

GARDEN GROVE CITY COUNCIL

RESOLUTION NO. 9351-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE
APPROVING A PURCHASE AND SALE AGREEMENT WITH THE GARDEN GROVE
HOUSING AUTHORITY FOR THE ACQUISITION OF TWELVE CIVIC CENTER
PROPERTIES

WHEREAS, the Garden Grove Housing Authority is the owner of land consisting of twelve single-family residential parcels in the City of Garden Grove, County of Orange, State of California, known as APNs: 090-172-18, 090-172-29, 090-173-04, 090-173-05, 090-173-07, 090-173-09, 090-173-11, 090-173-16, 090-173-22, 090-174-05, 090-174-11, and 090-174-10 (collectively, the "Properties").

WHEREAS, the Properties will require substantial rehabilitation and are not ideal for the maintenance or development of lower income housing.

WHEREAS, the City has negotiated an agreement with the Lab Holding, LLC (the "Developer") for the disposition and commercial reuse of the properties at fair market value.

WHEREAS, the Housing Authority has agreed to sell the Properties to the City to facilitate disposition of the Properties to the Developer subject to the terms and conditions of the Purchase and Sale Agreement attached hereto, which will further mitigate the maintenance liability to the Housing Authority and provide funding to the Housing Authority to be deposited in the Housing Authority's low and moderate-income housing fund to assist in the development of housing projects funded by the Housing Authority.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Garden Grove that the Purchase and Sale Agreement attached hereto for the acquisition of the Properties is hereby approved and the City Manager is hereby authorized to execute the Agreement and to sign all other documents necessary and appropriate to carry out and implement the Agreement.

Adopted this 10th day of May 2016.

ATTEST:

/s/ BAO NGUYEN
MAYOR

/s/ KATHLEEN BAILOR, CMC
CITY CLERK

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (the "Agreement"), dated as of May 10, 2016, is entered into by and between the CITY OF GARDEN GROVE, a municipal corporation (the "City"), and the GARDEN GROVE HOUSING AUTHORITY, a public body, corporate and politic (the "Authority").

WHEREAS, the Authority is the owner of land consisting of twelve single-family residential parcels in the City of Garden Grove, County of Orange, State of California, known as Assessor's Parcel Numbers: 090-172-18, 090-172-29, 090-173-04, 090-173-05, 090-173-07, 090-173-09, 090-173-11, 090-173-16, 090-173-22, 090-174-05, 090-174-11, and 090-174-10, as listed in Exhibit "A" and more particularly described on Exhibits "A1" through "A12" attached hereto and made a part hereof, together with any improvements thereon, and all rights and appurtenances, if any, pertaining to such land including all adjacent streets, alleys or rights-of-way (collectively, the "Properties").

WHEREAS, the Properties will require substantial rehabilitation and are not ideal for the maintenance or development of lower income housing.

WHEREAS, the City has negotiated an agreement with the Lab Holdings, LLC (the "Developer") for the disposition and development of the properties at fair market value.

WHEREAS, the Authority has agreed to sell the Properties to the City to facilitate such disposition of the Properties subject to the terms and conditions of this Agreement, which will further mitigate the maintenance liability to the Authority and provide funding to the Authority to be deposited in the Authority's low and moderate-income housing fund to assist in the development of housing projects funded by the Authority.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES, COVENANTS AND CONDITIONS CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

SECTION 1. CONVEYANCE OF PROPERTIES AND PURCHASE PRICE. Authority agrees to convey the Properties to City. City agrees to bear all costs associated with the conveyance of the Properties to City. Conveyance is to be completed by use of a grant deed substantially in the form of Exhibit "B" hereto ("Grant Deed") for each parcel. City shall pay to Authority the sum of Three Million, Three Hundred Eighty-Six Thousand Four Hundred Thirty-Seven Dollars and Fifty Cents (\$3,386,437.50) to the Authority (the "Purchase Price"), a portion of which will be in cash and the remainder in the form of an assignment of that certain Promissory Note to be delivered by Developer as maker under the Disposition and Development Agreement dated as of the date of this Agreement (the "Promissory Note"). The Promissory Note is to be secured by a deed of trust (the "Deed of Trust"). The City shall, through the City Manager or his designee, execute an instrument assigning to Authority the interests of the payee under the Promissory Note and the interests of the beneficiary under the Deed of Trust. To the extent required by law, Authority agrees that it will deposit the Purchase Price in its low-moderate income housing fund

to be applied directly to assist one or more housing projects for persons of low income or very low income.

SECTION 2. LIABILITY AND INDEMNIFICATION. In contemplation of the provision of Section 895.2 of the California Government Code imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined by Section 895.4 and 895.6 of such Code, each of the Parties, as between themselves, pursuant to the authorization contained in Section 895.4 and 895.6 of such Code, will each assume the full liability imposed on it, or any of its officers, agents, or employees by law for injury caused by negligent or wrongful act or omission occurring in the performance of this Agreement to the same extent that such liability would be imposed in the absence of Section 895.2 of such Code. To achieve the above-stated purposes, each Party indemnifies and holds harmless the other Party for any loss, costs or expense that may be imposed upon such other Party solely by virtue of such Section 895.2. The provisions of Section 2778 of the California Civil Code are made part hereof as if fully set forth herein.

SECTION 3. EFFECTIVE DATE; PAYMENT OBLIGATIONS. This Agreement shall take effect on the date of approval by the Authority's Board and the City Council. The City's payment obligations under this Agreement shall take effect from and after the later to occur of (1) the effective date of the Disposition and Development Agreement between the Developer and the City and (2) the close of escrow under said Disposition and Development Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS AGREEMENT AS OF THE RESPECTIVE DATES SET FORTH BELOW.

AUTHORITY:

GARDEN GROVE HOUSING
AUTHORITY, a public body

Executive Director

Attest:

Secretary

CITY:

CITY OF GARDEN GROVE, a California
municipal corporation

City Manager

Attest:

City Clerk

EXHIBIT "A"

GENERAL DESCRIPTION OF THE PROPERTIES

	Address	APN
1	12911 7TH ST	090-172-18
2	11352 ACACIA PKWY	090-172-29
3	12902 7TH ST	090-173-04
4	12912 7TH ST	090-173-05
5	12932 7TH ST	090-173-07
6	11361 GARDEN GROVE BLVD	090-173-09
7	11391 GARDEN GROVE BLVD	090-173-11
8	12911 8TH ST	090-173-16
9	11412 ACACIA PKWY	090-173-22
10	12932 8TH ST	090-174-05
11	12931 9TH ST	090-174-11
12	12941 9TH ST	090-174-10

Each parcel described above will be transferred by its own grant deed in the form provided in Exhibit "B."

EXHIBIT "A1"

LEGAL DESCRIPTION
12911 7TH ST
A.P.N.: 090-172-18

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

LOT 15, TRACT 431, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 16, PAGE 49, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

End of Legal Description

EXHIBIT "A2"

LEGAL DESCRIPTION
11352 ACACIA PKWY
A.P.N.: 090-172-29

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

LOT 6 OF TRACT NO. 431 IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 16, PAGE 49 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE SOUTH 10.00 FEET THEREOF.

End of Legal Description

EXHIBIT "A3"

LEGAL DESCRIPTION
12902 7TH ST
A.P.N.: 090-173-04

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

PARCEL 1:

THE NORTH 50.00 FEET OF THE SOUTH 410.00 FEET OF THE WEST ONE-HALF OF BLOCK 5 OF GARDEN GROVE HOME TRACT, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP THEREOF RECORDED IN BOOK 4, PAGE 57 OF MISCELLANEOUS MAPS, RECORDS OF SAID ORANGE COUNTY.

PARCEL 2:

THE NORTH 4.00 FEET OF LOT 1 OF TRACT 644, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP THEREOF RECORDED IN BOOK 20, PAGE 6 OF MISCELLANEOUS MAPS, RECORDS OF SAID ORANGE COUNTY.

End of Legal Description

EXHIBIT "A4"

LEGAL DESCRIPTION

12912 7TH ST
A.P.N.: 090-173-05

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

LOT 2 OF TRACT NO. 644 IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20 PAGE 6 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE NORTH 4.00 FEET THEREOF.

End of Legal Description

EXHIBIT "A5"

LEGAL DESCRIPTION
12932 7TH ST
A.P.N.: 090-173-07

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

LOT 3 AND THE NORTH 4.0 FEET OF LOT 4 OF TRACT NO. 644, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 20, PAGE 6, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE NORTH 8.5 FEET OF SAID LOT 3.

End of Legal Description

EXHIBIT "A6"

LEGAL DESCRIPTION
11361 GARDEN GROVE BLVD
A.P.N.: 090-173-09

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

LOT 5 AND THE WEST 26.33 FEET OF LOT 6 OF TRACT 664, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP THEREOF RECORDED IN BOOK 20, PAGE 6 OF MISCELLANEOUS MAPS, RECORDS OF SAID COUNTY.

End of Legal Description

EXHIBIT "A7"

LEGAL DESCRIPTION
11391 GARDEN GROVE BLVD
A.P.N.: 090-173-11

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

LOT 8 AND THE EASTERLY 30.00 FEET OF LOT 7 OF TRACT NO. 644 IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 20, PAGE 6, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

End of Legal Description

EXHIBIT "A8"

LEGAL DESCRIPTION
12911 8TH ST
A.P.N.: 090-173-16

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

LOT 13 OF TRACT NO. 644 IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGE 6, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

End of Legal Description

EXHIBIT "A9"

LEGAL DESCRIPTION
11412 ACACIA PKWY
A.P.N.: 090-173-22

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

THE EAST ONE-HALF OF BLOCK 5 OF GARDEN GROVE HOME TRACT, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 4, PAGE 57 OF MISCELLANEOUS MAPS, RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THE SOUTH 460.00 FEET;

ALSO EXCEPTING THEREFORE THE WEST 50.00 FEET.

End of Legal Description

EXHIBIT "A10"

LEGAL DESCRIPTION
12932 8TH ST
A.P.N.: 090-174-05

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

THAT PORTION OF BLOCK 6 OF THE GARDEN GROVE HOME TRACT, AS SHOWN ON A MAP RECORDED IN BOOK 4 PAGE 57 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF SAID BLOCK 6, WHICH POINT IS 132.36 FEET SOUTHERLY FROM THE INTERSECTION OF SAID WEST LINE WITH THE WESTERLY EXTENTION OF THS SOUTH LINE OF LOT 8 OF TRACT NO. 631 AS SHOWN ON A MAP RECORDED IN BOOK 20, PAGE 26 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA, THENCE EAST 10.00 FEET TO THE SOUTHWEST CORNER OF THE LAND CONVEYED TO RAYMOND F. HEPP AND WIFE BY DEED RECORDED JUNE 30, 1948, IN BOOK 1661, PAGE 385 OF OFFICIAL RECORDS; THENCE EAST ALONG THE SOUTHERLY LINE OF SAID LAND CONVEYED TO HEPP 135.66 FEET TO THE SOUTHEAST CORNER THEREOF; THENCE SOUTH ALONG THE SOUTHERLY EXTENSION OF THE EASTERLY LINE OF SAID LOT 8, 53.00 FEET; THENCE WEST PARALLEL WITH THE SOUTH LINE OF SAID LOT 8, 145.66 FEET TO A POINT IN THE WEST LINE OF SAID BLOCK6; THENCE NORTH 53.00 FEET TO THE POINT OF BEGINNING.

End of Legal Description

EXHIBIT "A11"

LEGAL DESCRIPTION
12931 9TH ST
A.P.N.: 090-174-11

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

That portion of Block Six of the "Garden Grove Home Tract", as shown on a Map recorded in Book 4, page 57 of Miscellaneous Maps, records of Orange County, California, described as follows:

Beginning at a point in the East line of said Block Six, which point is 113 feet Southerly from the intersection of the East line with the Easterly extension of the South line of Lot Seven of Tract No. 631, as shown on a Map recorded in Book 20, page 26 of Miscellaneous Maps, records of Orange County, California, said point being also the Southeast corner of the land conveyed to Russell A. Weir and wife by deed recorded September 24th, 1948 in Book 1705, page 416 of Official Records; thence West parallel to the south line of said Lot Seven and the Easterly prolongation thereof 145.67 feet, more or less, to the Southwest corner of said land conveyed to Weir; thence South along the Southerly extension of the Westerly line of said Lot Seven, 53 feet; thence East parallel to the South line of said Lot Seven and the Easterly extension thereof 145.67 feet, more or less, to the East line of said Block Six; thence North 53 feet to the point of beginning.

End of Legal Description

EXHIBIT "A12"

LEGAL DESCRIPTION
12941 9TH ST
A.P.N.: 090-174-10

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

THAT PORTION OF BLOCK 6 OF THE GARDEN GROVE HOME TRACT, AS SHOWN ON A MAP RECORDED IN BOOK 4, PAGE 57 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EAST LINE OF SAID BLOCK 6, WHICH POINT IS 166 FEET SOUTHERLY FROM THE INTERSECTION OF THE EAST LINE WITH THE EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 7 OF TRACT NO. 631, AS SHOWN ON A MAP RECORDED IN BOOK 20, PAGE 26 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA, SAID POINT BEING ALSO THE SOUTHEAST CORNER OF THE LAND CONVEYED TO ROBERT E. SCHRANDT AND WIFE BY DEED RECORDED MARCH 25, 1949 IN BOOK 1820, PAGE 207, OF OFFICIAL RECORDS;

THENCE WEST PARALLEL TO THE SOUTH LINE OF SAID LOT 7 AND THE EASTERLY PROLONGATION THEREOF 145.67 FEET, MORE OR LESS, TO THE SOUTHWEST CORNER OF SAID LAND CONVEYED TO SCHRANDT; THENCE SOUTH ALONG THE SOUTHERLY EXTENSION OF THE WESTERLY LINE OF SAID LOT 7, 75.03 FEET TO A POINT IN A LINE WHICH IS PARALLEL TO AND DISTANT 125.00 FEET NORTHERLY OF THE SOUTH LINE OF SAID BLOCK 6, THENCE EASTERLY ALONG SAID PARALLEL LINE 145.67 FEET TO THE EAST LINE OF SAID BLOCK 6; THENCE NORTH 75.03 FEET TO THE POINT OF BEGINNING.

End of Legal Description

EXHIBIT B
FORM OF GRANT DEED

**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

City Clerk
City of Garden Grove
11222 Acacia Parkway
Garden Grove, CA 92840

APN:

[SPACE ABOVE FOR RECORDER'S USE ONLY]

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the GARDEN GROVE HOUSING AUTHORITY, a public body ("Grantor") hereby grants to THE CITY OF GARDEN GROVE, a California municipal corporation, the real property located in the City of Garden Grove, County of Orange, State of California that is described on "Exhibit A" attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below.

Dated: _____

Executive Director

Attest: _____

Secretary

EXHIBIT "A" to GRANT DEED

LEGAL DESCRIPTION OF THE PROPERTY

(APN _____)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the deed or grant dated _____, 2016, from the Garden Grove Housing Authority, a public agency, to the City of Garden Grove, a California municipal corporation, is hereby accepted by order of the City Council of the City of Garden Grove, pursuant to the authority conferred by resolution of the City Council of the City of Garden Grove adopted on _____, 2016, and the grantee consents to recordation thereof by its duly authorized officer.

CITY OF GARDEN GROVE

BY: _____
Name: Scott C. Stiles
Title: City Manager

DATED: _____, 2016