

**OVERSIGHT BOARD
SUCCESSOR AGENCY
AGENDA**

October 12, 2017

**SPECIAL SESSION
9 a.m. - Executive Conference Room
Level Three
1 Civic Center Circle, Brea, CA 92821**

CALL TO ORDER / ROLL CALL

1. **Public Comment** - This is the portion of the meeting for any member of the public to address the Oversight Board on any matter not on the agenda that is within the subject matter jurisdiction of the board. The Brown Act, with limited exception, does not allow the board or staff to discuss issues brought forth under Public Comment. Comments should be limited to 5 minutes per person.

DISCUSSION / ACTION ITEMS

2. **July 13, 2017 Special Meeting Minutes** - Approve.
3. **Sale of Successor Agency Owned Property Located at 323 N. Brea Blvd.** - Adopt Resolution **OB 2017-14** Authorizing the Sale of Real Property to the Recommended Buyer. The Housing Successor will Purchase the Property for the Full Asking Price of \$800,000. Per the Long Range Property Management Plan, the Sale Proceeds After the Costs of Selling the Property Will be Sent to the County Auditor-Controller for Distribution to the Taxing Entities, Including the City of Brea.

MEMBER REPORTS / ANNOUNCEMENTS

STAFF UPDATES

ADJOURNMENT

This agenda contains a brief general description of each item the Oversight Board will consider. The City Clerk has on file copies of written documentation relating to each item of business on this Agenda available for public inspection. Contact the City Clerk's Office at (714) 990-7756 or view the Agenda and related materials on the City's website at www.cityofbrea.net. Materials related to an item on this agenda submitted to the Oversight Board after distribution of the agenda packet are available for public inspection in the City Clerk's Office at 1 Civic Center Circle, Brea, CA during normal business hours. Such documents may also be available on the City's website subject to staff's ability to post documents before the meeting.

Special Accommodations

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (714) 990-7757. Notification 48 hours prior to the meeting will enable City staff to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)

City of Brea

BOARD COMMUNICATION

TO: Honorable Chair and Board Members
FROM: Bill Gallardo, City Manager
DATE: 10/12/2017
SUBJECT: July 13, 2017 Special Meeting Minutes - Approve.

SIGNATURE BLOCK

Respectfully submitted: Bill Gallardo, City Manager
Prepared by: Lillian Harris-Neal, City Clerk

Attachments

July 13, 2017 Special Meeting Minutes

DRAFT

OVERSIGHT BOARD TO THE CITY OF BREA AS SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY

MINUTES

July 13, 2017

SPECIAL MEETING
9:00 a.m. - Executive Conference Room
Level Three

Present: Chair Bill Gallardo; Vice Chair Brad Mason; Keri Bullock; Don Parker; Don Schweitzer
Absent: Kent Forde; Kashu Vyas
Staff Present: David Crabtree; Cindy Russell; Lee Squire; Karen O'Leary

CALL TO ORDER / ROLL CALL

Chair Gallardo called the meeting to order at 9:00 a.m. and thanked the board for taking time for the Special Meeting.

1. **Public Comment** - None.

DISCUSSION / ACTION ITEMS

2. **April 14, 2017 Regular Meeting Minutes**

Motion was made by Don Parker, seconded by Vice Chair Brad Mason to Approve the April 14, 2017 Regular Meeting Minutes as Presented.

AYES: Chair Bill Gallardo, Vice Chair Brad Mason, Keri Bullock, Don Parker, Don Schweitzer

Other: Kent Forde (ABSENT), Kashu Vyas (ABSENT)

Passed

3. **Second Amendment to the Brea Mall Owner Participation Agreement (OPA)**

Community Development Director Crabtree noted that there was a handout of **Resolution SA 2017-09** approving the Second Amendment to the Brea Mall Owner Participation Agreement, which was approved by the Successor Agency on Tuesday, July 11, 2017. He stated that staff is hopeful that this third attempt will satisfy the criteria of the Department of Finance (DOF) by showing a savings to the taxing entities.

Motion was made by Vice Chair Brad Mason, seconded by Don Schweitzer to Adopt **Resolution OB 2017-13** Approving the Second Amendment to the Brea Mall Owner Participation Agreement (Brea Mall OPA).

AYES: Chair Bill Gallardo, Vice Chair Brad Mason, Keri Bullock, Don Parker, Don Schweitzer

Other: Kent Forde (ABSENT), Kashu Vyas (ABSENT)

Passed

MEMBER REPORTS / ANNOUNCEMENTS

Boardmember Parker stated his preference that Oversight Board meetings be held on Fridays only.

STAFF UPDATES

Community Services Director Crabtree stated that staff expects the Board to meet again in September to approve adjustments to reports for DOF.

Boardmember Schweitzer questioned the status of the Successor Agency owned property at 323 N. Brea Boulevard. Community Services Director Crabtree confirmed that the buyer is no longer interested in purchasing the property and staff is conducting talks with several other potential buyers. He also mentioned that the sale of the properties at 340 N. Orange Avenue and 112 W. Bracken Street is complete.

In response to Boardmember Parker, staff had no further information on the consolidation with the Orange County Oversight Board.

ADJOURNMENT

Chair Gallardo adjourned the meeting at 9:08 a.m.

Respectfully submitted,

The foregoing minutes are hereby
approved this 12th day of October, 2017

Lillian Harris-Neal, City Clerk

Bill Gallardo, Chair

City of Brea

BOARD COMMUNICATION

TO: Honorable Chair and Board Members
FROM: David Crabtree, Community Development Director
DATE: 10/12/2017
SUBJECT: Sale of Successor Agency Owned Property Located at 323 N. Brea Blvd.

RECOMMENDATION

Adopt resolution authorizing the sale of real property to the recommended buyer.

BACKGROUND

With the elimination of redevelopment in California in 2012, successor agencies to the former redevelopment agencies were directed by the State to prepare a Long Range Property Management Plan (LRPMP) to govern the disposition and use of the former Agency's non-housing properties. Brea's LRPMP, approved by the State Department of Finance (DOF) in December 2015, included selling three undeveloped lots in the Downtown Brea area. The Successor Agency and Oversight Board approved the Purchase and Sale agreements for two of the properties owned by the Successor Agency and the transactions were completed.

The third property, located at 323 N. Brea Blvd is a 19,044 square foot undeveloped property zoned mixed use I. Previous offers were received and a buyer was selected. However, the selected buyer changed their mind the day escrow was to open. When the City Council, in their role as Successor Agency, reviewed the remaining purchase proposals, they decided the City of Brea acting as Housing Successor should purchase this property for a future affordable housing project. There is a housing crisis in California and Brea is losing affordable units as covenants expire on some of the older affordable projects done by the former Redevelopment Agency in its early days.

The Successor Agency has authorized the sale contingent upon approval by the Oversight Board. The Board is asked to adopt a resolution approving the execution of that agreement.

FISCAL IMPACT

The Housing Successor will purchase the property for the full asking price of \$800,000, which was determined by the market evaluation performed by brokers Lee and Associates. Per the Long Range Property Management Plan, the sale proceeds after the costs of selling the property will be sent to the County Auditor-Controller for distribution to the taxing entities.

The Oversight Board is asked to adopt a resolution to authorize the sale of property at 323 North Brea Boulevard to the City of Brea acting as Housing Successor. This property was acquired by the former redevelopment agency for redevelopment purposes in the Downtown Brea area. Current State legislation requires that it be sold per the terms approved in the Long Range Property Management Plan and that the sales proceeds be distributed to the

various taxing entities, including the City of Brea.

SIGNATURE BLOCK

Respectfully Submitted by: David Crabtree, Community Development Director

Prepared by: Kathie DeRobbio, Economic Development Manager

Concurrence: David Crabtree, Community Development Director

Attachments

Resolution OB 2017-14

Purchase and Sale Agreement

SA Resolution 2017-10

RESOLUTION NO. OB 2017-14

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY, APPROVING THE SUCCESSOR AGENCY'S EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT FOR THE SALE OF A PROPERTY LOCATED AT 323 N BREA BLVD AND TAKING RELATED ACTIONS

A. RECITALS:

(i) Pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the former Brea Redevelopment Agency (the "Former Agency") was dissolved as of February 1, 2012, the Successor Agency to the Brea Redevelopment Agency (the "Successor Agency") was constituted as the successor entity to the Former Agency, and an oversight board of the Successor Agency (the "Oversight Board") was established;

(ii) AB X1 26 added Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) to Division 24 of the California Health and Safety Code ("HSC") (such Parts 1.8 and 1.85, including amendments and supplements thereto enacted after AB X1 26, being referred to herein as the "Dissolution Act");

(iii) Pursuant to HSC Section 34175(b), all real properties (and interests in real properties) of the Former Agency, transferred to the control of the Successor Agency by operation of law;

(iv) Pursuant to HSC Section 34191.5(b), the Successor Agency prepared a Long Range Property Management Plan which addresses the disposition and use of the real properties (and interests in real property) of the Former Agency;

(v) The Oversight Board previously adopted Resolution No. OB 2013-09 (on December 3, 2013), Resolution No. OB 2015-01 (on January 20, 2015), Resolution No. OB 2015-04 (on April 20, 2015), Resolution No. OB 2015-09 (on November 19, 2015) and Resolution No. OB 2015-10 (on December 21, 2015), approving the Successor Agency's Long Range Property Management Plan and four amendments thereto (as so amended, the "LRPMP");

(vi) The California State Department of Finance (the "DOF") issued an approval letter on December 29, 2015, indicating that the DOF has reviewed and approved the LRPMP;

(vii) Pursuant to HSC Section 34191.3(a), the DOF-approved LRPMP shall govern, and supersede all other provisions relating to, the disposition and use of all real property assets of the Former Agency;

(viii) The LRPMP, as approved by the DOF, contemplates the sale of a property (the "Property") located at 323 N Brea Boulevard, Brea which is identified in the LRPMP as Property No. 2;

(ix) In order to implement the LRPMP, the Successor Agency retained Lee and Associates real estate brokers to conduct a market evaluation and determine an asking sale price of the Property based on comparables, and the asking price was set at \$800,000;

(x) The Successor Agency authorized the sale of the Property to the City acting in its capacity as the successor to the housing assets and funds of the Redevelopment Agency and the City Council adopted a resolution accepting the Property contingent upon Oversight Board approval;

(xi) Attached to this Resolution as Attachment A is the form of a Purchase and Sale Agreement and Joint Escrow Instructions (the "Sale Agreement"), to be entered by and between the Successor Agency and the Buyer;

(xii) The Oversight Board has received a copy of Resolution No. SA 2017-10, adopted by the City Council of the City of Brea, acting as the Successor Agency on September 5, 2017, requesting the Oversight Board to approve the Successor Agency's execution and delivery of the Sale Agreement and the sale of Property pursuant to the terms of the Sale Agreement;

(xiii) Notice of the proposed action presented in this Resolution was posted beginning on September 29, 2017;

(xiv) Pursuant to HSC Section 34191.5(f), this Resolution (pertaining to actions to implement the LRPMP) will become effective upon adoption without any requirement for submission to the DOF for additional review;

B. RESOLUTION:

NOW, THEREFORE, be it found, determined and resolved by the Oversight Board of the Successor Agency to the Brea Redevelopment Agency, as follows:

1. The above recitals are true and correct and are a substantive part of this Resolution.

2. This Oversight Board hereby approves and directs the Successor Agency's execution and delivery of the Sale Agreement and the sale of the Property pursuant to the terms of the Sale Agreement.

3. The officers of the Successor Agency are hereby authorized, jointly and severally, to do all things which they may deem necessary or proper to effectuate the

purposes of this Resolution and the Sale Agreement, and any such actions previously taken are hereby ratified and confirmed.

4. This Resolution has been reviewed with respect to the applicability of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA"). Pursuant to the State CEQA Guidelines (14 Cal Code Regs 15000 et seq.) (the "Guidelines"), the Oversight Board has determined that the actions taken under this Resolution are not a project pursuant to CEQA and is exempt therefrom because it is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment (Guidelines Section 15378(b)(5)). Staff of the Successor Agency, is hereby authorized to prepare and post a notice of exemption pursuant to Guidelines Section 15062.

APPROVED AND ADOPTED this 12th day of October 2017.

Bill Gallardo, Chair

ATTEST: _____
Lillian Harris-Neal, City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was passed at a special meeting of the Oversight Board for the Successor Agency to the Brea Redevelopment Agency, held on the 12th day of October 2017, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

DATE: October 12, 2017

Lillian Harris-Neal, City Clerk

ATTACHMENT A

Purchase and Sale Agreement

(substantial final form)

**AGREEMENT FOR PURCHASE AND SALE
AND JOINT RECORDING INSTRUCTIONS**

THIS AGREEMENT FOR PURCHASE AND SALE AND JOINT RECORDING INSTRUCTIONS (this "Agreement") is dated as of September 5, 2017, and is entered into by and between the SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY, a California public entity ("Seller"), and the CITY OF BREA, a California municipal corporation, in its capacity as the successor to the housing assets and funds of the former Brea Redevelopment Agency ("Buyer").

RECITALS

- A. Seller is the owner of the land described on Exhibit "A" (the "Property").
- B. Buyer desires to purchase the Property, and Seller desires to sell the Property to Buyer.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual terms and covenants set forth therein and herein, other consideration, the sufficiency of which is hereby acknowledged, Buyer and Seller agree as follows:

1. **CONDITIONS; PURCHASE PRICE.**

1.1 Conditions. The obligation of Seller to sell the Property is conditioned upon the approval of this Agreement by the Oversight Board of Seller and the failure of the California Department of Finance to object to the Oversight Board's decision within the time permitted by law.

1.2 Sale and Purchase. Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller, upon the terms and conditions hereinafter set forth.

1.3 Purchase Price. The purchase price for the Property shall be Eight Hundred Thousand and No/100 Dollars (\$800,000.00) ("Purchase Price") which Buyer and Seller have determined is the fair market value of the Property based on a broker's opinion of value.

2. **TITLE.**

2.1 General. Title to the Property shall be conveyed by a grant deed in the form attached hereto as Exhibit "B", and shall be evidenced by a CLTA Standard Coverage Form of Owner's Policy of Title Insurance, or an ALTA Extended Coverage Form Policy if Buyer elects such coverage as provided in Section 2.3 hereof, with the extra cost of any such ALTA coverage borne by Buyer. Title Policy shall be issued by Commonwealth Land Title Company ("Title Company"), with liability in the full amount of the applicable purchase price, insuring title to the Property as vested in Buyer, free and clear of all liens and encumbrances and other matters affecting title, except the following (which shall constitute "Approved Title Exceptions"):

2.1.1 Assessments not yet due; and

2.1.2 All title exceptions in that certain preliminary report dated August 17, 2017 issued by the Title Company.

2.2 Acts After Date of Agreement. During the period from the date of this Agreement through the earlier of the termination of this Agreement or the sale of the Property to Buyer under this Agreement, Seller shall not alter, improve or further encumber the Property.

3. [INTENTIONALLY OMITTED]

4. RECORDING.

4.1 Agreement to Constitute Recording Instructions. This Agreement shall constitute recording instructions, and a copy hereof shall be delivered to the Title Company for that purpose; however, the parties shall execute such further instructions as Title Company reasonably requires in order to clarify the duties and responsibilities of Title Company. Additionally, each party may send unilateral closing instructions to the Title Company to facilitate closing.

4.2 [INTENTIONALLY OMITTED]

4.3 Closing. For the purposes of this Agreement, "Closing" shall be the date on which a grant deed in favor of Buyer is recorded in the Official Records of the Orange County Recorder's Office. Provided all of Seller's and Buyer's obligations hereunder have been performed and all the conditions set forth in this Agreement have been satisfied, the closing shall occur no later than thirty (30) days after the execution of this Agreement and the satisfaction of the conditions in Section 1.1 above ("Closing Date"). Possession of the Property shall be delivered to Buyer upon the Closing Date.

4.4 Seller Required to Deliver. Before the Closing Date, Seller shall deliver to the Title Company the following:

4.4.1 A grant deed conveying the Property to Buyer, in the form attached hereto as Exhibit "B", duly executed by Seller and acknowledged (the "Grant Deed");

4.4.2 Any other documents contemplated by this Agreement or required by the Title Company to be delivered by Seller to carry out this transaction.

4.5 Buyer Required to Deliver. Before the Closing Date, Buyer shall deliver to the Title Company:

4.5.1 Net costs to be paid by Buyer under Section 4.9 below;

4.5.2 An executed and acknowledged Certificate of Acceptance in the form attached to the form of Grant Deed (Exhibit "B"); and

4.5.3 Any other reasonable documents contemplated by this Agreement or required by Title Company to be delivered by Buyer to carry out this transaction.

4.6 Conditions to the Closing. Buyer's obligation to proceed with the purchase of the Property is subject to the satisfaction of the following conditions precedent, which are for Buyer's benefit and may be waived only by Buyer:

4.6.1 Seller shall have performed all agreements to be performed by Seller hereunder.

4.6.2 Title Company shall have issued or shall have committed to issue the Title Policy to Buyer, for the amount of the applicable Purchase Price, showing fee title to be vested in Buyer subject only to the Approved Title Exceptions.

4.7 Recordation of Grant Deed; Delivery of Funds. Upon receipt of the funds and documents described in this Section 4, and satisfaction (or express written waiver) of the closing conditions, Title Company shall cause the Grant Deed to be recorded in the office of the County Recorder of Orange County, California, and City shall then deliver the Purchase Price (less appropriate charges) to Seller.

4.8 Prorations. All assessments shall be prorated between Buyer and Seller as of the Closing based on the latest available tax information. All prorations shall be determined on the basis of a 360-day year.

4.9 Costs.

4.9.1 Seller shall pay:

- (a) The premium for the CLTA Standard Title Policy;
- (b) Any other closing costs or charges not expressly provided for herein and customarily paid by a seller of real property in Orange County, California.

4.9.2 Buyer shall pay:

- (c) The extra cost of an ALTA extended title policy if elected by Buyer; and
- (d) Any other closing costs or charges not expressly provided for herein and customarily paid by a buyer of real property in Orange County, California.

4.10 Broker's Commissions. Buyer and Seller represent to one another that except for Lee & Associates, who represents Seller, no broker or finder or salesperson has been engaged by it in connection with the transaction contemplated by this Agreement, or to its knowledge is in any way connected with such transaction. Seller will pay its broker a commission pursuant to a separate written agreement with its broker. Each party shall

indemnify, defend, protect and hold harmless the other party and its employees, agents, representatives, council members, attorneys, successors and assigns, from and against all claims of any agent, broker, finder or other similar party arising from or in connection with its (i.e., the indemnifying party's) communications or agreements with any broker, finder or salesperson other than the broker named above.

5. ATTORNEYS' FEES. In any action between Buyer and Seller seeking enforcement of any of the terms and provisions of this Agreement, the prevailing party in such action shall be awarded, in addition to damages, injunctive or other relief, its reasonable costs and expenses, not limited to taxable costs, reasonable attorneys' fees and reasonable fees of expert witnesses.

6. NOTICES. All notices, requests, demands and other communication given or required to be given hereunder shall be in writing and sent by overnight (for next business day delivery) or certified mail, postage prepaid, return receipt requested, or sent overnight (for next day business delivery) by a nationally recognized courier service such as Federal Express, duly addressed to the parties as follows:

To Buyer or Seller: One Civic Center Circle
Brea, California 92801
Attention: Community Development Director

Delivery of any notice or other communication hereunder shall be deemed made on the date indicated in the return receipt or courier's records as the date of delivery or first attempted delivery. Any party may change its address for purposes of this Section by giving notice to the other party as herein provided.

7. ASSIGNMENT. Neither this Agreement nor any interest herein may be assigned by either party without the prior written consent of the other party.

8. ENTIRE AGREEMENT. This Agreement contains all of the agreements of the parties hereto with respect to the matters contained herein, and all prior or contemporaneous agreements or understandings, oral or written, pertaining to any such matters are merged herein and shall not be effective for any purpose.

9. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

10. TIME OF THE ESSENCE. Time is of the essence of every provision of this Agreement in which time is a factor.

11. THIRD PARTIES. Nothing contained in this Agreement, expressed or implied, is intended to confer upon any person, other than the parties hereto and their successors and assigns, any rights or remedies under or by reason of this Agreement.

12. SEVERABILITY. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect by a

court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, unless such invalidity, illegality or unenforceability materially affects the economic terms of the transactions contemplated by this Agreement or the ability of either party to perform its obligations under this Agreement. In such case, either party may terminate this Agreement upon written notice to the other party given no later than ten (10) business days after the party giving such notice becomes aware of such invalidity, illegality or unenforceability.

13. ADDITIONAL DOCUMENTS. Each party hereto agrees to perform any further acts and to execute, acknowledge and deliver any further documents that may be reasonably necessary to carry out the provisions of this Agreement.

14. AUTHORITY OF CITY MANAGER/EXECUTIVE DIRECTOR OF SELLER. The City Manager/Executive Director of Buyer and Seller may: (i) give any and all notices, waivers, consents and terminations hereunder on behalf of Seller and Buyer provided they are in writing; and (ii) amend this Agreement provided the amendment(s) are in writing.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

BUYER:

CITY OF BREA

By: _____

Cecilia T. Hupp,
Mayor

Attest:

Lillian Neal-Harris, City Clerk

APPROVED AS TO FORM:

James Markman, City/SA Attorney

SELLER:

SUCCESSOR AGENCY TO THE BREA
REDEVELOPMENT AGENCY

By: _____

Cecilia T. Hupp,
Chairperson of the Board

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF ORANGE,
STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 2 AND 3 IN BLOCK A OF THE TOWN OF BREA, IN THE CITY OF BREA, COUNTY
OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN

BOOK 7, PAGES 2 AND FOLLOWING OF MISCELLANEOUS MAPS, IN THE OFFICE OF
THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES AND ALL
MINERALS WHICH MAY BE SITUATED IN OR UNDER SAID LAND.

Assessor's Parcel Number: 296-301-02

EXHIBIT “B”

FORM OF GRANT DEED

(Attached.)

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City of Brea
One Civic Center Circle
Brea, CA 92801
Attn: City Clerk

APN: 296-301-02

[SPACE ABOVE FOR RECORDER'S USE ONLY]

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES AS FOLLOWS:

The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383.

Exempt from Documentary Transfer Tax; transfer to a public entity.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged the SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY (“**Grantor**”) hereby grants to the CITY OF BREA, a California municipal corporation in its capacity as the successor to the housing assets and funds of the former Brea Redevelopment Agency (“**Grantee**”), the land located in the County of Orange, State of California, more particularly described on **Exhibit “A”** attached hereto and incorporated herein by reference and all improvements thereon.

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

Dated: _____, 2017

SUCCESSOR AGENCY TO THE BREA
REDEVELOPMENT AGENCY

By: _____
Cecilia T. Hupp,
Chairperson of the Board

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit A
to Grant Deed

LEGAL DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF ORANGE,
STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 2 AND 3 IN BLOCK A OF THE TOWN OF BREA, IN THE CITY OF BREA, COUNTY
OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN

BOOK 7, PAGES 2 AND FOLLOWING OF MISCELLANEOUS MAPS, IN THE OFFICE OF
THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES AND ALL
MINERALS WHICH MAY BE SITUATED IN OR UNDER SAID LAND.

CERTIFICATE OF ACCEPTANCE
(California Government code Section 27281)

This is to certify that the interest in real property conveyed by that certain Grant Deed dated _____, 2017 from the SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY, to the CITY OF BREA, is hereby accepted by the undersigned officer on behalf of the CITY OF BREA pursuant to authority conferred by City Council action on _____, 2017 and the grantee consents to recordation thereof by its duly authorized officer.

CITY OF BREA

By: _____
William Gallardo, Jr.,
City Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)

On _____, 2017, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

RESOLUTION NO. SA 2017-10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA, ACTING AS THE SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY, AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT REGARDING THE SUCCESSOR AGENCY'S SALE OF A PROPERTY LOCATED AT 323 N BREA BOULEVARD AND TAKING RELATED ACTIONS

A. RECITALS:

(i) Pursuant to AB X1 26 (enacted in June 2011) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), the former Brea Redevelopment Agency (the "Former Agency") was dissolved as of February 1, 2012, the Successor Agency to the Brea Redevelopment Agency (the "Successor Agency") was constituted as the successor entity to the Former Agency, and an oversight board of the Successor Agency (the "Oversight Board") was established;

(ii) AB X1 26 added Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) to Division 24 of the California Health and Safety Code ("HSC") (such Parts 1.8 and 1.85, including amendments and supplements thereto enacted after AB X1 26, being referred to herein as the "Dissolution Act");

(iii) Pursuant to HSC Section 34175(b), all real properties (and interests in real properties) of the Former Agency, transferred to the control of the Successor Agency by operation of law;

(iv) Pursuant to HSC Section 34191.5(b), the Successor Agency prepared a Long Range Property Management Plan which addresses the disposition and use of the real properties (and interests in real property) of the Former Agency;

(v) The Oversight Board previously adopted Resolution No. OB 2013-09 (on December 3, 2013), Resolution No. OB 2015-01 (on January 20, 2015), Resolution No. OB 2015-04 (on April 20, 2015), Resolution No. OB 2015-9 (on November 19, 2015) and Resolution No. OB 2015-10 (on December 21, 2015), approving the Successor Agency's Long Range Property Management Plan and three amendments thereto (as so amended, the "LRPMP");

(vi) The California State Department of Finance (the "DOF") issued an approval letter on December 29, 2015, indicating that the DOF has reviewed and approved the LRPMP;

(vii) Pursuant to HSC Section 34191.3(a), the DOF-approved LRPMP shall govern, and supersede all other provisions relating to, the disposition and use of all real property assets of the Former Agency;

(viii) The LRPMP, as approved by the DOF, contemplates the sale of a property (the "Property") located at 323 N Brea Boulevard, Brea – identified in the LRPMP as Property No. 3;

(ix) In order to implement the LRPMP, the Successor Agency retained a broker to determine an estimate for the sale price of the Property based on comparables and to facilitate the sale;

(x) The Successor Agency has received an offer of \$800,000 for the purchase of the Property from the City of Brea acting in its capacity as the successor to the housing assets and funds of the former Redevelopment Agency (the "Buyer");

(xi) Attached to this Resolution as Attachment A is the form of a Purchase and Sale Agreement and Joint Recording Instructions (the "Sale Agreement"), to be entered by and between the Successor Agency and the Buyer;

B. RESOLUTION:

NOW, THEREFORE, be it found, determined and resolved by the City Council of the City of Brea, acting as the Successor Agency to the Brea Redevelopment Agency, as follows:

1. The above recitals are true and correct and are a substantive part of this Resolution.

2. The Sale Agreement, in the form attached hereto as Exhibit A, and the sale of the Property pursuant to the terms of the Sale Agreement are hereby approved, subject to the proviso set forth in Section 4 below.

3. The Successor Agency is hereby requested to approve the Successor Agency's execution and delivery of the Sale Agreement and the sale of Property pursuant to the terms of the Sale Agreement. The City Clerk is hereby directed to transmit this Resolution to the Oversight Board for consideration at the earliest possible date.

4. Each of the Mayor of the City (or, in the Mayor's absence, the Mayor Pro Tem of the City) and the City Manager, who is appointed the Successor Agency's Executive Director (together, the "Authorized Officers), acting individually, is hereby authorized, for and in the name and on behalf of the Successor Agency, execute and deliver the Sale Agreement in substantially said form, with such changes therein as the Authorized Officer executing the same may require or approve (such approval to be conclusively evidenced by the execution and delivery thereof); provided that such execution shall occur after the Oversight Board's adoption of its resolution approving the execution and delivery of the Sale Agreement.

5. This Resolution has been reviewed with respect to the applicability of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA"). Pursuant to the State CEQA Guidelines (14 Cal Code Regs 15000 et seq.) (the "Guidelines"), the Successor Agency has determined that the actions taken under this Resolution are not a project pursuant to CEQA and is exempt therefrom because it is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment (Guidelines Section 15378(b)(5)). Staff of the Successor Agency, is hereby directed to prepare and post a notice of exemption pursuant to Guidelines Section 15062.

6. The Authorized Officers and other officers and Staff members of the Successor Agency are hereby authorized, jointly and severally, to do all things (including but not limited to the execution of any certificates or other instruments) which they may deem necessary or proper to effectuate the purposes of the Deed, the Assignment Agreement and this Resolution, and any such actions previously taken are hereby ratified and confirmed.

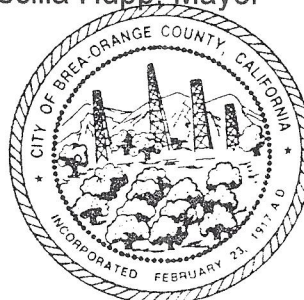
7. This Resolution will become effective upon adoption.

APPROVED AND ADOPTED this 5th Day of September, 2017

ATTEST:


Lillian Harris-Neal, City Clerk


Cecilia Hupp, Mayor



I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was passed at a regular meeting of the City Council of the City of Brea, held on the 5th day of September, 2017, by the following vote:

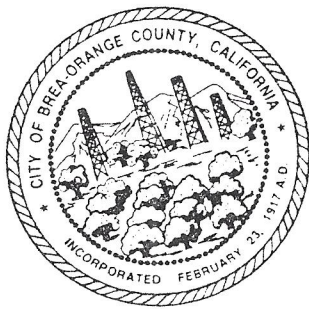
AYES: COUNCIL MEMBERS: Hupp, Parker, Marick, Simonoff, Vargas

NOES: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None

ABSTAIN: COUNCIL MEMBERS: None

DATE: September 5, 2017



ATTEST:


Lillian Harris-Neal, City Clerk

ATTACHMENT A

Purchase and Sale Agreement and Joint Recording Instructions

(substantial final form)

**AGREEMENT FOR PURCHASE AND SALE
AND JOINT RECORDING INSTRUCTIONS**

THIS AGREEMENT FOR PURCHASE AND SALE AND JOINT RECORDING INSTRUCTIONS (this "Agreement") is dated as of September 5, 2017, and is entered into by and between the SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY, a California public entity ("Seller"), and the CITY OF BREA, a California municipal corporation, in its capacity as the successor to the housing assets and funds of the former Brea Redevelopment Agency ("Buyer").

RECITALS

- A. Seller is the owner of the land described on Exhibit "A" (the "Property").
- B. Buyer desires to purchase the Property, and Seller desires to sell the Property to Buyer.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual terms and covenants set forth therein and herein, other consideration, the sufficiency of which is hereby acknowledged, Buyer and Seller agree as follows:

1. **CONDITIONS; PURCHASE PRICE.**

1.1 **Conditions.** The obligation of Seller to sell the Property is conditioned upon the approval of this Agreement by the Oversight Board of Seller and the failure of the California Department of Finance to object to the Oversight Board's decision within the time permitted by law.

1.2 **Sale and Purchase.** Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller, upon the terms and conditions hereinafter set forth.

1.3 **Purchase Price.** The purchase price for the Property shall be Eight Hundred Thousand and No/100 Dollars (\$800,000.00) ("Purchase Price") which Buyer and Seller have determined is the fair market value of the Property based on a broker's opinion of value.

2. **TITLE.**

2.1 **General.** Title to the Property shall be conveyed by a grant deed in the form attached hereto as Exhibit "B", and shall be evidenced by a CLTA Standard Coverage Form of Owner's Policy of Title Insurance, or an ALTA Extended Coverage Form Policy if Buyer elects such coverage as provided in Section 2.3 hereof, with the extra cost of any such ALTA coverage borne by Buyer. Title Policy shall be issued by Commonwealth Land Title Company ("Title Company"), with liability in the full amount of the applicable purchase price, insuring title to the Property as vested in Buyer, free and clear of all liens and encumbrances and other matters affecting title, except the following (which shall constitute "Approved Title Exceptions"):

2.1.1 Assessments not yet due; and

2.1.2 All title exceptions in that certain preliminary report dated August 17, 2017 issued by the Title Company.

2.2 Acts After Date of Agreement. During the period from the date of this Agreement through the earlier of the termination of this Agreement or the sale of the Property to Buyer under this Agreement, Seller shall not alter, improve or further encumber the Property.

3. [INTENTIONALLY OMITTED]

4. RECORDING.

4.1 Agreement to Constitute Recording Instructions. This Agreement shall constitute recording instructions, and a copy hereof shall be delivered to the Title Company for that purpose; however, the parties shall execute such further instructions as Title Company reasonably requires in order to clarify the duties and responsibilities of Title Company. Additionally, each party may send unilateral closing instructions to the Title Company to facilitate closing.

4.2 [INTENTIONALLY OMITTED]

4.3 Closing. For the purposes of this Agreement, "Closing" shall be the date on which a grant deed in favor of Buyer is recorded in the Official Records of the Orange County Recorder's Office. Provided all of Seller's and Buyer's obligations hereunder have been performed and all the conditions set forth in this Agreement have been satisfied, the closing shall occur no later than thirty (30) days after the execution of this Agreement and the satisfaction of the conditions in Section 1.1 above ("Closing Date"). Possession of the Property shall be delivered to Buyer upon the Closing Date.

4.4 Seller Required to Deliver. Before the Closing Date, Seller shall deliver to the Title Company the following:

4.4.1 A grant deed conveying the Property to Buyer, in the form attached hereto as Exhibit "B", duly executed by Seller and acknowledged (the "Grant Deed");

4.4.2 Any other documents contemplated by this Agreement or required by the Title Company to be delivered by Seller to carry out this transaction.

4.5 Buyer Required to Deliver. Before the Closing Date, Buyer shall deliver to the Title Company:

4.5.1 Net costs to be paid by Buyer under Section 4.9 below;

4.5.2 An executed and acknowledged Certificate of Acceptance in the form attached to the form of Grant Deed (Exhibit "B"); and

4.5.3 Any other reasonable documents contemplated by this Agreement or required by Title Company to be delivered by Buyer to carry out this transaction.

4.6 Conditions to the Closing. Buyer's obligation to proceed with the purchase of the Property is subject to the satisfaction of the following conditions precedent, which are for Buyer's benefit and may be waived only by Buyer:

4.6.1 Seller shall have performed all agreements to be performed by Seller hereunder.

4.6.2 Title Company shall have issued or shall have committed to issue the Title Policy to Buyer, for the amount of the applicable Purchase Price, showing fee title to be vested in Buyer subject only to the Approved Title Exceptions.

4.7 Recordation of Grant Deed; Delivery of Funds. Upon receipt of the funds and documents described in this Section 4, and satisfaction (or express written waiver) of the closing conditions, Title Company shall cause the Grant Deed to be recorded in the office of the County Recorder of Orange County, California, and City shall then deliver the Purchase Price (less appropriate charges) to Seller.

4.8 Prorations. All assessments shall be prorated between Buyer and Seller as of the Closing based on the latest available tax information. All prorations shall be determined on the basis of a 360-day year.

4.9 Costs.

4.9.1 Seller shall pay:

- (a) The premium for the CLTA Standard Title Policy;
- (b) Any other closing costs or charges not expressly provided for herein and customarily paid by a seller of real property in Orange County, California.

4.9.2 Buyer shall pay:

- (c) The extra cost of an ALTA extended title policy if elected by Buyer; and
- (d) Any other closing costs or charges not expressly provided for herein and customarily paid by a buyer of real property in Orange County, California.

4.10 Broker's Commissions. Buyer and Seller represent to one another that except for Lee & Associates, who represents Seller, no broker or finder or salesperson has been engaged by it in connection with the transaction contemplated by this Agreement, or to its knowledge is in any way connected with such transaction. Seller will pay its broker a commission pursuant to a separate written agreement with its broker. Each party shall

indemnify, defend, protect and hold harmless the other party and its employees, agents, representatives, council members, attorneys, successors and assigns, from and against all claims of any agent, broker, finder or other similar party arising from or in connection with its (i.e., the indemnifying party's) communications or agreements with any broker, finder or salesperson other than the broker named above.

5. ATTORNEYS' FEES. In any action between Buyer and Seller seeking enforcement of any of the terms and provisions of this Agreement, the prevailing party in such action shall be awarded, in addition to damages, injunctive or other relief, its reasonable costs and expenses, not limited to taxable costs, reasonable attorneys' fees and reasonable fees of expert witnesses.

6. NOTICES. All notices, requests, demands and other communication given or required to be given hereunder shall be in writing and sent by overnight (for next business day delivery) or certified mail, postage prepaid, return receipt requested, or sent overnight (for next day business delivery) by a nationally recognized courier service such as Federal Express, duly addressed to the parties as follows:

To Buyer or Seller: One Civic Center Circle
Brea, California 92801
Attention: Community Development Director

Delivery of any notice or other communication hereunder shall be deemed made on the date indicated in the return receipt or courier's records as the date of delivery or first attempted delivery. Any party may change its address for purposes of this Section by giving notice to the other party as herein provided.

7. ASSIGNMENT. Neither this Agreement nor any interest herein may be assigned by either party without the prior written consent of the other party.

8. ENTIRE AGREEMENT. This Agreement contains all of the agreements of the parties hereto with respect to the matters contained herein, and all prior or contemporaneous agreements or understandings, oral or written, pertaining to any such matters are merged herein and shall not be effective for any purpose.

9. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

10. TIME OF THE ESSENCE. Time is of the essence of every provision of this Agreement in which time is a factor.

11. THIRD PARTIES. Nothing contained in this Agreement, expressed or implied, is intended to confer upon any person, other than the parties hereto and their successors and assigns, any rights or remedies under or by reason of this Agreement.

12. SEVERABILITY. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect by a

court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, unless such invalidity, illegality or unenforceability materially affects the economic terms of the transactions contemplated by this Agreement or the ability of either party to perform its obligations under this Agreement. In such case, either party may terminate this Agreement upon written notice to the other party given no later than ten (10) business days after the party giving such notice becomes aware of such invalidity, illegality or unenforceability.

13. ADDITIONAL DOCUMENTS. Each party hereto agrees to perform any further acts and to execute, acknowledge and deliver any further documents that may be reasonably necessary to carry out the provisions of this Agreement.

14. AUTHORITY OF CITY MANAGER/EXECUTIVE DIRECTOR OF SELLER. The City Manager/Executive Director of Buyer and Seller may: (i) give any and all notices, waivers, consents and terminations hereunder on behalf of Seller and Buyer provided they are in writing; and (ii) amend this Agreement provided the amendment(s) are in writing.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

BUYER:

CITY OF BREA

By:

Cecilia T. Hupp,
Mayor

Attest:

Lillian Neal-Harris, City Clerk

APPROVED AS TO FORM:

James Markman, City/SA Attorney

SELLER:

SUCCESSOR AGENCY TO THE BREA
REDEVELOPMENT AGENCY

By:

Cecilia T. Hupp,
Chairperson of the Board

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF ORANGE,
STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 2 AND 3 IN BLOCK A OF THE TOWN OF BREA, IN THE CITY OF BREA, COUNTY
OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN

BOOK 7, PAGES 2 AND FOLLOWING OF MISCELLANEOUS MAPS, IN THE OFFICE OF
THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES AND ALL
MINERALS WHICH MAY BE SITUATED IN OR UNDER SAID LAND.

Assessor's Parcel Number: 296-301-02

EXHIBIT "B"

FORM OF GRANT DEED

(Attached.)

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City of Brea
One Civic Center Circle
Brea, CA 92801
Attn: City Clerk

APN: 296-301-02

[SPACE ABOVE FOR RECORDER'S USE ONLY]

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES AS FOLLOWS:

The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383.

Exempt from Documentary Transfer Tax; transfer to a public entity.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged the SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY ("Grantor") hereby grants to the CITY OF BREA, a California municipal corporation in its capacity as the successor to the housing assets and funds of the former Brea Redevelopment Agency ("Grantee"), the land located in the County of Orange, State of California, more particularly described on Exhibit "A" attached hereto and incorporated herein by reference and all improvements thereon.

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

Dated: _____, 2017

SUCCESSOR AGENCY TO THE BREA
REDEVELOPMENT AGENCY

By: _____
Cecilia T. Hupp,
Chairperson of the Board

Exhibit A
to Grant Deed

LEGAL DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF ORANGE,
STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 2 AND 3 IN BLOCK A OF THE TOWN OF BREA, IN THE CITY OF BREA, COUNTY
OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN

BOOK 7, PAGES 2 AND FOLLOWING OF MISCELLANEOUS MAPS, IN THE OFFICE OF
THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES AND ALL
MINERALS WHICH MAY BE SITUATED IN OR UNDER SAID LAND.

CERTIFICATE OF ACCEPTANCE
(California Government code Section 27281)

This is to certify that the interest in real property conveyed by that certain Grant Deed dated _____, 2017 from the SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY, to the CITY OF BREA, is hereby accepted by the undersigned officer on behalf of the CITY OF BREA pursuant to authority conferred by City Council action on _____, 2017 and the grantee consents to recordation thereof by its duly authorized officer.

CITY OF BREA

By: _____
William Gallardo, Jr.,
City Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)

On _____, 2017, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____