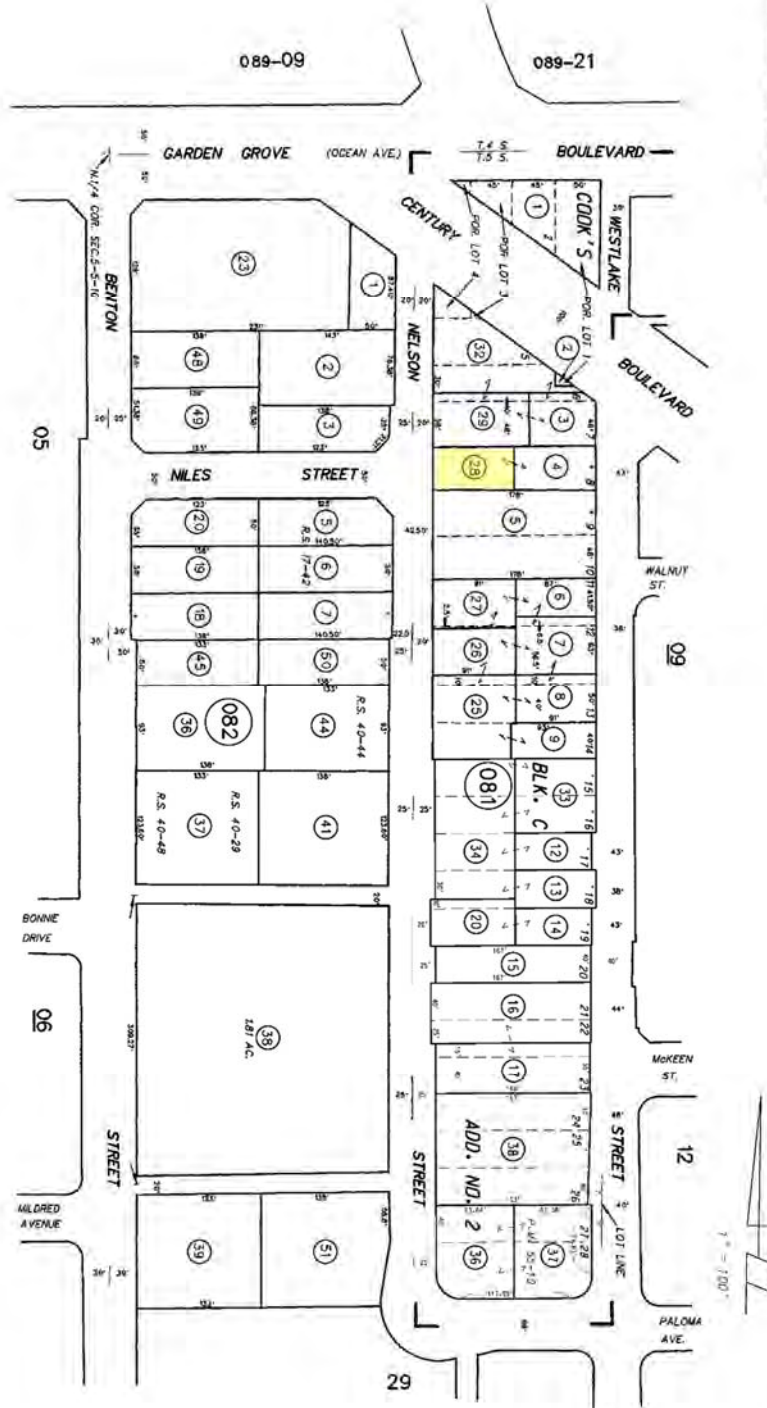
APPRAISERS - ANALYSTS

APN: 099-081-28

THIS MAP WAS PREPARED FOR ORANGE COUNTY ASSessor's OFFICE, ORANGE COUNTY, CALIFORNIA, BY THE ASSessor's OFFICE, ORANGE COUNTY, CALIFORNIA, FOR THE PURPOSE OF SHOWING THE LOCATION OF THE PROPERTY AS SHOWN ON THE MAP. THE PROPERTY IS NOT TO BE USED FOR ANY OTHER PURPOSES WITHOUT THE WRITTEN CONSENT OF THE ASSessor's OFFICE.

POR. W 1/2, NW 1/4, NE 1/4, SEC. 5, T 5 S, R 10 W

099-08



MARCH 1951

COOK'S ADD. NO. 2 M.M. B-19

NOTE - ASSESSOR'S BLOCK & PARCEL NUMBERS SHOWN IN CIRCLES

ASSESSOR'S MAP BOOK 089 PAGE 08 COUNTY OF ORANGE

R. P. LAURAIN & ASSOCIATES

APPRAISERS - ANALYSTS

MARKET DATA #4

10761 Rose Street, Stanton



GRANTOR:	Crisostomo Z. Rodriguez	APN:	079-351-02
GRANTEE:	Long Nguyen and Linh Truong	LAND SIZE:	6,885 square feet
SALE DATE:	February 4, 2021	ZONING:	RL
DOC. NO.:	80323	TOPOGRAPHY:	Effectively level
SALE PRICE:	\$375,000	PRESENT USE:	Construction phase
TERMS:	All cash	UNIT RATE:	\$54.47 per SF land

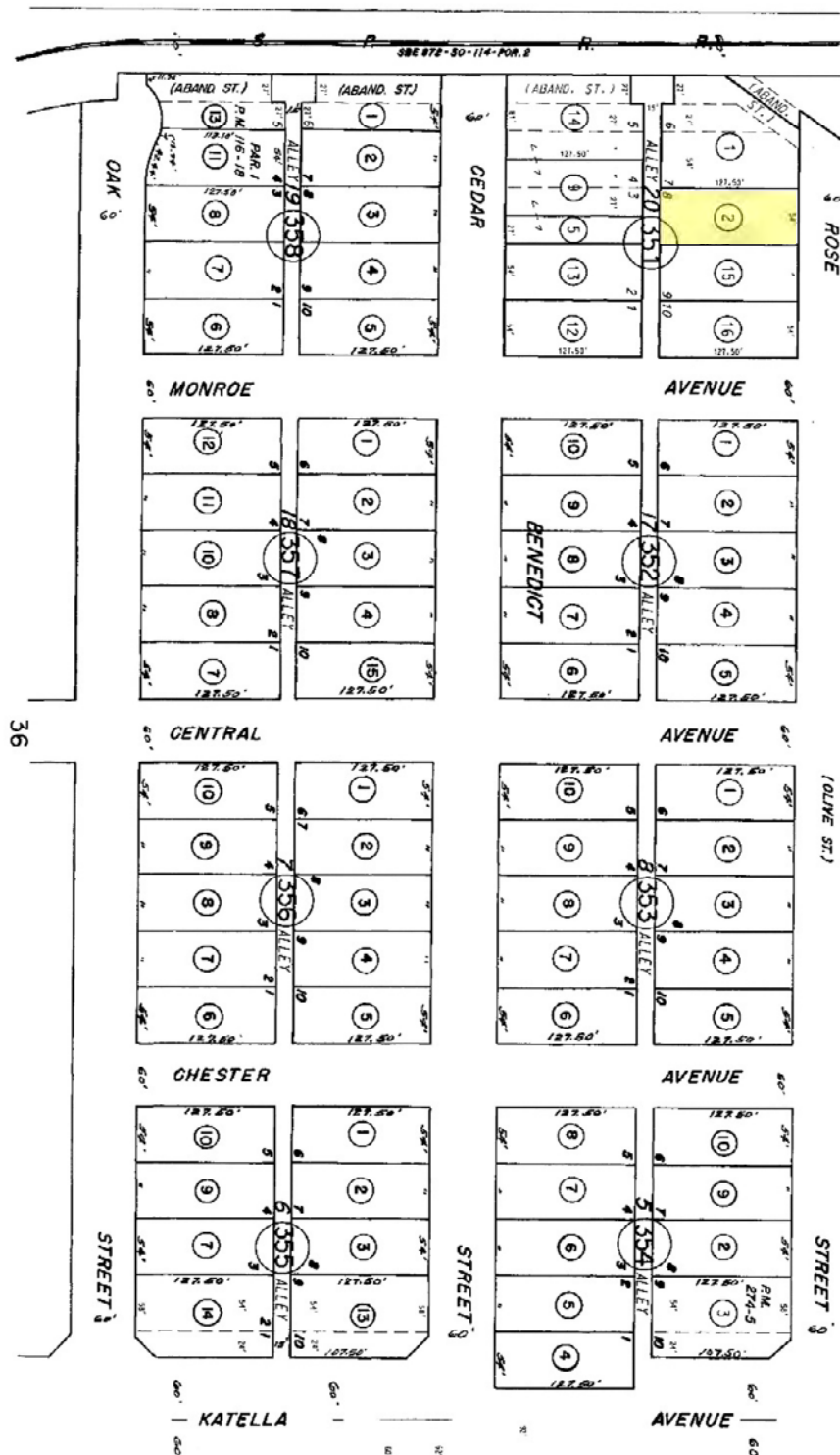
CONFIRMED BY: Long Van Nguyen, buyer

COMMENT: The property was improved with a "red-tagged" single family residence in dilapidated condition, which the buyer demolished, in order to make way for a new single family residence. Note that the property is located 100± feet away from an active railroad corridor.

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& ASSOCIATES

APPRAISERS - ANALYSTS

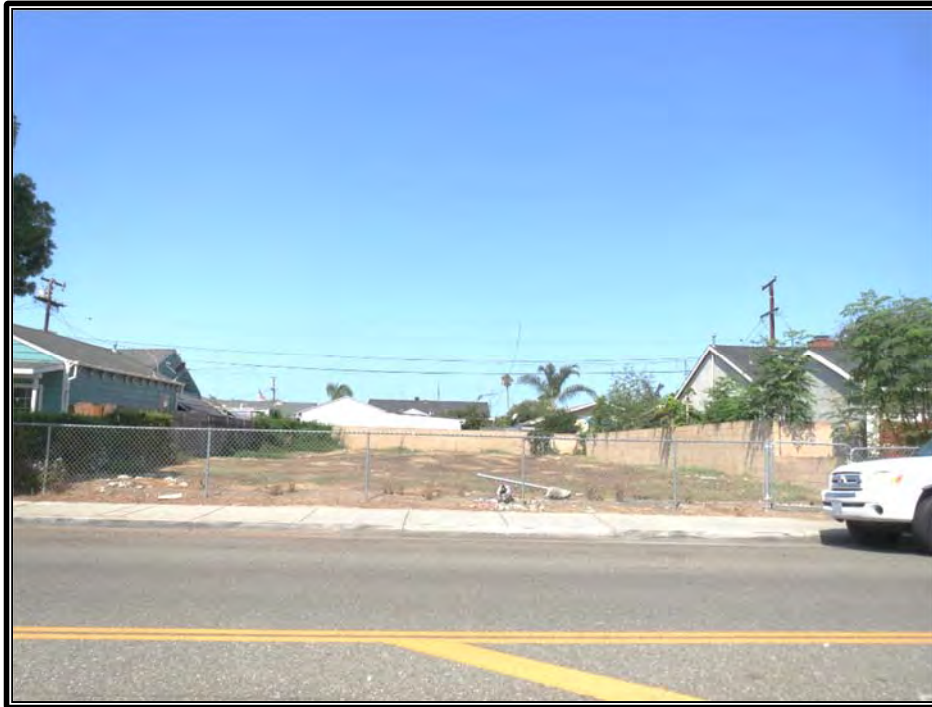
APN: 079-351-02



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& ASSOCIATES

APPRAISERS - ANALYSTS

MARKET DATA #5
5891 Stanton Avenue, Buena Park



GRANTOR:	Hung Hoang	APN:	066-184-26, 27
GRANTEE:	Hussein Abbood	LAND SIZE:	6,911 square feet
SALE DATE:	September 7, 2021	ZONING:	RS-6
DOC. NO.:	557946	TOPOGRAPHY:	Effectively level
SALE PRICE:	\$470,000	PRESENT USE:	Vacant land
TERMS:	All cash	UNIT RATE:	\$68.01 per SF land

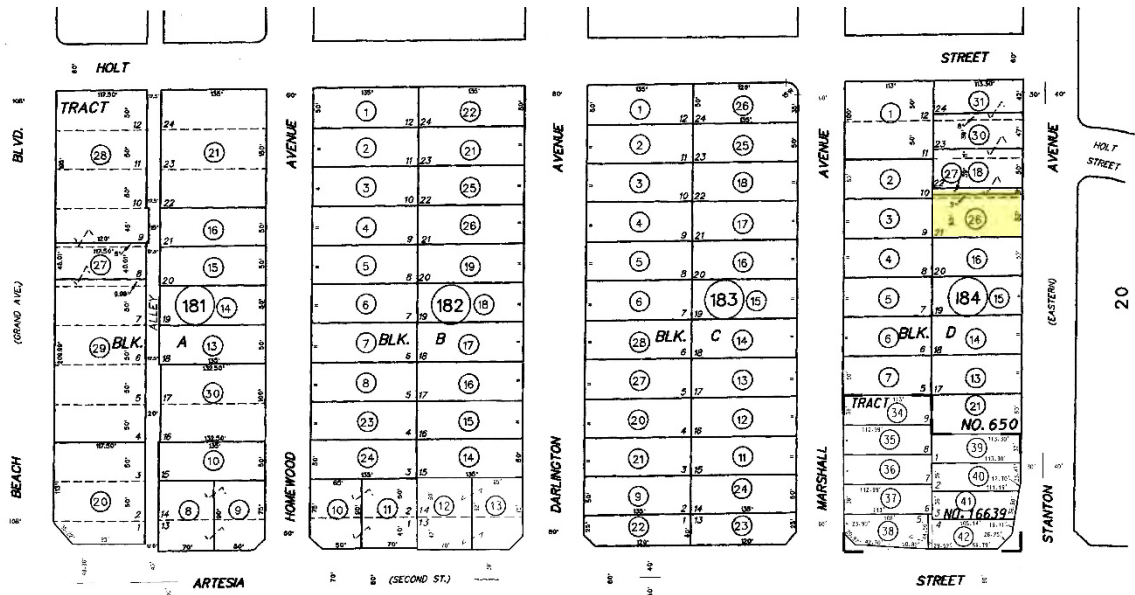
CONFIRMED BY: Tien Nguyen, listing agent

COMMENT: The property is a vacant land parcel. The property includes approved building plans to develop a single family residence containing 2,770 square feet, plus a three-car garage. The property previously sold for \$308,000, in January 2021, as unentitled land.

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APPRAISERS - ANALYSTS

APN: 066-184-26, 27



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MARKET DATA #6
4622 Watkins Way, Santa Ana



GRANTOR:	Michelle Mai	APN:	108-131-35
GRANTEE:	Hai T. Hoang	LAND SIZE:	14,350 square feet
SALE DATE:	September 9, 2021	ZONING:	R2
DOC. NO.:	564983	TOPOGRAPHY:	Effectively level
SALE PRICE:	\$600,000	PRESENT USE:	Vacant SFR
TERMS:	All cash	UNIT RATE:	\$41.81 per SF land

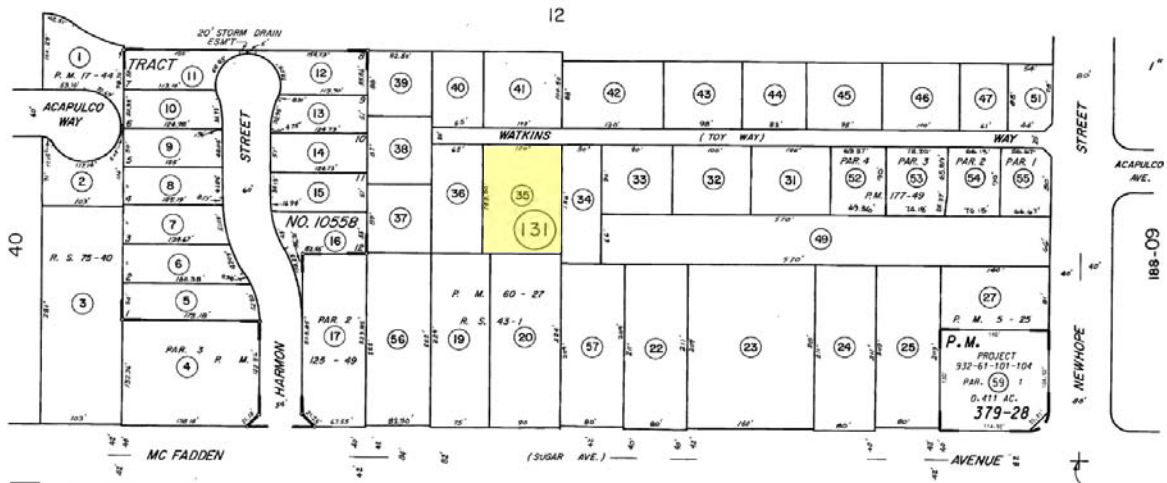
CONFIRMED BY: Richard Mohr, listing agent

COMMENT: The property is improved with an older single family residence in poor-dilapidated condition, which is current vacated. The property sold based on the underlying land value. Access is via Watkins Way, which is an effective alley.

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APPRAISERS - ANALYSTS

APN: 108-131-35

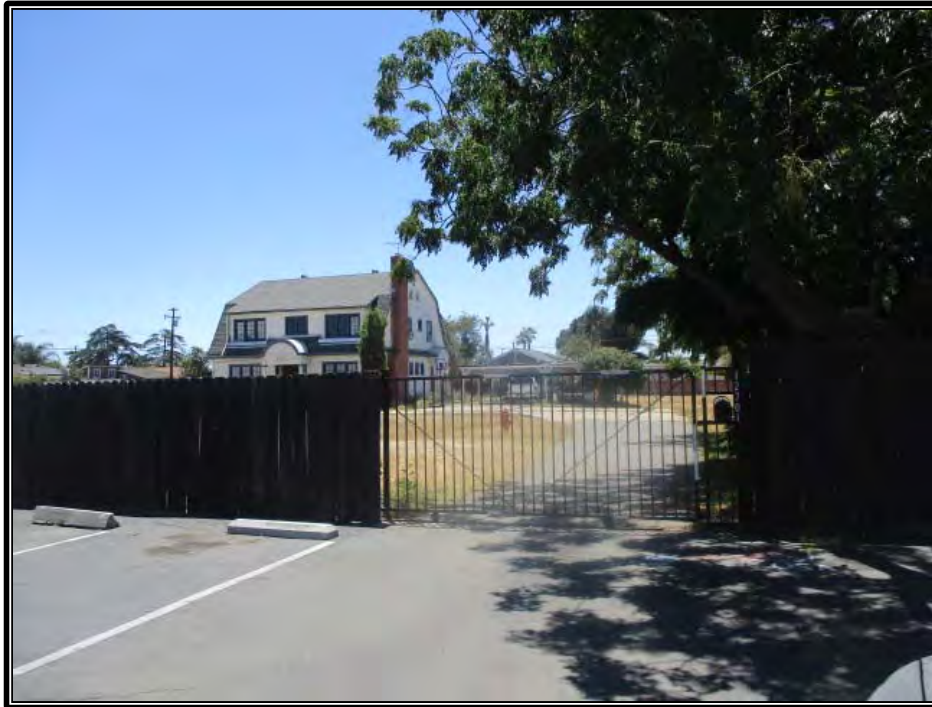


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APPRAISERS - ANALYSTS

MARKET DATA #7

12701 Buaro St. and 12722 Dungan Lane, Garden Grove



GRANTOR:	James and Elaine Eads	APN:	231-383-36,48
GRANTEE:	N.A.	LAND SIZE:	68,936 square feet
SALE DATE:	May 27, 2022	ZONING:	R2/R-1-7
DOC. NO.:	N.A.	TOPOGRAPHY:	Level
SALE PRICE:	\$\$3,100,000	PRESENT USE:	Vacant land
TERMS:	All cash to seller	UNIT RATE:	\$44.97 per SF land

CONFIRMED BY: Woody Harper, listing agent

COMMENT: APN 231-383-36 is improved with a single family residence in fair condition, is zoned R-1-7, and contains 7,560 square feet of land area. APN 231-383-48 is improved with an older single family residence, is zoned R2, has a long and narrow access drive which is also utilized as ingress/egress easement serving adjacent parcels, and contains 61,376 square feet. The site was acquired by a developer. The sale date was confirmed with the broker, however recorded documents are not available through market data resources as of the date of the report.

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APPRAISERS - ANALYSTS

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APPRAISERS - ANALYSTS

MARKET DATA #8
8671 Orangewood Ave., Garden Grove



GRANTOR:	Lac Doc Duong	APN:	132-242-42
GRANTEE:	N.A.	LAND SIZE:	36,270 square feet
SALE DATE:	N.A.	ZONING:	R-1-7
DOC. NO.:	N.A.	TOPOGRAPHY:	Level
ASKING PRICE:	\$2,100,000	PRESENT USE:	Vacant land
TERMS:	N.A.	UNIT RATE:	\$57.90 per SF land

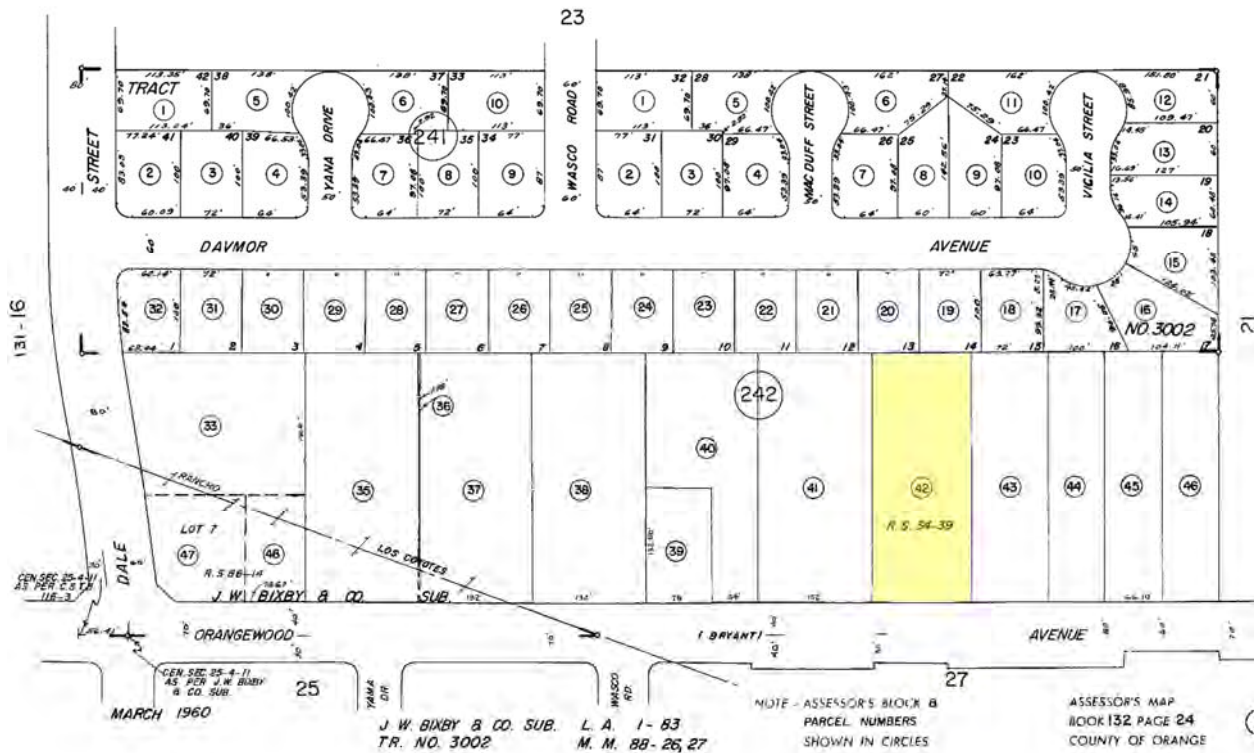
CONFIRMED BY: My Dam, listing agent

COMMENT: The property is unentitled vacant land and is currently listed for sale. The listing agent indicated that an offer had been received for around \$2,000,000, however, the seller is seeking the full listing price of \$2,100,000, and did not accept the offer. The seller acquired the property in April 2018 for \$1,050,000.

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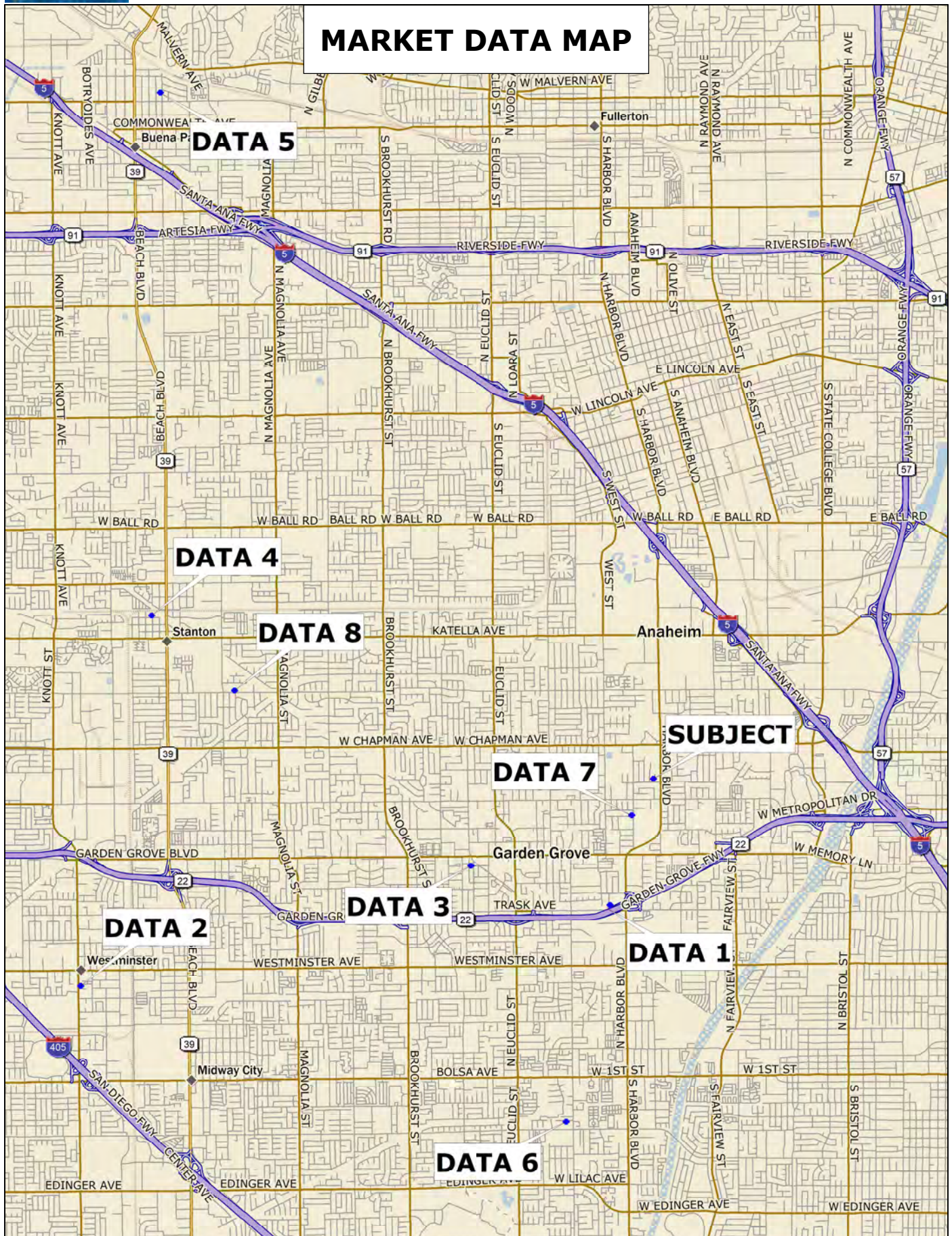
APN: 132-242-42



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APPRAISERS - ANALYSTS

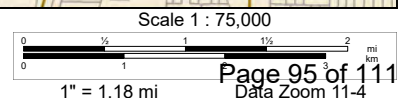
MARKET DATA MAP



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ADDENDA

See Photo No. 1 on first page of Subject Property Description Section.



PHOTO NO. 2: View looking north along Thackery Drive.

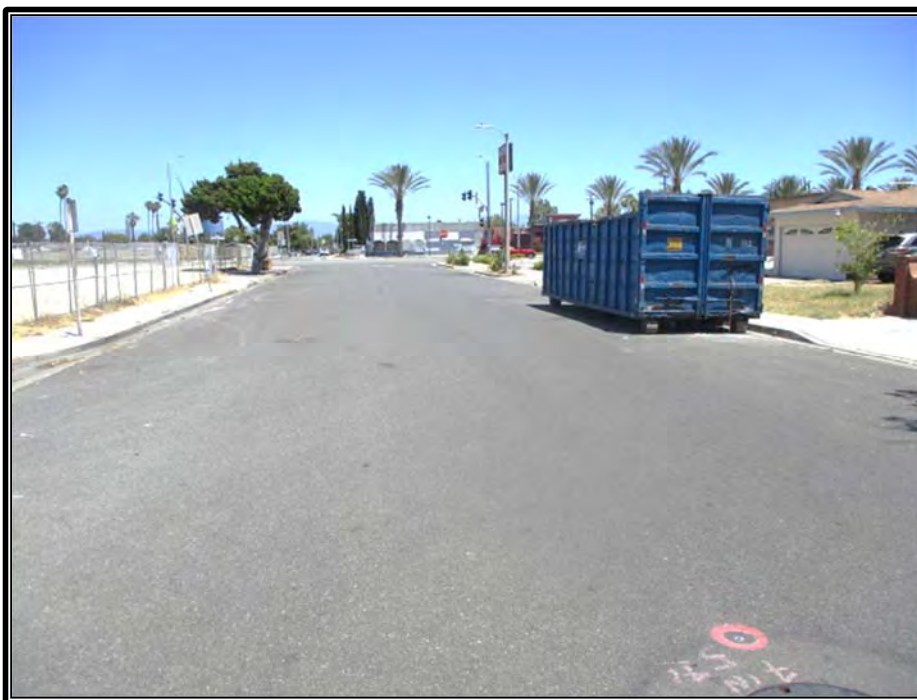


PHOTO NO. 3: View looking east along Twintree Avenue.

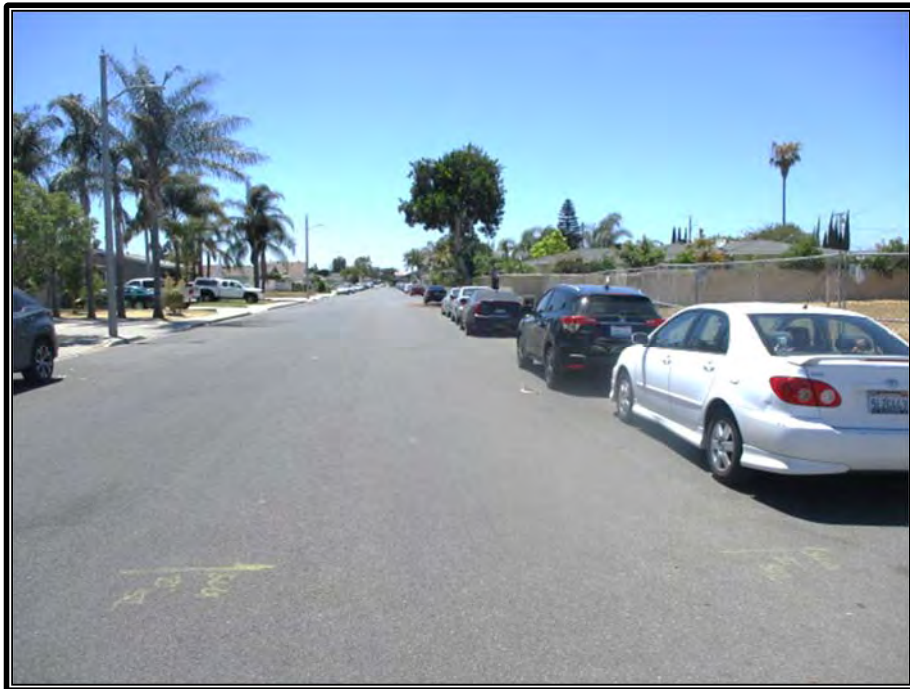


PHOTO NO. 4: View looking west along Twintree Avenue.

**ORANGE COUNTY
REGIONAL DATA**

REGIONAL DATA

The value of real property is influenced by the attributes and utility of land and physical improvements, as well as inter-relationships of markets, demographic forces, transportation, government, environmental influences and other factors. Said factors influence the location and density of population distribution and activities in certain areas and regions over others.

ORANGE COUNTY REGION:

The County of Orange is located generally along the California coastline, between Los Angeles County and San Diego County. It occupies 798 square miles and has 42 miles of oceanfront. There are 33 cities and 13 unincorporated communities in the County. The climate is mild throughout the year with an average rainfall of 15 inches. The coastal region is subject to early morning fog, and as a result, sunshine is recorded about 60% of the year while farther inland this percentage increases to 80%. Mean temperatures range from 48° to 76° Fahrenheit.

The Orange County population has grown from 61,375 in 1920 to 216,224 in 1950, 487,701 in 1960, 1,420,386 in 1970, 1,932,700 in 1980, 2,410,556 in 1990, and 2,846,289 in 2000. According to the 2010 census, Orange County's population totaled 3,010,232. This was an increase of 163,943 or 4.76% over the County's 2000 census figure. The County's growth rate has averaged approximately 2% annually during the entire period.

The City of Santa Ana serves as the county seat and is the largest city in Orange County with a population of 334,227. The City of Anaheim rates as the second largest city with a population of 336,265. The race/ethnic make-up of Orange County is 60.8% white; 33.7% Hispanic; 18.2% Asian and Pacific Island; 1.7% black; 0.6% native American; 15.0% remainder.

Transportation in Orange County is provided for by a variety of means. John Wayne (Orange County) Airport, located in Newport Beach, is the county's only major airport; Long Beach Airport and Los Angeles International Airport, in Los Angeles County, are also frequently used by Orange County residents. Commercial seaport terminals are available in San Diego County, and Long Beach/Los Angeles harbors. Railroad services are provided by Atchison, Topeka and Santa Fe, National Amtrak, and Southern Pacific. There are approximately 600 trucking lines which operate in Southern California and that serve Orange County. Orange County is intersected by eight freeways and

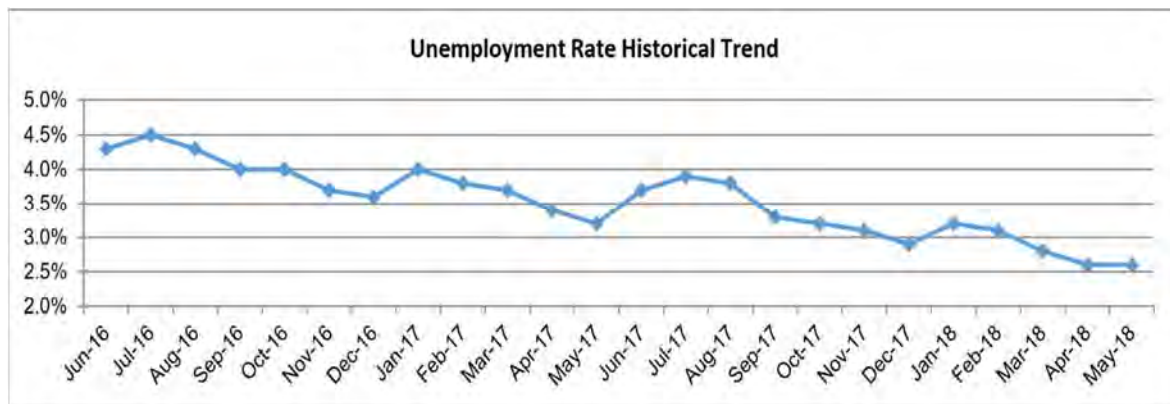
REGIONAL DATA (Continued)

ORANGE COUNTY REGION: (Continued)

numerous state highways. Bus transportation is provided for by Greyhound Lines, Southern California Rapid Transit District, and the Orange County Transit District.

Per the State of California Employment Development Department, please note the following:

The unemployment rate in the Orange County was approximately 2.6% in May of 2018, unchanged from the revised 2.6% in April of 2018, and below the year-ago estimate of 3.2 percent. This compares with an unadjusted unemployment rate of 3.7% for California and 3.6% for the nation during the same period.



Refer to the January 2018 metrics pertaining to the breakdown of employment, by industry, on the following page.

REGIONAL DATA (Continued)**ORANGE COUNTY REGION:** (Continued)**Orange County Industry Employment Comparisons**

Orange County Industry Employment	Dec-16	Nov-17	Dec-17	YoY % Change	MoM % Change
Professional & Business Services	300,600	304,400	308,400	2.6%	1.3%
Educational & Health Services	204,200	208,300	209,200	2.4%	0.4%
Leisure & Hospitality	211,100	219,700	220,900	4.6%	0.5%
Retail Trade	159,500	160,500	160,600	0.7%	0.1%
Government	164,000	161,900	160,300	-2.3%	-1.0%
Durable Goods Manufacturing	116,400	112,100	112,000	-3.8%	-0.1%
Financial Activities	119,300	117,800	118,200	-0.9%	0.3%
Construction	96,900	104,700	104,300	7.6%	-0.4%
Wholesale Trade	81,600	80,900	81,300	-0.4%	0.5%
Other Services	50,100	53,300	53,800	7.4%	0.9%
Nondurable Goods Manufacturing	40,700	39,400	39,700	-2.5%	0.8%
Transportation, Warehousing & Utilities	29,600	27,700	28,600	-3.4%	3.2%
Information	25,900	26,100	26,200	1.2%	0.4%
Mining and Logging	500	500	500	0.0%	0.0%

This indicator breaks down Orange County's employment by industry for the current month, comparing changes in employment levels since the previous month and the previous year.

Source: California Employment Development Department

REGIONAL DATA (Continued)

ORANGE COUNTY REGION: (Continued)

Per Zillow, in May 2018, the county's median sales price of existing homes (resale activity) was \$700,000. Condominium, duplex or townhouse style housing generally range in value from \$450,000 to \$550,000. Sales of condominium and townhouse development projects were extremely strong during the 1980s and early 1990s, especially in the first-time buyer market. There was a substantial decline in value of all types of properties within the greater Southern California region between 1991 and 1996. Overall housing prices declined between 20% and 40% between 1991 and 1997, depending primarily on location and value range.

Beginning in 1998, there was evidence of increased real estate market activity. There was a general upward value trend affecting residential properties within the immediate and general subject market area, from 2003 through the mid portion of 2006, after which property values generally stabilized. Beginning in 2007, residential property values began to decrease significantly. The decrease in residential sales activity and pricing continued through the latter portion of 2008, due primarily to the subprime credit and housing crisis, multi-billion dollar write-downs of mortgage-backed securities by regional and national banks, and a lack of available financing. In the mid to latter portion of 2009 residential values abruptly stabilized, due primarily to fiscal stimulus programs and first time home buyer tax credits. In 2010, certain markets began to experience an increase in sales, as well as a nominal increase in property values (5%-10%). Any brief increases in residential property values in the mid portion of 2010 subsequently subsided and were considered to be attributed to the first time home buyers tax credit. In 2013 residential property values resumed and upward trend with a slight increase in pricing and sales activity. The upward trend generally continued through 2017 and appears to have stabilized in recent months.

Orange County has experienced high levels of development within the past 25 years. Most of the acreage and undeveloped land parcels are located within the eastern and northeastern portion of the County. There are 143,915 acres dedicated for residential use, 25,115 acres dedicated for commercial use, and 112,112 acres of open space. Development intensity has increased near the coastline in southern Orange County, and parts of northern San Diego County. Development, however, between 1991 and 1997, and again between 2007 and 2010, was limited due to the lack of demand and construction financing; recent development is proceeding cautiously. The megalopolis predicted 35 years ago, between Los Angeles and San Diego, is in the developing stages.

**QUALIFICATIONS
OF
APPRAISER**

R . P . L A U R A I N
& A S S O C I A T E S
APPRAISERS - ANALYSTS

BACKGROUND AND QUALIFICATIONS

John P. Laurain, MAI, ASA
Certified General Real Estate Appraiser
California Certification No. AG 025754

PRESIDENT:

R. P. Laurain & Associates, Inc.
3353 Linden Avenue, Suite 200
Long Beach, California 90807
Office: (562) 426-0477 - Fax: (562) 988-2927
rpla@rplaurain.com

PROFESSIONAL ORGANIZATION AFFILIATIONS:

The Appraisal Institute
MAI Designated Member

American Society of Appraisers
Senior member; hold professional endorsement and
designation "ASA" in urban real estate.

American Arbitration Association
Associate arbitrator in title insurance matter.

Certified General Real Estate Appraiser by the
Office of Real Estate Appraisers, State of California.
Certification No. AG 025754.

APPRAISAL BACKGROUND:

Real estate appraisal and valuation consultation services conducted for public purposes include eminent domain studies, street widening and grade separation (bridge) projects, public school and university expansion projects, relocation studies, housing and public loan programs, Navy housing, senior housing, public bond measures, leasing of publicly-owned properties, Quimby Act park fee studies, Fair Political Practices Commission analyses, budgetary studies, and transfers (exchanges) of properties between public agencies. Private real estate appraisal services have been conducted for lending institutions, insurance companies, attorneys, estates for tax and donation purposes, private subdivision development studies, and other private uses.

BACKGROUND AND QUALIFICATIONS (Continued)

APPRAISAL BACKGROUND: (Continued)

Residential Property:

Residential properties appraised include single family, condominiums, own-your-own, townhouse, low and medium density multiple family, 100+ unit apartment complexes, waterfront properties, boat docks, mobile home parks, vacant single-family lot and acreage parcels, and low to high density vacant land parcels.

Commercial and Industrial Property:

Commercial property appraisal studies have included single and multi-tenant retail, strip centers, shopping centers, low-rise and high-rise office buildings, medical offices, restaurants and fast-food developments, nightclubs, convenience stores, theaters, automobile repair and service facilities, service stations, truck fueling and washing stations, car wash facilities, automobile sales, mixed-use properties including single resident occupancy (SRO) developments, as well as hotel and motel properties, and vacant land.

Industrial property appraisals have included warehouses, light and heavy manufacturing, distribution and transit facilities, food processing, cold storage, lumber yards, recycling centers, open storage, vacant land, remnant and landlocked parcels, properties encumbered with oil and water injection wells, sites with soil contamination and land fill properties.

Special Purpose and Special Use Properties:

Appraisal services and valuation studies of public, quasi-public, special use, and nonprofit facilities include, among others, seaport properties, airport properties (FBO, hangars, warehouse, office, land, etc.), submerged land, river rights-of-way, reservoirs, agricultural land, conservation/mitigation and wetland properties, utility and railroad rights-of-way, flood control channels, city hall buildings and civic center complexes, courthouses, libraries, fire and police stations, post offices, public parking structures, parks, public and private schools, adult learning centers, athletic facilities and gyms, bowling alleys, tennis centers, youth homes, after school facilities, daycare facilities, hospitals, skilled nursing facilities, churches, meeting halls and veteran facilities.

Valuation Methodologies:

In addition to the three conventional valuation methods (Sales Comparison Approach, Cost-Summation Approach, and Income Capitalization Approach), valuation methodologies have included discounted cash flow analyses, leased fee, and leasehold analyses, absorption discounts, deferred maintenance, cost-to-cure, bonus value, excess rent, across-the-fence, value-in-use, fractional interests, hypothetical valuations, and reuse studies.

BACKGROUND AND QUALIFICATIONS (Continued)

APPRAISAL BACKGROUND: (Continued)

Property interests appraised for eminent domain purposes include full and partial takings, as well as severance damage and project benefit studies. Valuation of various types of easements have included permanent surface, street, temporary construction, slope, utility, pipeline and subsurface, aerial, bridge structure, signal light, exclusive and nonexclusive surface rights, multi-layered, battered pilings, tie-back, railroad, drainage ditch, and flood control easements.

Clients:

Real estate research, analysis and appraisal services performed on projects for various public agencies and private corporations while associated with R. P. Laurain & Associates, Inc., since 1986. Following is a partial list of public agencies for which appraisal services have been provided:

Cities:

City of Alhambra	City of Downey	City of Norwalk
City of Anaheim	City of El Monte	City of Oceanside
City of Artesia	City of El Segundo	City of Ontario
City of Arvin	City of Garden Grove	City of Palmdale
City of Azusa	City of Glendale	City of Palm Springs
City of Baldwin Park	City of Hawaiian Gardens	City of Paramount
City of Bell	City of Huntington Beach	City of Pasadena
City of Bell Gardens	City of Huntington Park	City of Perris
City of Bellflower	City of Industry	City of Redondo Beach
City of Beverly Hills	City of Inglewood	City of Riverside
City of Brea	City of Irwindale	City of Rosemead
City of Buena Park	City of Laguna Beach	City of San Juan Capistrano
City of Burbank	City of Laguna Woods	City of San Marino
City of Carson	City of Lakewood	City of Santa Ana
City of Cathedral City	City of La Mirada	City of Santa Fe Springs
City of Chino	City of Lawndale	City of Seal Beach
City of Chino Hills	City of Long Beach	City of Signal Hill
City of Compton	City of Los Alamitos	City of South El Monte
City of Corona	City of Los Angeles	City of South Gate
City of Covina	City of Monrovia	City of Tustin
City of Cudahy	City of Montebello	City of Upland
City of Cypress	City of Monterey Park	City of West Hollywood
City of Diamond Bar	City of Newport Beach	City of Whittier

BACKGROUND AND QUALIFICATIONS (Continued)

APPRAISAL BACKGROUND: (Continued)

Other Public and Quasi-Public Agencies:

Alameda Corridor Engineering Team
Alameda Corridor Transportation Authority
California High Speed Rail Authority
Caltrans
Castaic Lake Water Agency
Hawthorne School District
Kern County
Long Beach Community College District
Long Beach Airport
Long Beach Unified School District
Long Beach Water Department
Los Angeles County Department of Beaches and Harbors
Los Angeles County Chief Executive Office
Los Angeles County Internal Services Department
Los Angeles County Metropolitan Transportation Authority
Los Angeles County Public Works
Los Angeles Unified School District
Los Angeles World Airports
Lynwood Unified School District
Orange County Transportation Authority
Orange County Public Works
Orange County Counsel
Port of Hueneme
Port of Long Beach
Port of Los Angeles
Riverside County Transportation Commission
San Bernardino County
Southern California Edison
State of California, Santa Monica Mountains Conservancy
U. S. Department of the Navy
U. S. Postal Service

Other:

Various attorneys, corporations, lending institutions, and private individuals.

Gold Coast Appraisals, Inc.:

Associate appraiser, as independent contractor, during portions of 1991 and 1992, specializing in appraisal of single family residential through four-unit residential properties.

BACKGROUND AND QUALIFICATIONS (Continued)

EXPERT WITNESS:

Qualified as an expert witness in the Los Angeles County Superior Court, Central District.

Qualified as an expert witness Orange County Superior Court.

Qualified as an expert witness in an arbitration matter before Judicial Arbitration and Mediation Services in the Counties of Los Angeles and Orange.

Provided testimony as an expert witness in conjunction with eminent domain matters before the San Bernardino and Riverside County Superior Courts.

ACADEMIC BACKGROUND:

Cypress Community College - Basic curriculum.

Long Beach Community College - Basic curriculum.

Real estate and related courses taken through and at various Community Colleges, Universities, the Appraisal Institute, and business schools, in accordance with the Continuing Education Requirements of the State of California, as follows:

- Fundamentals of Real Estate Appraisal
- Appraisal Principles and Techniques
- California Real Estate Principles
- Real Estate Appraisal: Residential
- California Real Estate Economics
- Basic Income Capitalization Approach
- Advanced Income Capitalization Approach
- Advanced Market Analysis and Highest & Best Use
- Advanced Applications
- Advanced Concepts and Case Studies
- Quantitative Analysis
- Eminent Domain and Condemnation
- Complex Properties
- Real Estate Escrow
- California Real Estate Law
- Uniform Standards of Professional Appraisal Practice
- Federal and State Laws and Regulations
- Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book)
- Valuation of Conservation Easements

THE ORANGE COUNTY
REGISTER

The Orange County Register
1920 Main Street, Suite 209
Irvine, California 92614
(714) 796-7000

0011557129

City of Garden Grove
11222 Acacia , PO Box 3070
Garden Grove, California 92840

**PROOF OF PUBLICATION
(2015.5 C.C.P.)**

**STATE OF CALIFORNIA
County of Orange**

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not party to or interested in the above-entitled matter. I am the principal clerk of the printer of The Orange County Register, a newspaper of general circulation, printed and published in the City of Irvine*, County of Orange, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of County of Orange, State of California, under the date of November 19, 1905, Case No.A-21046. The notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

08/30/2022, 09/06/2022

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated at Irvine, California

On this 6th day of September, 2022.



Signature

CITY OF GARDEN GROVE AND GARDEN GROVE HOUSING AUTHORITY

NOTICE OF JOINT PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a Public Hearing will be held by the City of Garden Grove City Council and Garden Grove Housing Authority on Tuesday, September 13, 2022 at 6:30 p.m. or as soon thereafter as the matter may be heard at the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California 92840, for the purposes of considering and taking action on the proposal sale of certain real property by the Housing Authority to the City. The subject "Property" is located at 12291 Thackery Drive, Garden Grove, California 92840, Assessor Parcel No. 231-471-22. Under California Health and Safety Code Sections 33433 and 34312.3 a summary report is available for public review about the proposed sale of the Property. The purpose of the Joint Public Hearing is to receive testimony from the public regarding the proposed sale of the Property. All interested persons and organizations are invited and encouraged to attend said meeting and/or provide testimony for, against or neutral to this item.

The summary report and information about the proposed sale are posted on the City of Garden Grove website at <https://ggcity.org> and available for inspection or copying at the building West of City Hall at 12860 Euclid Avenue, Garden Grove, California, 92840, during regular business hours, Monday through Thursday, 7:30 a.m. to 5:30 p.m., and Fridays, 7:30 a.m. to 5:00 p.m. (except those Fridays, when City Hall is closed).

All interested persons or organizations may submit written comments about the proposed sale of the Property to the City Clerk's Office, City Hall, 11222 Acacia Parkway, P.O. Box 3070, Garden Grove, California, 92842, or by email at cityclerk@ggcity.org, prior to the Joint Public Hearing. Written correspondence must be received no later than 3:00 p.m. on the day of the meeting. These will be forwarded to the City Council prior the meeting.

If you challenge the action taken on this matter in court, you may be limited to raising only those issues you or someone else raised at the Joint Public Hearing described in this Notice, or in written correspondence delivered to the City Clerk prior to or at the public hearing. Furthermore, you must exhaust any administrative remedies prior to commencing a court challenge to the City and Housing Authority's actions on this matter.

In compliance with the Americans with Disabilities Act, any person requiring auxiliary aids and services, due to a disability, to participate in this meeting, should contact the City Clerk's Office 72 hours prior to the meeting to arrange for accommodations (714) 741-5040. Further information regarding the proposed Agreement may be obtained by contacting Monica Covarrubias, Sr. Project Manager, at (714) 741-5788.

Teresa Pomeroy, CMC, City Clerk

Publish: August 30, 2022 and September 6, 2022

The Orange County Register

Published: 8/30, 9/6/22