

RESOLUTION NO. 2020 - ____

RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF DESERT HOT SPRINGS APPROVING THE PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS BETWEEN THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF DESERT HOT SPRINGS AND MLOU GUZMAN VILLANUEVA WITH RESPECT TO THE REAL PROPERTY LOCATED AT 66146 PIERSON BOULEVARD, DESERT HOT SPRINGS, CALIFORNIA (APN 639-232-040) AND APPROVING CERTAIN RELATED ACTIONS

WHEREAS, pursuant to Health and Safety Code (the “HSC”) § 34172 (a) (1), the Redevelopment Agency of the City of Desert Hot Springs dissolved on February 1, 2012; and

WHEREAS, consistent with the provisions of the HSC, the City Council of the City of Desert Hot Springs (the “City”) previously elected to serve in the capacity of the Successor Agency to the Redevelopment Agency of the City of Desert Hot Springs (the “Successor Agency”); and

WHEREAS, the Desert Hot Springs (“DHS”) Oversight Board for the Successor Agency (the “DHS Oversight Board”) was established pursuant to HSC § 34179 to assist in the wind-down of the dissolved redevelopment agency through June 30, 2018; and

WHEREAS, by operation of California Law, the DHS Oversight Board was dissolved on June 30, 2018 and the Oversight Board responsibilities with respect to Riverside County-based successor agencies were transferred to the Riverside County-Wide Oversight Board (the “CWOB”) on July 1, 2018; and

WHEREAS, pursuant to HSC § 34191.5 (c), the Successor Agency previously prepared and filed with the California Department of Finance (the “DOF”) its DHS Oversight Board-approved LRPMP; and

WHEREAS, on May 15, 2015, the DOF approved the Successor Agency’s LRPMP and notified the Successor Agency that pursuant to HSC § 34191.3, the approved LRPMP shall govern, and supersede all other provisions relating to the disposition and use of all the real property assets of the former redevelopment agency; and

WHEREAS, the approved LRPMP, which addressed the disposition and use of the real property assets held by the Successor Agency, included 44 parcels of land grouped into sixteen (16) separate sites, along with two (2) surplus residential properties, that were required to be sold, thereby giving the Successor Agency a total of

eighteen (18) disposition sites; and

WHEREAS, of these eighteen (18) sites, seventeen (17) sites have been sold or transferred to the City, leaving one (1) site remaining to be sold; and

WHEREAS, the Successor Agency is the owner of that certain real property consisting of approximately 0.15 acres of vacant land located at 66146 Pierson Boulevard, Desert Hot Springs, California (APN 639-232-040) (the "Property"); and

WHEREAS, within the LRPMP the Property is: i) identified as Site No. 11; ii) described as one (1) parcel of vacant land zoned Retail in Planning Area 3.03 of the Vortex Specific Plan; iii) designated for sale; and iv) more fully described in Exhibit "A" attached hereto, which is an excerpt from the LRPMP; and

WHEREAS, on November 15, 2016, the Successor Agency approved an Agreement with NAI Capital (the "NAI Agreement") to list and sell certain real property assets of the Successor Agency, all of which were subsequently listed for sale; and

WHEREAS, as a part of the NAI Agreement, NAI agreed to prepare of a Broker's Opinion of Value (the "BOV") for each Successor Agency property that is sold; and

WHEREAS, since the Property had been listed for sale for over three years without interest from a serious buyer, during December of 2019 NAI was asked to update its opinion of the Property's market value; and

WHEREAS, on December 24, 2019, NAI provided its updated BOV regarding the Property confirming its opinion that the market value of the Property is currently \$9,800 (the "BOV Market Value"); and

WHEREAS, based on the foregoing, NAI was authorized to begin marketing the Property at its BOV Market Value of \$9,800; and

WHEREAS, in response to NAI's listing, on May 15, 2020, Mlou Guzman Villanueva (the "Buyer") offered to purchase the Property at its BOV Market Value of \$9,800 (the "Purchase Price"), a copy of the offer letter (the "Offer Letter") is attached to this Resolution as Exhibit "B"; and

WHEREAS, on May 20, 2020, NAI resubmitted its BOV, which reconfirmed the BOV Market Value of \$9,800, a copy of which is attached hereto as Exhibit "C"; and

WHEREAS, in the Offer Letter, the Buyer indicated that the Property would be developed for commercial purposes in the future; and

WHEREAS, subsequent to vetting the offer to ensure that the Buyer has the ability to close escrow, NAI Capital has recommended that the Successor Agency accept the purchase offer from the Buyer; and

WHEREAS, in consideration that the offered \$9,800 Purchase Price is equal to the BOV Market Value, it may be concluded that the Purchase Price is fair and reasonable, as confirmed in the BOV; and

WHEREAS, based on past practice, the DOF has acknowledged that BOVs are an acceptable method and basis for confirming that the value of real property being sold by a successor agency is fair and reasonable; and

WHEREAS, approval of this Resolution will approve the Purchase and Sale Agreement and Joint Escrow Instructions (the "Purchase and Sale Agreement") between the Successor Agency and the Buyer with respect to the Property, the form of which is attached to this Resolution as Exhibit "D"; and

WHEREAS, consistent with the provisions of the HSC and the LRPMP, the effectiveness of the Purchase and Sale Agreement is subject to the approval of the CWOB and review by DOF; and

WHEREAS, subject to the approval of the CWOB and review by DOF, the Successor Agency intends to distribute the net land proceeds to the Riverside County Auditor Controller for distribution to the taxing entities; and

WHEREAS, the proposed sale of the Property is exempt under the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, § 15000 *et seq.*, hereafter the "Guidelines") and the City's environmental guidelines, as this Resolution does not constitute a "project" for purposes of CEQA, as that term is defined by Guidelines § 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per § 15378 (b) (5) of the Guidelines; and

WHEREAS, the sale of Property will complete the Successor Agency's implementation of the LRPMP; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF DESERT HOT SPRINGS AS FOLLOWS:

Section 1. Recitals

That the Recitals set forth above are true and correct.

Section 2. Approval of Purchase Price

That the Purchase Price for the Property is determined to be fair and reasonable.

Section 3. Approval of Agreement and Related Approvals

That the Purchase and Sale Agreement is approved and City's City Manager, acting for the Successor Agency, is authorized to i) execute the Purchase and Sale Agreement, ii) make ministerial revisions to the Purchase and Sale Agreement which do not increase the Successor Agency's obligations or materially reduce the consideration payable to the Successor Agency; iii) sign a grant deed and any other related documents, the execution of which is necessary or appropriate to carry out and implement the Purchase and Sale Agreement; iv) administer the Successor Agency's obligations under the Purchase and Sale Agreement; v) distribute the net land proceeds to the Riverside County Auditor Controller for distribution to the taxing entities; and vi) take such other actions and execute such other documents as are necessary as may otherwise be required to fulfill the intent of this Resolution.

Section 4. CEQA Exemption

That the proposed sale of the Property is exempt under CEQA, the Guidelines and the City's environmental guidelines, as this Resolution does not constitute a "project" for purposes of CEQA, as that term is defined by Guidelines § 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per § 15378 (b) (5) of the Guidelines.

Section 5. Severability

That if any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

Section 6. Effective Date

That this Resolution shall take effect immediately after the Purchase and Sale Agreement has been: i) approved by the CWOB; and ii) either approved by DOF or DOF waives its approval.

Section 7. Certification

That the City Clerk acting for the Successor Agency shall certify to the passage of this Resolution and enter it into the book of original resolutions.

PASSED, APPROVED, AND ADOPTED by the Successor Agency to the Redevelopment Agency of the City of Desert Hot Springs at a meeting held on the sixteenth day of June, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Jerryl Soriano, City Clerk
acting for the Successor Agency

Scott Matas, Mayor
acting for the Successor Agency

APPROVED AS TO FORM:

Jennifer Mizrahi, City Attorney
Acting for the Successor Agency <http://ghsblaw.com/attorney/bonifacio-bonny-garcia/>

EXHIBIT "A"

**Narrative for Site No. 11
66146 Pierson Boulevard
(APN 639-232-040)
Excerpted from the
Long-Range Property Management Plan
(Pages 51-54)**

(See Attachment)

EXHIBIT “B”

**May 15, 2020 Offer Letter to Purchase Property
From Mlou Guzman Villanueva**

(See Attachment)

EXHIBIT “C”

**May 20, 2020
Broker’s Opinion of Value
Prepared by
NAI Capital**

(See Attachment)

EXHIBIT “D”

**Purchase and Sale Agreement and Joint Escrow Instructions
between the
Successor Agency to the Redevelopment Agency
of the City of Desert Hot Springs
and
Mlou Guzman Villanueva**

(See Attachment)