

**CITY OF GARDEN GROVE  
INTER-DEPARTMENT MEMORANDUM**

**Garden Grove Agency for Community Development**

To: Matthew Fertal  
Dept: Director  
Subject: TRANSFER FROM SET ASIDE FUNDING FOR ACQUISITION OF REAL PROPERTY LOCATED AT 12252 HARBOR BOULEVARD

From: Chet Yoshizaki  
Dept: Economic Development  
Date: June 9, 2009

OBJECTIVE

The purpose of this report is to request the Garden Grove Agency for Community Development (Agency) to consider transferring up to \$2.9 million from the Housing Set-Aside Funds for the acquisition of real property located at 12252 Harbor Boulevard "Bowen Property."

BACKGROUND/DISCUSSION

On March 10, 2009, the Agency approved the purchase of the Bowen Property for the purchase of the 1.04 acre site for \$63 per square foot or \$2,856,420. Pursuant to the Commercial Property Purchase Agreement, the date for the close of escrow is July 20, 2009.

It is the Agency's desire to effectively redevelop the site in accordance with the objectives of the Community Project Area Redevelopment Plan.

FINANCIAL IMPACT

The Agency's Housing Set-Aside Fund will be used for the purchase of the Bowen Property in the form of a loan bearing interest at 4.61 percent which is consistent with the City's investment portfolio rate in the Comprehensive Annual Financial Report July 1, 2007 - June 30, 2008. The purchase price of the property is \$2,856,420 and closing costs are estimated at \$8,445.

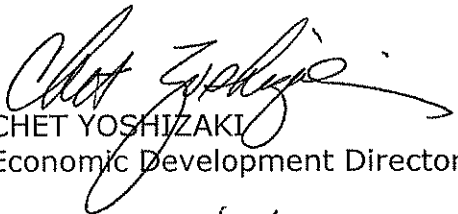
COMMUNITY VISION IMPLEMENTATION


- Improve the City's economic base through the development of tax generating uses where appropriate and further affordable housing opportunities in the community.

RECOMMENDATION

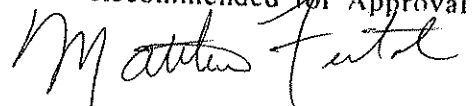
In an effort to effectively facilitate the redevelopment of the Community Project Area, staff recommends that the Agency:

- Authorize the Finance Director to draw a warrant in the amount of up to \$2.9 million from the set aside account for the purchase of the site and closing costs.

  
CHET YOSHIKAZI  
Economic Development Director

  
By: Greg Blodgett  
Senior Project Manger

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Recommended for Approval  
  
Matthew Fertal  
Director