



**City of Santa Ana**  
**20 Civic Center Plaza, Santa Ana, CA 92701**  
**Staff Report**  
**September 7, 2021**

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**TOPIC:** Willowick Golf Course Update

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**AGENDA TITLE:**

Willowick Golf Course Update

**RECOMMENDED ACTION**

Receive and file the Willowick Golf Course update.

**DISCUSSION**

**Background**

Willowick Golf Course is a 101.5-acre property located at 3017 W 5<sup>th</sup> Street, owned by the City of Garden Grove and located in the jurisdictional boundaries of Santa Ana. The property is located in the Santa Anita neighborhood, adjacent to the Santa Ana River on the east and the Pacific Electric Right-of-Way on the north. It is in close proximity to the Romero Cruz Academy, Spurgeon Park, Cesar Chavez Campesino Park, and abuts Garden Grove's Buena Clinton neighborhood and the Willowick Royal Mobile Home Park.

On December 4, 2017, the Cities of Santa Ana and Garden Grove held a Joint Study Session to discuss the potential reuse of the Willowick Golf Course ("Property"). Both City Councils directed staff to undertake further due diligence in the areas of visioning and economic analysis of the Property. Subsequently, the Cities retained independent consultants to help create a vision of future development and to work with the community to determine both the community needs and conduct a general market assessment.

The Cities hosted four workshops to help develop a Vision Plan for the redevelopment of the Property. This process explored conceptual land use options formed by community and stakeholder collaboration and input facilitated by SWA, the consultant for the visioning of the Property. Initial feedback gathered from community workshops envisioned several desired community benefits that included, but was not limited to, the following: affordable housing, open space, community gathering space, cultural arts facilities, neighborhood retail, and connectivity to transit.

On January 29, 2019, the Cities of Santa Ana and Garden Grove held their second Joint Study Session to receive an update from the visioning and economic consultants and approved the City of Garden Grove's development and release of a Request for Proposals (RFP) to solicit a master developer for the reuse of the Property.

From April 29 through June 28, 2019, the City of Garden Grove, in collaboration with the City of Santa Ana, solicited proposals from qualified developers to transform and redevelop the Willowick property. A total of 12 responses to the RFP were received, including nine development proposals and three non-contingent cash offers. The Garden Grove City Council considered a ground lease with a master developer, McWhinney, on December 10, 2019. However, the consideration was continued. Due to changes in the Surplus Lands Act, the process for selecting a master developer was cancelled, and the City of Garden Grove commenced a Surplus Lands Act process for the Willowick property.

### **Surplus Lands Act**

On October 9, 2019, Governor Newsom signed Assembly Bill ("AB") 1486. AB 1486, which amended the Surplus Land Act effective January 1, 2020 to include, among others, changing the existing, long-standing definition of "surplus land"; providing that land shall be declared either "surplus land" or "exempt surplus land" before a local agency may take any action to sell or lease land; and adding a new limitation providing that an "agency's use" "shall not include commercial or industrial uses or activities, including nongovernmental retail, entertainment, or office development," or "property disposed of for the sole purpose of investment or generation or revenue." To comply with the amended Surplus Land Act, the City of Garden Grove sent notices of availability to the following: local public entities and housing sponsors for the purpose of developing low- and moderate-income housing, to the City of Santa Ana and County of Orange, any regional park authority and the State Resources Agency for open-space purposes, and to the local school district for school facilities or use.

### **Appraisal**

An appraisal of the property in February 24, 2021 concluded the market value of the 101.5-acre property was \$90 million . This appraisal, conducted by George Hamilton Jones Inc., was completed utilizing an inspection of the property, investigation of various comparable data, market studies, and valuation analyses. The appraisal was also based on the property being subject to the Surplus Lands Act, which states that if 10 or more residential units are developed, then 15 percent of the total number of units must be dedicated to affordable housing.

### **Current Status**

The City of Garden Grove received three proposals to acquire the Property through the Surplus Lands Act process: (1) Willowick Community Partners (City Ventures, Jamboree Housing, and Primestor); (2) The Trust for Public Land, State Coastal Conservancy and Clifford Beers Housing; and (3) McWhinney Land LLC and Wakeland Housing.

A proposal for open space purposes and two general development proposals that include housing and commercial uses were submitted from the above development partnerships. The City of Garden Grove has posted information pertaining to the proposals and Surplus Land Act process at the following webpage: [www.ggcity.org/sla](http://www.ggcity.org/sla).

The COVID-19 pandemic caused a pause in the Surplus Land Act process, but the City of Garden Grove has formally commenced a negotiation process on April 19, 2021. The Surplus Land Act requires public agencies to engage in good faith negotiations for a minimum of 90 days with each interested party/proposer. Negotiations are ongoing.

**Letter from The Rise Up Willowick Coalition**

On September 7, 2021, The Rise Up Willowick Coalition sent a letter to the Mayor and City Council relating to this Receive-and-File informational report. The Rise Up Willowick Coalition is actively working with the City of Garden Grove relating to the Willowick Golf Course and expressed a desire to include their comments with this informational report. In response, staff is attaching The Rise Up Willowick Coalition's letter as an exhibit to this report (Exhibit 1).

**FISCAL IMPACT**

There is no fiscal impact associated with this update.

**EXHIBIT(S)**

1. Letter from The Rise Up Willowick Coalition

Submitted By: Steven Mendoza, Assistant City Manager

Approved By: Kristine Ridge, City Manager