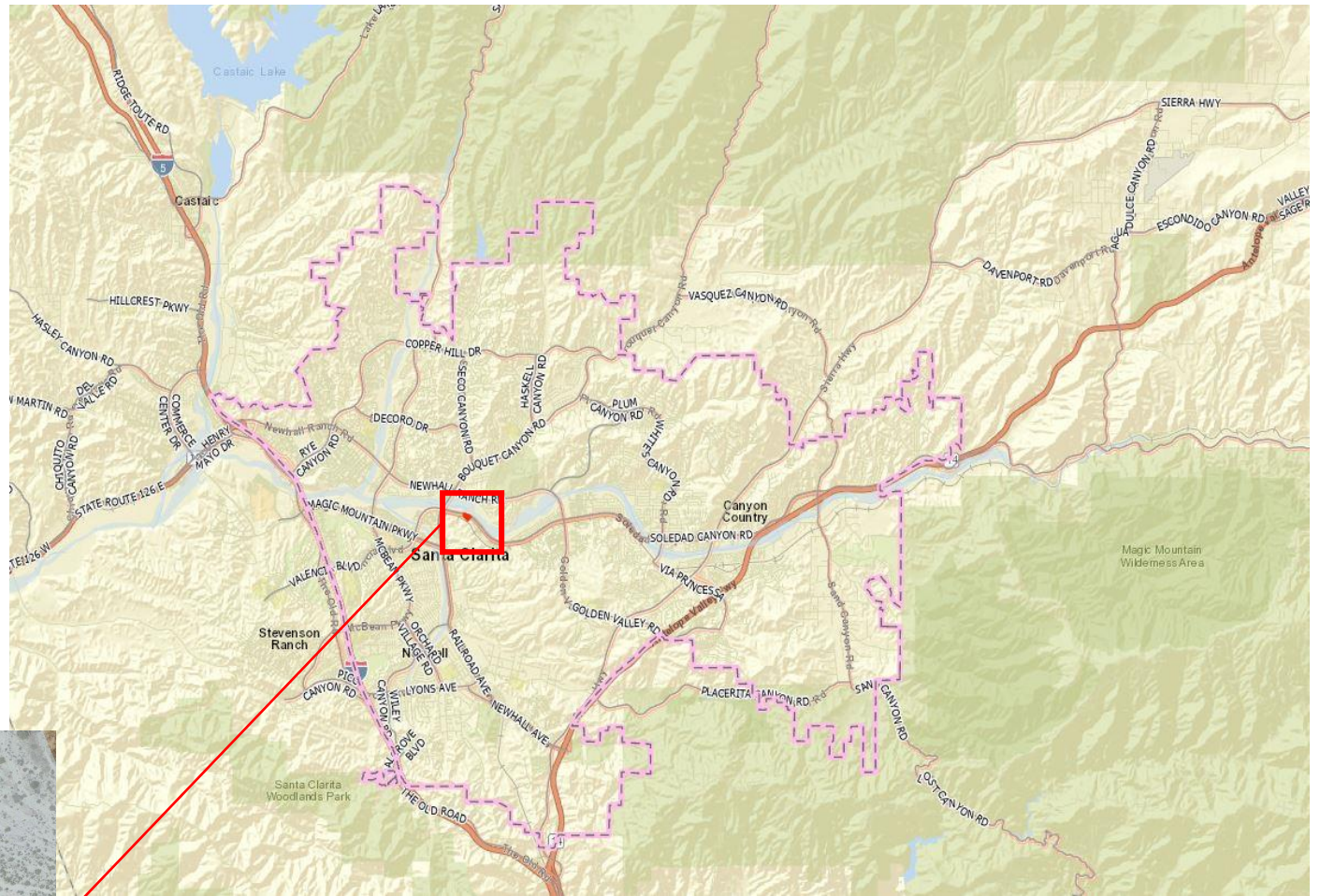




Discuss and Recommend Actions for Ground Property Lease at 22722 Soledad Canyon Road

Finance and Administration Committee
July 17, 2023

Location



Subject Property



ACTION Family Counseling

Action Family Counseling is an organization that provides services to the local community, including drug and alcohol treatment and non-profit support services in group settings to parents and teenagers to instill and teach positive behavior and life-skills for personal and family development.



Lease Expiration Options

Enter into a month-to-month tenancy upon the expiration date of September 30, 2023 on the same or new lease terms

Enter into a new lease on the same or new lease terms

Dispose of the property through the Surplus Lands Act (SLA) process



Financial Considerations

	Cost
Appraised value based on highest and best use, which has been found to be the present use.	*\$2,420,000.00
Current lease rate (per month) based on 5,520 SF X \$2.45 per SF. This rental rate is comparable to the rental rates for the local market (\$1.99 to \$2.65 per SF).	\$13,545.00

**SCV Water Appraisal*



Surplus Land Determination Process

(a) declare the land surplus or exempt surplus in a resolution supported by findings and adopted by the governing board in an open meeting,

(b) If the land is declared surplus, issue a notice of availability (“NOA”) of the property to, among others, California Housing Finance Agency (CalHFA)-certified housing sponsors who have requested notice of such surplus land and wait 60 days,

(c) negotiate in good faith for 90 days with any entity that submits a qualified notice of interest in response to the NOA, and

(d) if the local agency receives no such interest or cannot come to terms with an entity that has expressed interest within the 90-day negotiation period, obtain a letter of compliance from HCD allowing disposition of the property without regard to the SLA, and

(e) prior to sale, record a covenant against title to the property that if 10 or more units of housing are ever built on the land, at least 15% of those units must be affordable.



Option	Pro	Con
Month to Month	Shortest term	No long term security
New Agreement	Agency receives monthly income	Property unavailable during lease term for use or sale by SCV Water
	Clarification of terms and consistency of language	
	Community benefit through ACTION family counseling	
Disposal Through Surplus Lands Act Process	Agency would receive one time payment	Agency would no longer receive monthly income
		Lengthy process that may not produce the full fair market value
		Action Family may not continue to serve community in current capacity

Recommendation:

That the Finance and Administration Committee discuss and recommend actions for the Ground Lease Property at 22722 Soledad Canyon Road

