



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
September 17, 2024

TOPIC: Joint Public Hearing: Resolution and Purchase and Sale Agreement for Acquisition of Real Property for Parking Lot

AGENDA TITLE

Joint Public Hearing: Adopt Resolution and Approve Purchase and Sale Agreement for Acquisition of Real Property at the Southwest Corner of Main Street and Third Street (APN 398-601-02) for Parking Lot (General Fund and Non-General Fund)

Legal notice public in the OC Reporter on August 30 and September 9, 2024.

RECOMMENDED ACTION

CITY COUNCIL ACTION

1. Adopt a resolution making certain findings with respect to the consideration to be received by the Successor Agency pursuant to a Purchase and Sale Agreement between the Successor Agency and the City for the sale of the Southwest Corner of Main Street and Third Street (APN 398-601-02), and authorize the City Manager to execute all required documents as necessary.

RESOLUTION NO. 2024-XXX entitled A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA APPROVING THE PURCHASE AND SALE AGREEMENT FOR THE ACQUISITION OF PROPERTY FROM THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF SANTA ANA LOCATED AT 3RD STREET AND MAIN STREET PARKING LOT

2. Authorize the City Manager to execute the Purchase and Sale Agreement and all required documents for the acquisition of real property located at the Southwest Corner of Main Street and Third Street (APN 398-601-02) in the amount of \$190,000 plus closing costs (Agreement No. A-2024-XXX).

SUCCESSOR AGENCY ACTION

1. Adopt a resolution declaring a Successor Agency owned property as exempt Surplus Land for the purpose of a Purchase and Sale agreement with the City of Santa Ana.

RESOLUTION NO. 2024-XXX entitled A RESOLUTION OF THE SUCCEOR AGENCY TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF SANTA ANA DECLARING 3RD STREET AND MAIN STREET PARKING LOT AS EXEMPT SURPLUS AND LAND PURSUANT TO THE EXEMPT SURPLUS LAND ACT AND AUTHORIZING, PURSUANT TO AN EXEMPTION

FROM CEQA, THE SALE OF THE PARKING LOT PROPERTY TO THE CITY
(includes determination that the sale of the property is exempt from the California
Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section
15061(b)(3) and Section 15301)

2. Adopt a resolution making certain findings with respect to the consideration to be received by the Successor Agency pursuant to a Purchase and Sale Agreement between the Successor Agency and the City for the sale of the Southwest Corner of Main Street and Third Street (APN 398-601-02), and authorize the Executive Director to execute all required documents as necessary.

RESOLUTION NO. 2024-XXX entitled A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF SANTA ANA APPROVING THE PURCHASE AND SALE AGREEMENT FOR THE DISPOSITION OF PROPERTY TO THE CITY OF SANTA ANA LOCATED AT 3RD STREET AND MAIN STREET PARKING LOT

3. Authorize the Executive Director to execute the Purchase and Sale Agreement and all required documents for the acquisition of real property located at the Southwest Corner of Main Street and Third Street (APN 398-601-02) in the amount of \$190,000 plus closing costs (Agreement No. A-2024-XXX).

GOVERNMENT CODE §84308 APPLIES: No

DISCUSSION

On February 20, 2024, the City Council approved an appropriation for the City to acquire the Third and Main parking lot (the “Property”) from the Successor Agency. Therefore, the City may purchase the last remaining Successor Agency property contingent upon the Countywide Oversight Board (Oversight Board) and the Department of Finance (DOF) approval of the sale. The purchase price of \$190,000 was established by an appraisal conducted on September 11, 2023.

Successor Agency

The City of Santa Ana adopted an ordinance in 1973 to create a Redevelopment Agency. Throughout the years, the Community Redevelopment Agency (RDA) of the City of Santa Ana completed numerous projects to eliminate blight, spur economic growth, funded construction of affordable housing projects, and provided infrastructure and community facility improvements within the defined project areas and through this process acquired real property for future development.

On February 1, 2012, in accordance with the Dissolution Act and the California Supreme Court’s decision in California Redevelopment Association v. Matosantos, Case No. S194861, the RDA was dissolved and the City began to serve as the “Successor Agency.” The City Council serves as the governing body of the Successor Agency under the Dissolution Act as amended by Assembly Bill (AB) 1484, to

administer the enforceable obligations of the Agency and otherwise unwind the Agency's affairs.

The Oversight Board to the Successor Agency has oversight with respect to the Dissolution process, including final review and approval of the Long Range Property Management Plan (LRPMP). The Oversight Board has fiduciary responsibilities to holders of enforceable obligations and to the taxing entities that benefit from distribution of property tax and other revenue. As of June 30, 2018, the Orange County Auditor Controller is overseeing this function.

The property identified by the City for a parking lot is identified in the LRPMP for disposition. The Successor Agency may dispose of these properties after authorization from the Oversight Board and the Department of Finance.

Approval of the resolution will allow staff to present the sale of the properties to the Oversight Board and the Department of Finance for authorization. Once authorized, the Successor Agency may proceed with the sale of the properties to the City and remit the proceeds to the Orange County Auditor Controller for distribution amongst taxing entities.

Notice of the time and place for the public hearing was published in the OC Reporter on August 30, 2024 and September 9, 2024, once a week for two weeks in newspaper of general circulation, pursuant to Health and Safety Code Section 33431.

The Property

The Property consists of sixty (60) parking spaces, landscaping, decorative cinder block columns, and wrought iron fencing. The Property is subject to a Parking Space Agreement ("Parking Agreement") dated May 18, 1993 between the RDA and the adjacent property owner, which assures the availability of 60 parking spaces to serve the building located at 200 North Main Street ("Builders Exchange"). This Property is also subject to a property maintenance license and revocable access easement agreement ("Maintenance - Access Agreement") entered by the Successor Agency and the adjacent property owner (Swinerton) on October 11, 2019. The Maintenance - Access Agreement was initially for a three year period, with automatic annual renewals to allow ingress and egress the Property's parking lot and access to the Builders Exchange building. The purchase of the Property will continue to be subject to both the Parking and Maintenance – Access Agreements, but could be developed for future public benefit purposes through a cooperative arrangement with the adjacent property owner.

Surplus Lands Act

The property is being disposed of in accordance with the California Surplus Lands Act, Government Code §54220 et seq. This resolution declares the property exempt surplus under California Government Code section 54221(f)(1)(D), and allows the Successor Agency to enter into a Purchase and Sale Agreement with the City.

Environmental Impact

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the proposed action is not subject to the requirements of CEQA pursuant to Sections 15060(c)(2) and 15060(c)(3). The activity will not result in a direct or reasonably foreseeable indirect physical change in the environment. Furthermore, the activity is not a project as defined in Section 15378 of the CEQA Guidelines because it has no potential for resulting in physical change to the environment. The proposed action is also exempt pursuant to Section 15301 because it consists of the operation of existing public or private structure or facilities involving negligible or no expansion of existing or former use. However, if development were proposed on the property, then that development may be reviewed under CEQA.

FISCAL IMPACT

Funds in the amount of \$190,000 for the purchase price plus closing costs were available in the CDA – Service Enhancement account (no. 01118017-66100) for expenditure in FY 2023-24. Therefore, a proposed carryover of unspent funds will be presented to City Council in October for approval of carryovers to FY 2024-25.

Funds for the Successor Agency's closing and escrow costs as the seller are available in the Redevelopment Administration Fund account (no. 67018843-62300). Upon approval by the Oversight Board and DOF, and completion of the transaction, \$190,000 in proceeds from the sale will be deposited in the Redevelopment Obligation Retirement Funds Revenue account (no. 67018002-57071) and payment to the County of Orange, Auditor-Controller will be made from expenditure account (no. 67018850-69142).

EXHIBIT(S)

1. Successor Agency Resolution – Exempt Surplus
2. City Council Resolution – Purchase and Sale Agreement
3. Successor Agency Resolution – Purchase and Sale Agreement
4. Purchase and Sale Agreement
5. California Health and Safety Code Section 33433 Report
6. Location Map
7. Legal Description Report
8. Long Range Property Management Plan (LRPMP):
<https://www.santa-ana.org/documents/long-range-property-management-plan-lrpmp/>

Submitted By: Michael L. Garcia, Executive Director of Community Development

Approved By: Alvaro Nuñez, City Manager