



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
September 6, 2022

TOPIC: Joint Public Hearing – Resolution and Purchase and Sale Agreement for Acquisition of Real Property for Park Space

AGENDA TITLE:

Joint Public Hearing – Adopt Resolution and Approve Purchase and Sale Agreement for Acquisition of Real Property at 915 N Flower Street, 921 N Flower Street, and 842 N Garnsey Street (APN 005-142-58, 005-142-35, and 005-142-47) for Park Space

RECOMMENDED 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 various properties: 915 N Flower Street, 921 N Flower Street, and 842 N Garnsey Street (APN 005-142-58, 005-142-35, and 005-142-47), and authorize the City Manager to execute all required documents as necessary.
2. Authorize the City Manager to execute the Purchase and Sale Agreement and all required documents for the acquisition of real property located at 915 N Flower Street, 921 N Flower Street, and 842 N Garnsey Street (APN 005-142-58, 005-142-35, and 005-142-47) in the amount of \$598,000 plus closing costs and escrow fees, subject to non-substantive changes approved by the City Manager and City Attorney.

DISCUSSION

The Parks Master Plan, adopted in May 2022, echoes and reinforces the City's goals to provide parkland within a 10-minute walk for all residents, and three acres of parkland per 1,000 residents citywide. In July 2022, City Council approved American Rescue Plan Act (ARPA) Funding for the acquisition and expansion of parks and open space. In an effort to work towards the Parks Master Plan objectives, the City has identified the following three parcels that are suitable for park space, currently owned by the Successor Agency of the former Redevelopment Agency of the City of Santa Ana:

Address	APN	Property Type
915 N Flower Street	005-142-58	Vacant Lot
921 N Flower Street	005-142-35	Vacant Lot
842 N Garnsey Street	005-142-47	Vacant Lot

The Successor Agency properties are located in a “park gap” area. In June 2022, the City acquired three properties adjacent to the three Successor Agency properties for park

space. The newly acquired City properties (0.38 acres), combined with the Successor Agency properties (0.27 acres), would provide a new walkable 0.65-acre neighborhood park to serve four adjacent neighborhoods. (Exhibit 4)

The City may purchase the three Successor Agency properties upon Countywide Oversight Board and the Department of Finance approval of the sale. The purchase price of \$598,000 was established by an appraisal conducted on April 29, 2022.

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 three properties identified by the City for park space are 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 Register on August 23, 2022 and August 30, 2022, once a week for two weeks in newspaper of general circulation, pursuant to Health and Safety Code Section 33431.

Surplus Lands Act

The property is being disposed of in accordance with the California Surplus Lands Act,

Government Code §54220 et seq. On April 21, 2020, the City of Santa Ana, acting as Successor Agency, declared the properties as surplus. On January 27, 2021, the City released Notice of Availability (“NOA”) of surplus properties for a period of sixty (60) days. The NOA’s were sent to all “local public entities,” as defined in Health and Safety code section 50079, within whose jurisdiction the surplus land is located and to “Housing Sponsors” that have notified the California Department of Housing and Community Development (“HCD”) of their interest in surplus land. The NOA’s were also sent to local parks agencies and school districts.

One response was received to the NOA, negotiations for the property commenced, and the respondent withdrew interest in the properties. Negotiations ended and the properties may now be sold with affordability restrictions. While the property will be sold for the purposes of park space, the sale of the property will include a deed restriction indicating that any future residential development on the properties that contains 10 or more units must restrict 15% of the units for affordable housing to conclude Surplus Land Act requirements for disposition.

Approval of this action finalizes authorizations for the City’s acquisition of the six parcels, at 10th and Flower, for Parks and Recreation to develop a new park as identified in the Parks Master Plan.

FISCAL IMPACT

Funds in the amount of \$598,000 for the purchase price plus closing and escrow costs are available in the ARPA account (no. 18113013-65100) for expenditure in FY 2022-23.

Funds for the Successor Agency’s closing and escrow costs as the seller are available in the Redevelopment Obligation Retirement Fund account (no. 67018843-62300). Upon approval by the Oversight Board and DOF, and completion of the transaction, \$598,000 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. City Council Resolution
2. Successor Agency Resolution
3. Purchase and Sale Agreement
4. Location Map

Submitted By: Steven Mendoza, Assistant City Manager

Approved By: Kristine Ridge, City Manager