



135 W Green St
Suite 200
Pasadena, CA
91105
t: 323.223.0441
f: 626.204.4444
tpl.org

December 21, 2020

Ms. Lisa Kim
City of Garden Grove
11222 Acacia Parkway
Garden Grove, CA 92840

RE: Response to email and letter received on December 14, 2020 requesting clarification of proposals submitted related to the sale of the property located at 3017 W. 5th Street, Santa Ana, CA 92703 pursuant to California Government Code Section 54220 et seq. (the "Surplus Land Act").

Dear Ms. Kim,

In response to your letter dated December 14, 2020 requesting clarification on the proposals submitted by The Trust for Public Land (TPL) on behalf of the State Coastal Conservancy (SCC) related to the proposed purchase of the Willowick Property (Property) for open space and affordable housing purposes, I have the following response:

1. The July 7, 2020 letter submitted to Garden Grove by the State Coastal Conservancy, states, 'This letter serves as the Notice of Intention of the State Coastal Conservancy's Santa Ana River Conservancy Program to support the conversion of the subject property into publicly accessible open space as part of the Santa Ana River Parkway.' Thus, making it clear that the SCC's intention in this effort is to support the purchase of the property for recreational and open space use.

The letter goes on to state, 'The Conservancy designates The Trust for Public Land to enter into discussions and negotiations with The City of Garden Grove, with the goal of acquiring the Subject Property for parks and open space purposes.' This statement, once again, clarified their intention and stated further that TPL was able to act on SCC's behalf. Thus, any and all negotiations between TPL and the City of Garden Grove to purchase the subject property pursuant to the Surplus Land Act is an action TPL is taking on behalf of the State Coastal Conservancy.

The City of Garden Grove demonstrated its understanding of TPL's authority to act on behalf of the SCC by not sending any subsequent correspondence to the SCC directly, and rather, solely to TPL. If the City had not been clear that TPL was acting on behalf of the SCC to purchase the property for recreational and open space use, it would have been in violation of your responsibility to continue to notify the SCC on further requests for proposals and clarifications, as you had done with Clifford Beers Housing (CBH).

2. In the Proposal submitted to the City on August 21, 2020, TPL referenced once again in the 'Terms of Purchase or Lease' section the July 7th Notice of Intention from the SCC indicating TPL's authority to act on behalf of the SCC to acquire the site for open space purposes.

It was also made clear in this section that, ‘Once under contract, TPL would undertake and complete all due diligence and fundraising in order to close on the property acquisition in a timely fashion. Please note that while TPL would be the party closing escrow with the City, TPL would not be taking title to the land. Instead, at closing TPL would direct the deed effecting transfer of title from the City directly to a public agency steward. In other words, TPL would not enter the chain of title. After closing, an estimated 90 acres would be restricted to public open space and recreational uses, while an approximately 12-acre portion would be leased to CBH for a partial affordable housing development.’ This statement clearly defines when the leasing of a portion of the property for affordable housing use could occur (i.e. “After closing...”).

3. Additionally, in the Supplemental Information document issued to the City on October 26, 2020, TPL further clarified, ‘As described in our August 21st proposal and as described above, TPL proposes to purchase the subject property for open space and recreational uses given those are the only uses that are allowed under current zoning codes and are prioritized by the Surplus Land Act for a property already zoned for open space/recreational uses. After closing, an estimated 90 acres would be restricted to public open space and recreational uses, while an approximately 12-acre portion would be leased to Clifford Bears Housing for an affordable housing development once a zoning change and general plan amendment have been procured through the City of Santa Ana.’ The affordable housing aspect of the proposal is based on a future, speculative General Plan Amendment by the City of Santa Ana to change the zoning of the property and as such cannot be the basis for valuation of the proposed TPL-Garden Grove transaction. This transaction will require utilizing public funds and as such, the appraisal relied upon by TPL cannot be based on such a highly speculative use. Further, TPL has not proposed a contingency to close on the property based on a General Plan Amendment or zoning change to up-zone the property to something other than open space and recreation. Again, such a use is highly speculative at this time, as the City of Santa Ana has given no indication that a zoning change would be approved. What TPL has proposed is to close on the property based on its current open space and recreational zoning and use.

Later in the same document, TPL provided clear responses to questions about residential unit count, size and affordability: ‘Not applicable to the purchase of the property.’ Again, in the most recent document submitted, TPL clearly articulated the intention to purchase of the property for open space purposes, with a subsequent and speculative plan for affordable housing, after a General Plan Amendment and zoning change was procured from the City of Santa Ana.

Lastly, perhaps the City’s confusion with TPL’s approach arises from the fact that the Public Comment submitted for the December 8th City Council meeting referred to two distinct Notices of Intention (aka Notices of Interest), and thereafter referred to them as “proposals.” We were party to and did initially submit two distinct NOIs – indicating intention to acquire the site pursuant to two different rubrics – (i) open-space category, and (ii) affordable housing category. But as demonstrated in the points above in response to the City’s request for a detailed proposal, TPL proceeded as contemplated by the SLA given the super-priority assigned to the open-space category (i.e., surplus land zoned or in use as park/open space where the purpose is

to continue and maintain in park/open space use). We submitted our proposal accordingly within the open-space category.

If you have any further questions, please do not hesitate to reach out to me at robin.mark@tpl.org. I will be out of the office between December 21st through January 1st for the holidays, but if you need to reach me immediately, do not hesitate to contact me on my cell phone, 323.333.6310.

Sincerely,

A handwritten signature in black ink, appearing to be the name 'Robin Mark', written in a cursive style.

Robin Mark
Los Angeles Program Director