

1 ROB BONTA
Attorney General of California
2 DANIEL A. OLIVAS
Senior Assistant Attorney General
3 CHRISTINA BULL ARNDT (SBN 175403)
DAVID PAI (SBN 227058)
4 Supervising Deputy Attorneys General
1515 Clay Street, 20th Floor
5 P.O. Box 70550
Oakland, California 94612-0550
6 Telephone: (510) 879-1300
Fax: (510) 622-2270
7 E-mail: David.Pai@doj.ca.gov

**[EXEMPT FROM FILING FEES -
Pursuant to Government Code
Section 6103]**

8 *Attorneys for the People of the State of California and*
9 *California Department of Housing and Community*
Development

10 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 COUNTY OF ORANGE

14 PEOPLE OF THE STATE OF CALIFORNIA,
15 and CALIFORNIA DEPARTMENT OF
16 HOUSING AND COMMUNITY
DEVELOPMENT,

Case No.

**[PROPOSED] STIPULATED FINAL
JUDGMENT**

17 Plaintiffs,

18 v.

19 CITY OF ANAHEIM and CITY COUNCIL OF
20 ANAHEIM,

21 Defendant.

1 Plaintiffs, the PEOPLE OF THE STATE OF CALIFORNIA, by and through ROB
2 BONTA, Attorney General of the State of California, and the CALIFORNIA DEPARTMENT
3 OF HOUSING AND COMMUNITY DEVELOPMENT, and Defendants CITY OF ANAHEIM
4 and CITY COUNCIL OF ANAHEIM, having stipulated to the entry of this Final Judgment and
5 Order (“Judgment”) without the taking of proof and without Defendants admitting any liability,
6 and with all Parties having waived the right to appeal; and the Court having considered the
7 pleadings and good cause appearing:
8

9 IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

10 **PARTIES AND FINDINGS**

11 1. Plaintiffs are charged with the enforcement of, among other state laws, California
12 Government Code section 54220 et seq. (“Surplus Land Act”). On behalf of the People of the
13 State of California, ROB BONTA, as the Attorney General of California, is empowered by the
14 California Constitution to take whatever legal action is necessary to ensure that the laws of the
15 State are uniformly and adequately enforced, and is statutorily authorized to bring actions to
16 enforce the Surplus Lands Act. (§ 65585.1.) The CALIFORNIA DEPARTMENT OF HOUSING
17 AND COMMUNITY DEVELOPMENT (“HCD”) is a legal subdivision of the State of
18 California, whose mission is to promote safe, affordable homes and vibrant, inclusive, sustainable
19 communities for all Californians. (§ 12804.) Among other things, HCD is responsible for
20 enforcing state housing laws—including the Surplus Land Act. (§§ 65585, 65585.1.)

21 1. Defendant CITY OF ANAHEIM is a political subdivision of the State of California.
22 The City is a local governmental agency charged with regulating and controlling land use and
23 development within the City of Anaheim, including but not limited to complying with all
24 applicable provisions of state law, including the Surplus Land Act. Specifically, the City is the
25 “local agency” as defined under Section 54221. Defendant CITY COUNCIL OF ANAHEIM is
26 the elected governing body of the City of Anaheim. Collectively, Defendants will be referred to
27 as “the City.”
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1 2. This Judgment is entered to fully resolve an investigation of the City’s sale of
2 approximately 151 acres of land located at 2000 East Gene Autry Way and 2200 East Katella
3 Boulevard in the City (collectively, the “Angel Stadium Property”), to SRB Management, LLC
4 (“SRB”), for alleged Surplus Land Act violations.

5 3. The Surplus Land Act requires a local agency to prioritize affordable housing, parks,
6 and open space when disposing of its surplus lands. To that end, a local agency like the City is
7 required to declare the land it wishes to dispose of under the Surplus Land Act as either “surplus
8 land” or “exempt surplus land,” supported by written findings. (§ 54221, subd. (b).) “Surplus
9 land” generally refers to properties owned by a local agency that are not necessary for the
10 agency’s use. “Exempt surplus land” is limited to exemptions specifically defined under the
11 Surplus Land Act. (See § 54221, subd. (f)(1).)

12 4. Once a land is declared surplus land, the disposing agency must post a notice of
13 availability of the declared surplus land to qualified entities developing housing for low- and
14 moderate-income households, and allow qualified entities at least 60 days to respond. (§ 54222,
15 subd. (f).) If and when any qualified entity expresses interest, the disposing agency must then
16 negotiate in good faith with those entities for a minimum of 90 days. (§ 54223, subd. (a).) Where
17 no bidders express interest, or if a price or terms cannot be agreed upon after the 90-day
18 negotiation period, the local agency may dispose of the land without further regard for the
19 Surplus Land Act. However, such lands previously declared surplus, but without purchase bids or
20 an agreed upon price or terms, shall have a recorded restriction whereby 15 percent of any future
21 housing development of 10 or more units shall be sold or leased to lower income households. (§
22 54223.)

23 5. The failure to dispose of land in accordance with the Surplus Land Act after receiving
24 notification from HCD shall subject the disposing agency to a penalty of 30 percent of the final
25 sale price of the land. (§ 54230.5, subd. (a)(1).) Substantially, these provisions became effective
26 on January 1, 2020, when the Surplus Land Act was amended significantly by the passage of AB
27 1486 (2019).

1 6. On or about December 20, 2019, the City entered into a purchase and sale agreement
2 to sell Angel Stadium Property to SRB. A restated and amended sales agreement was approved
3 by the City Council on or around September 30, 2020, and the disposition and development
4 agreement was approved by the City Council on or around October 6, 2020. Prior to entering into
5 these agreements, the City did not declare Angel Stadium Property to be surplus or exempt
6 surplus lands, nor did the City issue a written notice of availability to the required list of entities.
7 The City contends it had no legal obligation to declare Angel Stadium Property to be surplus or
8 exempt surplus land nor a legal obligation to issue a written notice of availability to the required
9 list of entities.

10 7. On December 8, 2021, HCD issued a Notice of Violation of the Surplus Land Act
11 regarding the sale of Angel Stadium Property.

12 8. In response, the City notified HCD that it did not believe the Surplus Land Act
13 applied to the sale of Angel Stadium Property. On February 4, 2022, the City explained its good
14 faith belief that: (1) because the initial sales agreement was entered into in 2019, it had broad
15 discretion under the prior version of the Surplus Land Act to not define Angel Stadium Property
16 as “surplus land;” (2) Angel Stadium Property was sold to create an “economic opportunity,”
17 which the City believes is a statutory alternative to the Surplus Land Act; (3) the current Surplus
18 Land Act did not apply because the applicable parties were parties to a “constructive” exclusive
19 negotiation agreement before September 30, 2019; (4) the existing lease of Angel Stadium to
20 Angels Baseball, which expires in 2029 and can be extended by Angels Baseball to 2038, subjects
21 Angel Stadium Property to valid legal restrictions that would prohibit qualified entities from
22 developing housing; and (5) the continued enforcement of the Surplus Land Act against the City
23 would be an unconstitutional impairment of its contractual obligations.

24 9. The City expressly denies the allegations in the Complaint in this action,
25 concurrently-filed herewith, including: (i) that it violated the Surplus Land Act in failing to
26 declare Angel Stadium Property to be “surplus land” or “exempt surplus land,” and (ii) that it
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1 failed to comply with any of the posting and noticing requirements in the current Surplus Land
2 Act prior to entering into the sale of Angel Stadium Property to SRB.

3 10. The City stipulates to this Judgment for the purpose of resolving HCD's
4 investigation, the applicable Notice of Violation issued on December 8, 2021, and the Complaint
5 concurrently-filed herewith.

6 11. The parties agree, solely for purposes of entry of this Judgment, that this Court has
7 jurisdiction of the subject matter hereof and over the Parties, venue is proper in this County, and
8 this Court has jurisdiction to enter this Judgment.

9 12. This Judgment shall apply to all claims under the Surplus Land Act as alleged in the
10 Complaint.

11 13. This Judgment is made without trial or adjudication of any issue of fact or law. The
12 Parties voluntarily enter into this Judgment in order to avoid the time, expense, and uncertainty of
13 litigation.

14 14. The Parties agree to resolve the allegations through this Judgment.

15 **APPLICABILITY**

16 15. All provisions of this Judgment shall be binding upon, and apply to the parties,
17 including their agents acting within the scope of their agency as well as its successors and assigns
18 with respect to the conduct described in this Judgment.

19 16. The City has and will maintain the full power and authority to undertake the duties
20 and obligations set forth in this Judgment.

21 17. The City shall use reasonable efforts to notify its City Councilmembers, elected
22 officials, officers, directors, employees, and agents responsible for carrying out and effecting the
23 terms of this Judgment and the requirements therein.

24 18. If a separate entity is established or reorganized so that its functions include
25 overseeing or otherwise reviewing the operations of the City or any aspect thereof, the City
26 agrees to ensure these functions and entities are consistent with the terms of this Judgment and
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1 will incorporate the terms of this Judgment into the oversight or review functions of the entity as
2 necessary to ensure consistency.

3 **DEFINITIONS**

4 The following definitions shall be used in construing the Judgment:

5 19. "Effective Date" means the date on which a copy of the Judgment, duly executed by
6 the Parties, is approved by and becomes a Judgment/Order of the Court.

7 20. "Payment" means funds to be deposited into a local housing trust fund in accordance
8 with payment provisions set forth below.

9 21. "Full Purchase Price" means \$319,812.179.00, or the final full purchase price of
10 Angel Stadium Property should the City later amend, in good faith, the purchase and sale
11 agreement with SRB Management, LLC.

12 **PAYMENT PROVISIONS**

13 22. The City shall deposit an amount equal to 30 percent of the Full Purchase Price of
14 Angel Stadium Property to SRB, estimated to be approximately \$95,943,653.70, into a local
15 housing trust fund administered by the City. Notwithstanding the City's denial of wrongdoing,
16 the parties acknowledge that the City's payment into this fund is intended to be consistent with
17 the penalty provisions set forth in Section 54230.5 of the Surplus Land Act.

18 23. The Payment shall be deposited in a local housing trust fund created by the City,
19 subject to public noticing and City Council approval, and disbursed in accordance with the
20 requirements set forth under Section 54230.5, subdivision (a)(2) of the Surplus Land Act. The
21 amount shall be deposited within fourteen (14) days after the City's close of escrow with SRB
22 regarding Angel Stadium Property. Thereafter, the City shall commit and expend the moneys
23 deposited into the local housing trust fund within five years of deposit for the sole purpose of
24 financing newly constructed housing units that are affordable to extremely low-, very low-, or
25 low-income households within the City of Anaheim, subject to reasonable administration fees in
26 accordance with HCD's guidelines on the administration of local housing trust fund programs.

1 24. After five years, any remaining funds yet to be disbursed shall revert back to the
2 People, and be deposited in the Building Homes and Jobs Trust Fund or the Housing
3 Rehabilitation Loan Fund for the sole purpose of financing newly constructed housing units that
4 are affordable to extremely low-, very low-, or low-income households located in the City of
5 Anaheim.

6 **REPORTING PROVISIONS**

7 25. Disbursement of the Payment, and the tracing of such funds to specific affordable
8 housing development projects, shall be monitored by the Attorney General, with annual reporting
9 requirements set forth below. The parties agree that, to the extent reasonably possible, the
10 allocation of funds to be disbursed should include a cross-section of extremely low-, very low-,
11 and low-income households disbursed throughout the City.

12 26. The City agrees to implement and maintain appropriate financial statements,
13 schedules, and accounting records, in accordance with generally accepted accounting principles.

14 27. Thirty (30) days after Payment is deposited into the local housing trust fund, the City
15 shall provide the Attorney General with an accounting of the Payment funds in the local housing
16 trust fund, along with activities planned to be undertaken in the next reporting period with respect
17 to how the City intends to disburse the funds. Thereafter, the City shall submit annual reports, no
18 later than July 31st of each year, to the Attorney General until the Payment funds are fully
19 disbursed or reverted back to the People.

20 28. Annual reports, certified by the City Manager or designee, to the best of their
21 knowledge, as accurate and complete based on generally accepted accounting principles, shall
22 include the following information:

- 23 a) A financial statement of the local housing trust fund, including:
- 24 i. The amount of Payment funds available at the beginning of the reporting
25 period;
- 26 ii. The amount drawn down to date;
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- 1 iii. The amount expended on eligible projects, separately categorized for
- 2 extremely low-, very low-, and low-income households; and
- 3 iv. Remaining balance
- 4 b) A narrative summary of the local housing trust fund’s activities, including:
- 5 i. The location, number, type, and unit count of eligible projects that have
- 6 applied for, received, and will receive Payment funds, including the
- 7 duration of affordability restrictions for each unit;
- 8 ii. Disbursements planned for the next reporting period;
- 9 iii. Description of any problems encountered in the disbursement,
- 10 implementation, and management of eligible projects receiving funds; and
- 11 iv. Description of how such problems may impact the ability to timely
- 12 complete the project
- 13 c) A detailed spreadsheet, produced in native .xlsx format, listing eligible projects
- 14 assisted during the reporting period by project name, location, type of housing
- 15 (e.g., multifamily, single family), number of units, income level restricted in each
- 16 unit, bedroom count of each unit, duration of affordability restrictions, and amount
- 17 of Payment funds expended per unit.

18 **AFFORDABLE HOUSING COMMITMENTS ON ANGEL STADIUM PROPERTY**

19 29. The City shall commit no less than \$27,734,189.00 of the Full Purchase Price of

20 Angel Stadium Property, separate and apart from the Payment to be deposited into the local

21 housing trust fund, for the development of affordable housing units on Angel Stadium Property.

22 The City shall ensure that all affordable housing units for very low- and low-income households

23 constructed on Angel Stadium Property shall be deed restricted for a period of at least 55 years

24 for rental housing, and 45 years for ownership housing, as applicable.

25 30. The City shall make reasonable, good faith efforts to encourage the potential

26 development of up to 466 affordable housing units for very low- and low-income households on

27 Angel Stadium Property. However, given the uncertainty of funding and costs of future

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1 development, the actual number of units to be developed shall not be binding. To maximize the
2 potential to develop the 466 very low- and low-income units, the Parties shall facilitate
3 discussions between SRB and state and local affordable housing partners in an attempt to
4 leverage public and private programs—such as tax credits, affordable housing bonds, private
5 activity bonds or other bond financing instruments, grants, project- or tenant-based operating
6 sources, local housing trust funds separate and apart from the fund described above in paragraphs
7 23 through 25, construction or permanent loans, and other financial tools—for affordable housing
8 development on Angel Stadium Property. Should SRB and/or any state and local affordable
9 housing partners refuse to participate in such discussions, such refusal shall not constitute a
10 violation of this Judgment.

11 31. Good faith efforts shall also mean the City shall not unreasonably withhold approval
12 of any reasonable request by SRB to develop low- or very low- income units on Angel Stadium
13 Property. The City shall not withhold approval of any benefit from any available “density bonus”
14 or other development incentives within the City’s control, provided that such request is allowed
15 or authorized under law. To the extent any of these development incentives are subject to any
16 discretionary approval by the City, the City shall exercise its discretion in a manner that is
17 consistent with state law.

18 32. The City’s affordable housing commitment on Angel Stadium Property, as set forth in
19 paragraphs 30 to 32, shall be reflected in any amended development agreement with SRB, or as
20 an addendum to any operative development agreement. Further, any amended development
21 agreement regarding Angel Stadium Property shall not require the City Manager’s prior approval
22 to obtain such financing or development incentives. However, in accordance with this Judgment,
23 the ultimate development of affordable housing on Angel Stadium Property shall be subject to
24 any required approvals—either by-right or discretionary—from the City, SRB’s sole consent, and
25 the securing of additional federal and/or state funding as set forth above.

1 **ENFORCEMENT AND RELEASE**

2 33. Enforcement of the Surplus Land Act related to the disposition of Angel Stadium
3 Property shall be limited to the terms set forth in this Judgment. Execution of this Judgment shall
4 constitute full and final resolution of all disputes related to the City’s compliance with the Surplus
5 Land Act regarding the disposition of Angel Stadium Property, except as set forth in this
6 Judgment.

7 34. Nothing in this Judgment shall be construed to limit the authority or ability of the
8 Attorney General to assert its right to protect the interests of the State of California or the people
9 of the State of California. This Judgment shall not bar the Attorney General or HCD from
10 investigating and enforcing laws, regulations, or rules against the City for conduct not covered by
11 this Judgment. Further, nothing in this Judgment precludes or affects the Attorney General’s right
12 to determine and ensure compliance with this Judgment.

13 35. This Judgment shall be deemed satisfied once all obligations under the provisions of
14 this Judgment are fulfilled.

15 36. Following the deposit of the Payment set forth in paragraphs 23 through 25, above,
16 the Attorney General and HCD release and forever discharge any civil claim for declaratory
17 relief, damages, costs, attorneys’ fees, or penalties of any kind, against the City as prayed for in
18 the Complaint. This Judgment also releases and forever discharges any civil claim for damages,
19 costs, attorneys’ fees, or penalties of any kind against the City by HCD and the People related to
20 the disposition of Angel Stadium Property.

21 37. The Attorney General representing both the People and HCD in this action executes
22 this release in his, her, or their official capacity and releases only claims belonging to the
23 Attorney General and HCD.

24 38. This Judgment may be enforced only by the Parties hereto.
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MISCELLANEOUS PROVISIONS

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2 39. Except as provided by law, nothing in this Judgment shall abrogate the confidentiality
3 of any materials or information obtained by the Attorney General or HCD during its investigation
4 of the City.

5 40. Nothing in this Judgment shall be construed as relieving the City of the obligation to
6 comply with all local, state, and federal laws, regulations, or rules.

7 41. By stipulating to this judgment, the City is not intending to make any legislative
8 changes, approve any entitlements or take any other action requiring future public process, and
9 the City makes no representation or promise about the ultimate outcome of the process by which
10 any such actions might ultimately occur.

11 42. If any portion of this Judgment is held invalid by operation of law, the remaining
12 terms of this Judgment shall not be affected and shall remain in full force and effect.

13 43. Should the Brown Act litigation in *Peoples Homeless Task Force Orange County v.*
14 *City of Anaheim and SRB Management, LLC* (Orange County Superior Court Case No. 30-2020-
15 01135406), or any appeal thereto, result in the nullification of the City’s sale of Angel Stadium
16 Property to SRB, this Judgment shall be deemed immediately null and void.

17 44. The terms of this Judgment shall be governed by the laws of the State of California,
18 and shall be subject to all state laws, including state planning and permitting laws related to
19 housing, and the California Environmental Quality Act, where applicable.

20 45. Each of the parties to this Judgment shall bear their own fees and costs.

21 46. This Judgment contains the complete agreement entered into by the Attorney General,
22 HCD, and the City related to the conduct at issue. No promises, representations, or warranties
23 other than those set forth in this Judgment have been made by the Attorney General, HCD, or by
24 the City. This Judgment supersedes all prior communications, discussions, or understandings
25 regarding the City’s course of conduct with regards to the sale and disposition of Angel Stadium
26 Property as it relates to purported Surplus Land Act violations, whether oral or in writing.

27 47. The Attorney General, may, at his or her or their sole discretion, agree in writing to
28 provide the City with additional time to perform any act required by this Judgment.

1 48. The Judgment may be modified by a stipulation of the Parties as approved by the
2 Court, or by court proceedings resulting in a modified judgment of the Court.

3 49. Any failure by any party to this Judgment to insist upon the strict performance by any
4 other party of any of the provisions of this Judgment shall not be deemed a waiver of any of the
5 provisions of this Judgment, and such party, notwithstanding such failure, shall have the right
6 thereafter to insist upon the specific performance of any and all of the provisions of this
7 Judgment.

8 50. The use of headings in this Judgment is only for ease of reference, and the headings
9 have no legal effect and are not to be considered part of this Judgment.

10 51. Jurisdiction is retained by the Court for the purpose of enabling any party to the
11 Judgment to apply to the Court at any time for such further orders and directions as may be
12 necessary or appropriate for the construction or carrying out of this Judgment for enforcement of
13 compliance herewith, and for the punishment of violations hereof, if any.

14 52. The Parties agree and represent that any persons signing this Judgment are authorized
15 by proper authorities to execute this Judgment on their behalf. By signing below, the City agrees
16 to comply with all terms of the Judgment.

17 53. This Judgment may be executed in counterparts, and a facsimile or .pdf signature
18 shall be deemed to be, and shall have the same force and effect as, an original signature.

19 54. All notices shall be provided to the following via email and overnight mail. The
20 documents under paragraphs 26 through 34 shall be provided to the Attorney General via email:

21 City of Anaheim and City Council of Anaheim

22 Robert Fabela

23 City Attorney

24 City of Anaheim

25 200 S. Anaheim Blvd., Suite 356

26 Anaheim, CA 92805

27 rfabela@anaheim.net

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1 Department of Housing and Community Development
2 Megan Kirkeby
3 Deputy Director, Housing Policy Development
4 California Department of Housing and Community Development
5 2020 West El Camino Avenue, Suite 500
6 Sacramento, CA 95818
7 Megan.Kirkeby@hcd.ca.gov

8 Ryan Seeley
9 General Counsel
10 California Department of Housing and Community Development
11 2020 West El Camino Avenue, Suite 500
12 Sacramento, CA 95818
13 Ryan.Seeley@hcd.ca.gov

14 Signatory for the Attorney General
15 David Pai
16 Supervising Deputy Attorney General
17 Office of the Attorney General
18 P.O. Box 70550
19 Oakland, California 94612-0550
20 David.Pai@doj.ca.gov

21 Any Party may update its designee or address by sending written notice to the other Party
22 informing them of the change.

23 57. The Clerk is ordered to enter this Judgment forthwith.
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APPROVAL BY COURT

APPROVED FOR FILING and SO ORDERED this _____ day of _____,
2021.

Judge of the Superior Court

5095048.1