



AGREEMENT BETWEEN THE CITY OF GARDEN GROVE AND THE GARDEN GROVE  
AGENCY FOR COMMUNITY DEVELOPMENT FOR THE PURCHASE AND SALE  
AGREEMENT OF 12892-12942 GROVE STREET, GARDEN GROVE (APN 089-21-247  
THROUGH 089-21-332)

March 8, 2011

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FINANCIAL IMPACT

Funds for this transaction will come from the Redevelopment Housing Set Aside Fund.

RECOMMENDATION

Based on the information presented above, staff recommends that:

The City Council:

- Adopts the attached City Council Resolution approving the attached Purchase and Sale Agreement with the Garden Grove Agency for Community Development;
- Authorizes the Mayor to execute the Purchase and Sale Agreement and pertinent documents on behalf of the City; and
- Authorizes the City Manager and Finance Director to implement the Agreement and make minor modifications as needed.

The Garden Grove Agency for Community Development:

- Adopts the attached Agency Resolution approving the attached Purchase and Sale Agreement with the City of Garden Grove;
- Appropriates \$2.3 million from the Redevelopment Housing Set Aside Fund;
- Authorizes the Agency Chair to execute the Purchase and Sale Agreement, and pertinent documents on behalf of the Agency; and
- Authorizes the Agency Director and Finance Director to implement the Agreement and make minor modifications as needed.

GREG BROWN  
Real Property Manager



Attachment 1: Purchase and Sale Agreement  
Attachment 2: City Council and Agency Resolutions  
Attachment 3: Site Map

mm(h:Staff/GAB/Grove Street Property sr 030811.doc)

**Recommended for Approval**

  
**Matthew Fertal**  
Director

**PURCHASE AND SALE AGREEMENT  
BY AND BETWEEN THE CITY OF GARDEN GROVE AND  
THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT  
FOR PROPERTY LOCATED AT 12892-12942 GROVE STREET**

This Purchase and Sale Agreement (“Agreement”) is entered into as of March \_\_\_\_, 2011, by and between the CITY OF GARDEN GROVE, a California municipal corporation (the “City”), and the GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body, corporate and politic (“Agency”). The City and Agency are collectively referred to herein as the “Parties”, or individually as a “Party”.

**RECITALS**

A. The City is the owner of approximately 1.66 acres of real property generally located at 12892-12942 Grove Street (APN 089-21-247 through 089-21-332) on the east side of Grove Avenue, west of Main Street and north of Garden Grove Boulevard in the City of Garden Grove (the “Property”). The Property is more particularly described in the Legal Description of Property, attached hereto as Exhibit “A” and incorporated herein.

B. The City Council originally adopted the Redevelopment Plan (“Plan”) for the Garden Grove Community Project (“Project Area”) by Ordinance No. 1339 on June 26, 1973, and thereafter, said Plan was amended by City Council Ordinance Nos. 1388, 1476, 1548, 169, 1576, 1642, 1699, 1760, 1971, 2035, 2232, 2304, 2455, 2576, and 2709. The Property is located within the Project Area.

C. The Agency is a community redevelopment agency organized and existing under the California Community Redevelopment Law, Health and Safety Code sections 33000 *et seq.* (“CRL”) and has been authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council of the City.

D. The City is authorized pursuant to Health and Safety Code section 33220 to convey its real property to the Agency.

E. The Agency proposes to acquire the Property from the City for the purposes of low and moderate income housing. It is intended that this property be subsequently developed with residential housing with an affordable component. The subject property has already been entitled for residential/mixed-use development.

F. The CRL (Health and Safety Code section 33334.2) requires that not less than twenty percent (20%) of the tax increment allocated to the Agency must be used by the Agency for the purpose of increasing, improving, and preserving the community’s supply of low and moderate income housing available at affordable housing cost (“Redevelopment Housing Set Aside Fund”). In carrying out the purposes of this section, the Agency may exercise any and or all of its powers including, but not limited to, acquiring real property or building sites.

G. The Agency wishes to enter into this Agreement with the City using the Redevelopment Housing Set Aside Fund to acquire the Property. The obligations of the Agency under this Agreement shall constitute an indebtedness of the Agency for the purposes acquiring the Property in the Project Area. The obligations set forth in this Agreement will be contractual obligations that, if breached, will subject the Agency to damages and other liabilities or remedies.

H. The City Council and the Agency by resolution have each found that the use of Agency funding to acquire the Property is in accordance with Health and Safety Code section 33445 and other applicable law. The City Council and Agency resolutions are each based on the authority of the Agency, with the consent of the City Council, to pay all or part of the cost of the acquisition of real property if the City Council makes certain determinations.

**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, City and Agency agree as follows:

1. **Incorporation of Recitals.** The recitals are incorporated herein and set forth the intentions of the Parties and the premises on which the Parties have decided to enter into this Agreement.

2. **Purchase and Sale.** The City hereby agrees to sell the Property to Agency, and Agency hereby agrees to purchase the Property from City, on the terms and conditions set forth in this Agreement. The purchase price for the Property, payable by the Agency to the City upon execution of this Agreement and the Grant Deed, attached hereto as Exhibit "B" and incorporated herein, is two million three hundred thousand dollars (\$2,300,000), which shall be paid to City using the Agency's Redevelopment Housing Set Aside Funds. The term "Property" shall include:

- (a) The fee interest in the Property;
- (b) All improvements, if any, to the Property;
- (c) All rights, privileges, easements, licenses and interest both tangible and intangible, appurtenant to the Property. "Property" shall be deemed to include, without limitation, all royalties, minerals, oil and gas rights and profits, water and water rights (whether or not appurtenant) derived from the Property that are owed by the City; and
- (d) All licenses, permits, authorizations and approvals issued by governmental authorities with respect to the Property and the improvements thereon.

3. **Condition of Property "As-Is"**. The Agency expressly understands and agrees that the Agency shall acquire the Property "AS IS" condition on the closing date. The City specifically disclaims the making of any representations or warranties, express

or implied, regarding the Property or matters affecting the Property, including, without limitation, the physical and environmental condition of the Property.

4. **Legal and Equitable Enforcement of This Agreement**

(a) **Default by City.** In the event the acquisition of the Property by the Agency does not occur by reason of any default by the City, then Agency shall be entitled to the return of all of its out-of-pocket expenses incurred in connection with the transaction, and shall have the right to pursue any other remedy available to it at law or equity, including the specific performance of this Agreement.

(b) **Default by Agency.** In the event the acquisition of the Property by the Agency does not occur by reason of any default by the Agency, then the City shall be entitled to the return of all of its out-of-pocket expenses incurred in connection with the transaction, and shall have the right to pursue any other remedy available to it at law or in equity, including the specific performance of the Agreement.

5. **General Provisions**

(a) **Survival of Covenants.** The covenants, representations and warranties of both the City and Agency set forth in this Agreement shall survive the recordation of the Grant Deed.

(b) **Modifications.** Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.

(c) **Severability.** If any term, provision, condition or covenant of this Agreement or its application to any Party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

(d) **Cooperation.** Each Party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement, including, but not limited to, releases or additional agreements.

(e) **Time of Essence.** Time is of the essence of each and every term, condition, obligation, and provision hereof.

(f) Assignment. This Agreement shall be binding upon and shall inure to the benefit of City and Agency and their respective successors and assigns.

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

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

(i) No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the Parties hereto, to any person or entity other than the Parties hereto.

(j) Further Actions. The Agency's director or designee and the City's Manager or designee are hereby authorized and directed to take such other and further actions, and sign such other and further agreements and documents on behalf of the Agency and City, respectively, as may be necessary or proper to effect the terms of this Agreement.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereby have executed this Agreement as of the date set forth above.

**AGENCY:**

**GARDEN GROVE AGENCY FOR  
COMMUNITY DEVELOPMENT**

By: \_\_\_\_\_  
Chairperson

**ATTEST:**

By: \_\_\_\_\_  
Agency Secretary

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Agency Counsel

**CITY:**

**CITY OF GARDEN GROVE**

By: \_\_\_\_\_  
Mayor

**ATTEST:**

By: \_\_\_\_\_  
City Clerk

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
City Attorney

**EXHIBIT "A"**

**PROPERTY DESCRIPTION**

That real property located in the City of Garden Grove, County of Orange, State of California, and described as follows:



**EXHIBIT B**

RECORDING REQUESTED BY  
Garden Grove Agency for Community Development

When recorded mail to:  
Garden Grove Agency for Community Development  
11222 Acacia Parkway  
Garden Grove, CA 92842  
Attn. Director

Space above line for Recorder's Use

Portion  
APN: 089-21-247 THROUGH 089-21-332

This Document is exempt from payment of recording fee pursuant to Sections 6103 and 27383 of the Government Code

Exempt from payment of Documentary Transfer Tax Pursuant to Revenue and Taxation Code section 11922

**GRANT DEED**

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

GRANTOR, the **CITY OF GARDEN GROVE**, a California municipal corporation, hereby grants to GRANTEE, the **GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a public body, corporate and politic, all that certain real property located in the City of Garden Grove, County of Orange, State of California, commonly known as 12892-12942 GROVE STREET, and more particularly described in EXHIBIT A attached hereto and incorporated herein.

IN WITNESS WHEREOF, GRANTOR has executed this Grant Deed as of March \_\_\_\_, 2011,

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

By: \_\_\_\_\_  
Mayor

**ATTEST:**

\_\_\_\_\_  
City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney

**ACKNOWLEDGEMENT**

STATE OF CALIFORNIA        )  
  ) ss  
COUNTY OF ORANGE        )

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

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

WITNESS my hand and official seal

Signature \_\_\_\_\_

**CERTIFICATE OF ACCEPTANCE**

This is to certify that the interest in real property conveyed by written Grant Deed dated March \_\_\_\_, 2011, from the CITY OF GARDEN GROVE, a California municipal corporation, to the GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body, corporate and politic, is hereby accepted by the undersigned officer on behalf of the GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT pursuant to authority conferred by Resolution No. \_\_\_\_ of the Garden Grove Agency for Community Development adopted on \_\_\_\_, and GRANTEE consents to recordation thereof by its duly authorized officer.

Dated: March \_\_\_\_, 2011

By: \_\_\_\_\_  
Agency Director

## RESOLUTION NO. XXXX-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE  
APPROVING A PURCHASE AND SALE AGREEMENT BETWEEN THE CITY AND THE  
AGENCY FOR COMMUNITY DEVELOPMENT, AND MAKING CERTAIN FINDINGS IN  
CONNECTION THEREWITH

WHEREAS, the City of Garden Grove ("City") is the owner of approximately 1.66 acres of real property generally located at 12892-12942 Grove Street (APN 089-21-247 through 089-21-332) on the east side of Grove Avenue, west of Main Street and north of Garden Grove Boulevard in the City of Garden Grove (the "Property"); and

WHEREAS, the City Council originally adopted the Redevelopment Plan ("Plan") for the Garden Grove Community Project ("Project Area") by Ordinance No. 1339 on June 26, 1973, and thereafter, said Plan was amended by City Council Ordinance Nos. 1388, 1476, 1548, 169, 1576, 1642, 1699, 1760, 1971, 2035, 2232, 2304, 2455, 2576, and 2709. The Property is located within the Project Area; and

WHEREAS, the Garden Grove Agency for Community Development ("Agency") is a community redevelopment agency organized and existing under the California Community Redevelopment Law, Health and Safety Code sections 33000 *et seq.* ("CRL") and has been authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council of the City; and

WHEREAS, the City is authorized pursuant to Health and Safety Code section 33220 to convey its real property to the Agency; and

WHEREAS, the Agency proposes to acquire the Property from the City for the purposes of low and moderate income housing. It is intended that this property be subsequently developed with residential housing with an affordable component. The subject property has already been entitled for residential/mixed-use development; and

WHEREAS, the CRL (Health and Safety Code section 33334.2) requires that not less than twenty percent (20%) of the tax increment allocated to the Agency must be used by the Agency for the purpose of increasing, improving, and preserving the community's supply of low and moderate income housing available at affordable housing cost ("Redevelopment Housing Set Aside Fund"). In carrying out the purposes of this section, the Agency may exercise any and or all of its powers including, but not limited to, acquiring real property or building sites; and

WHEREAS, the Agency wishes to enter into this Agreement with the City using the Redevelopment Housing Set Aside Fund to acquire the Property. The obligations of the Agency under this Agreement shall constitute an indebtedness of the Agency for the purposes acquiring the Property in the Project Area. The obligations set forth in this Agreement will be contractual obligations that, if breached, will subject the Agency to damages and other liabilities or remedies; and

WHEREAS, pursuant to Health and Safety Code section 33334.16, if Redevelopment Housing Set Aside Funds are used to acquire real property, the Agency is required, within five years from the date it first acquires the property interest, to initiate activities consistent with the development of the Property for the purposes of low and moderate income housing. This time may be extended by resolution; and

WHEREAS, the purchase price payable to the City by the Agency for the Property is not less than the fair market value of the Property; and

WHEREAS, the City Council has previously determined, in its adoption of the ordinance approving the Plan, that the Property was blighted; and

WHEREAS, the City Council has duly considered all terms and conditions of the proposed Purchase and Sale Agreement and believes that it is in the sale of the Property to the Agency for low and moderate income housing is in the best interest of the City and the health, safety, and welfare of its residents.

NOW, THEREFORE, BE IT RESOLVED AND DETERMINED by the City Council of the City of Garden Grove as follows:

1. Each of the foregoing recitals is true and correct.
2. The acquisition of the Property by the Agency is of benefit to the Project Area by providing housing for low or moderate income persons.
3. There are no other reasonable means of financing the acquisition of the Property available to the community.
4. The payment of funds for the acquisition of the Property is consistent with the City's implementation plan adopted pursuant to Health and Safety Code section 33490.
5. The conveyance of the Property pursuant to the terms and conditions of the Purchase and Sale Agreement is not less than the fair market value of the Property.
6. The approval of the Purchase and Sale Agreement is categorically exempt from further review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines 15326 and 15332, and further that the prior environmental review conducted for the subject property satisfies CEQA requirements.
7. The City Council hereby approves the Purchase and Sale Agreement, and authorizes and directs the Mayor to execute the Purchase and Sale Agreement on behalf of the City. The City Manager, or his designee, is authorized to implement the Purchase and Sale Agreement and take all further actions and execute all other documents which are necessary or appropriate to carry out the Purchase and Sale Agreement.
8. This Resolution shall take effect from and after its date of adoption.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

RESOLUTION NO. XXXX-XX

A RESOLUTION OF THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT APPROVING A PURCHASE AND SALE AGREEMENT BETWEEN THE CITY OF GARDEN GROVE AND THE AGENCY, AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH

WHEREAS, the City of Garden Grove ("City") is the owner of approximately 1.66 acres of real property generally located at 12892-12942 Grove Street (APN 089-21-247 through 089-21-332) on the east side of Grove Avenue, west of Main Street and north of Garden Grove Boulevard in the City of Garden Grove (the "Property"); and

WHEREAS, the City Council originally adopted the Redevelopment Plan ("Plan") for the Garden Grove Community Project ("Project Area") by Ordinance No. 1339 on June 26, 1973, and thereafter, said Plan was amended by City Council Ordinance Nos. 1388, 1476, 1548, 169, 1576, 1642, 1699, 1760, 1971, 2035, 2232, 2304, 2455, 2576, and 2709. The Property is located within the Project Area; and

WHEREAS, the Garden Grove Agency for Community Development ("Agency") is a community redevelopment agency organized and existing under the California Community Redevelopment Law, Health and Safety Code sections 33000 *et seq.* ("CRL") and has been authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council of the City; and

WHEREAS, the Agency is vested with the power to implement the Plan and to carry out the goals and objectives of the Project Area, including, without limitation, the goals and objectives adopted by the Agency's implementation plan (the "Implementation Plan") pursuant to the CRL; and

WHEREAS, the Agency is authorized and empowered by the CRL to enter into agreements for the acquisition of real property and to acquire real property in redevelopment project areas, to make and execute contracts and other instruments necessary or convenient to the exercise of its powers, and to incur indebtedness to finance or refinance redevelopment projects; and

WHEREAS, the City is authorized pursuant to Health and Safety Code section 33220 to convey its real property to the Agency; and

WHEREAS, the Agency proposes to acquire the Property from the City for the purposes of low and moderate income housing. It is intended that this property be subsequently developed with residential housing with an affordable component. The subject property has already been entitled for residential/mixed-use development; and

WHEREAS, the CRL (Health and Safety Code section 33334.2) requires that not less than twenty percent (20%) of the tax increment allocated to the Agency must be used by the Agency for the purpose of increasing, improving, and preserving the community's supply of low

and moderate income housing available at affordable housing cost ("Redevelopment Housing Set Aside Fund"). In carrying out the purposes of this section, the Agency may exercise any and or all of its powers including, but not limited to, acquiring real property or building sites; and

WHEREAS, the Agency wishes to enter into this Agreement with the City using the Redevelopment Housing Set Aside Fund to acquire the Property. The obligations of the Agency under this Agreement shall constitute an indebtedness of the Agency for the purposes acquiring the Property in the Project Area. The obligations set forth in this Agreement will be contractual obligations that, if breached, will subject the Agency to damages and other liabilities or remedies; and

WHEREAS, pursuant to Health and Safety Code section 33334.16, if Redevelopment Housing Set Aside Funds are used to acquire real property, the Agency is required, within five years from the date it first acquires the property interest, to initiate activities consistent with the development of the Property for the purposes of low and moderate income housing. This time may be extended by resolution; and

WHEREAS, the purchase price payable to the City by the Agency for the Property is not less than the fair market value of the Property; and

WHEREAS, the City Council has previously determined, in its adoption of the ordinance approving the Plan, that the Property was blighted; and

WHEREAS, the Agency has duly considered all terms and conditions of the proposed Purchase and Sale Agreement and believes that it is in the acquisition of the Property by the Agency for low and moderate income housing is in the best interest of the City and the health, safety, and welfare of its residents.

NOW, THEREFORE, BE IT RESOLVED AND DETERMINED by the Garden Grove Agency for Community Development as follows:

1. Each of the foregoing recitals is true and correct.
2. The acquisition of the Property by the Agency is of benefit to the Project Area by providing housing for low or moderate income persons.
3. There are no other reasonable means of financing the acquisition of the Property available to the community.
4. The payment of funds for the acquisition of the Property is consistent with the Agency's implementation plan adopted pursuant to Health and Safety Code section 33490.
5. The conveyance of the Property pursuant to the terms and conditions of the Purchase and Sale Agreement is not less than the fair market value of the Property.



6. The approval of the Purchase and Sale Agreement is categorically exempt from further review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines 15326 and 15332, and further that the prior environmental review conducted for the subject property satisfies CEQA requirements.

7. The Chairperson and the Agency Secretary are hereby authorized to execute and attest the Purchase and Sale Agreement, including any related attachments, on behalf of the Agency. The Agency Director, or his designee, is authorized to implement the Purchase and Sale Agreement and take all further actions and execute all other documents which are necessary or appropriate to carry out the Purchase and Sale Agreement.

8. This Resolution shall take effect from and after its date of adoption.

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AGENCY CHAIRPERSON

ATTEST:

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AGENCY SECRETARY