



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: A 17-007, **Version:** 1

- a. Find the action to be categorically exempt from CEQA;
- b. Approve a Lease Assignment and Acceptance Agreement accepting assignment of the amended lease agreement with Clinica de Salud del Valle de Salinas from the Successor Agency to the Redevelopment Agency of the County of Monterey;
- c. Accept transfer of ownership from the Successor Agency of Assessor's Parcel No. 117-323-013 located at 29 Bishop Street in the community of Pajaro;
- d. Authorize the Chair of the Board to sign the certificate of acceptance and consent to record the Grant Deed; and
- e. Direct the Clerk of the Board to record the deed.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Find the action to be categorically exempt from CEQA;
- b. Approve a Lease Assignment and Acceptance Agreement to accept assignment of the lease with Clinica de Salud del Valle de Salinas;
- c. Accept transfer of ownership from the Successor Agency to the Redevelopment Agency of the County of Monterey of Assessor's Parcel No. 117-323-013 located at 29 Bishop Street in the community of Pajaro;
- d. Authorize the Chair of the Board to sign the certificate of acceptance and consent to record the Grant Deed; and
- e. Direct the Clerk of the Board to record the deed.

SUMMARY:

The recommended action will implement the transfer of ownership of the property located at 29 Bishop Street in the community of Pajaro (APN 117-323-013) from the Successor Agency to the Redevelopment Agency of the County of Monterey to the County of Monterey in accordance with the provisions of the Successor Agency's Long-Range Property Management Plan. The County will continue the current uses on the property.

DISCUSSION:

California Assembly Bill 1X 26, enacted on June 28, 2011 and upheld by the California Supreme Court on December 29, 2011, dissolved all California redevelopment agencies effective February 1, 2012 through amendments to the California Health and Safety Code (the "Amended Code"). Pursuant to Sections 34173, 34175, and 34176 of the Amended Code, and by operation of law, the Successor Agency to the Redevelopment Agency of the County of Monterey has assumed the rights, duties, and obligations pertaining to all functions of the Original Agency, and as such has assumed the rights, duties, and obligations pertaining to the Property. Under the Amended Code, all property owned by (now former) redevelopment agencies must be disposed of, either through sale or other disposition, in accordance with a Long Range Property Management Plan (LRPMP) to be approved by the California Department of Finance ("DOF").

On April 18, 2014 the Oversight Board of the Successor Agency to the Redevelopment Agency of the County of Monterey submitted its LRPMP to the DOF. The LRPMP states that these properties are proposed to be transferred to the County to continue the existing uses under the terms of the existing leases.

On December 31, 2015 the DOF approved the disposition of the properties listed in the LRPMP in accordance with the Successor Agency's recommendations.

The subject property totals approximately 0.5 acre. The property was acquired by the former Redevelopment Agency in 1987 and has been in continuous public use since. The County has been managing and maintaining the property since 1988 under a Lease Agreement with the Redevelopment Agency. Although this lease expired in 2008 and was not renewed prior to dissolution of the Redevelopment Agency, the County has continued to manage and maintain the property. All costs to maintain and manage the property have been paid by the County from its facilities maintenance projects budget (Fund 401).

The property is developed with two buildings:

1. The 9,624 square foot three-story historic Porter-Vallejo Mansion. The building is a registered historical landmark, listed in both the Federal and State Register of Historical Places. The building currently houses a branch of the Monterey County Free Libraries, a Sheriff's Department field office, offices for other County departments, e.g. Social Services and the former Redevelopment Agency, and some "communal" meeting space. Office space has previously been rented or leased to other community groups, such as Together in Pajaro.

The 2nd and 3rd floors of the building do not comply with the Americans with Disabilities Act (ADA). Future lessees will be encouraged to scrutinize the premises' access and egress paths to be certain this historical building will meet their needs and those of clients they seeks to serve.

In addition, there is only one source of heat for the first floor, and no heat source for the 2nd and 3rd floors. These areas must be provided with proper heating before they may be rented or leased.

2. A separate 3,385 square foot building on this property was previously used for a Seniors' Community Center and a daycare facility. In 2010 the Redevelopment Agency leased the building to Clinica de Salud del Valle de Salinas to operate a non-profit medical clinic. The term of the lease expired in January 2016, and the parties have been continuing the operation of the lease on a two month-to-two month basis at the same rent, as provided for in the Lease Agreement. The Lease Agreement provided for two extensions of six years each, and the Clinica has expressed its desire to extend the lease and continue the operation of the medical clinic for another six years.

The Lease Agreement provided that when the Clinica's monthly rent payments reached a total of \$50,000, rent payments would cease, provided the Clinica continues to provide services to very-low-, low-, and moderate-income households, and operates the Premises for such services at least 15 hours a week. At the current rate of rent payment, the total amount paid by Clinica will reach \$50,000 in January 2018.

The Lease Agreement further required that the Agency was to deposit the Clinica's rent payments into a replacement reserve fund to be used for capital repairs and major maintenance for the exterior of the clinic building. Due to an oversight, the Agency did not place the rent payments into a reserve fund, and when the Redevelopment Agency was dissolved, all funds and assets of the Agency were subsumed by the State Department of Finance.

By separate action on this date, the Successor Agency approved an Amendment #1 and Renewal of the Lease Agreement to extend the term of the lease for six years to 2022, and to delete the provision for the

reserve fund.

The recommended actions are categorically exempt from CEQA in accordance with *CEQA Guidelines* Section 15325, Transfers of Ownership of Interest in Land to Preserve Existing Natural Conditions and Historical Resources.

By separate action on this date, the Board of Directors of the Successor Agency to the Redevelopment Agency of the County of Monterey approved the assignment of the Clinica de Salud lease as amended to the County, and approved the Grant Deed transferring ownership of the property to the County.

OTHER AGENCY INVOLVEMENT:

The office of County Counsel has reviewed this report and the attached documents as to form. County RMA and Successor Agency staff has been involved in all discussions relating to the potential transfer of properties owned by the Successor Agency.

FINANCING:

This action will have a no additional financial impact to the General Fund. RMA-Public Works and Facilities Division has been managing and maintaining the property since 1988 under a Lease Agreement with the former Redevelopment Agency. Although this lease expired in 2008 and was not renewed prior to dissolution of the Redevelopment Agency, the County has continued to manage and maintain the property. Costs to maintain and manage the property since 1988 have averaged approximately \$70,000 per year and in FY 2015-16 actual maintenance expenditures recorded against this facility was \$54,752, funded by the County from its facilities maintenance, grounds or facilities maintenance projects budgets. The County will continue to manage and maintain the property after transfer of ownership, with funding from RMA's Facilities Unit 8176 and Grounds Unit 8181 Appropriation Unit RMA006 and Fund 401 Facilities Maintenance Project Unit 8184 Appropriation Unit RMA004.

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Benny J. Young, PE, Interim Deputy Director, Public Works & Facilities

Approved by: Carl P. Holm, AICP, Director, Resource Management Agency

The following attachments are on file with the Clerk of the Board:

Attachment 1 - Vicinity Map

Attachment 2 - Lease Assignment and Acceptance Agreement

Attachment 3 - Grant Deed