



CITY OF
EL SEGUNDO

Options for Long-Term Operations **Park Vista**

City of El Segundo – Affordable Housing Strategy

RSG | June 2025

Background

- Park Vista is a City owned 97- unit senior affordable community
- 2018 Physical Needs Assessment identified approximately \$3.2 million dollars in capital needs over the next 10 years.
- City considering options to extend affordability and strengthen operations

LONG-TERM OPERATIONS EVALUATION CRITERIA

6/3/25

City of El Segundo | 350 Main St. El Segundo, CA 90245

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The logo for the City of El Segundo, featuring a circular emblem with a stylized sun or wave pattern and the text "CITY OF EL SEGUNDO" around it.
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Key Evaluation Criteria

Criteria

Considerations

Ownership & Control



Retention vs. Transfer

Financial Impacts



Upfront value, long-term return

Risk & Liability



Who's responsible for repairs, compliance, operations?

Affordability Assurance



Strength of legal commitments

Mission Alignment



Alignment with City's mission & housing goals

LONG-TERM OPERATIONS OPTIONS

Option 1 – Sell with Affordable Covenant

Sell the land and/or improvements with a 55-year affordability covenant recorded on title.

Pros

- Immediate revenue generation
- Transfer operations & financial burden
- Affordability through covenants

Cons

- Loss of long-term control
- Compliance monitoring
- Potential limited interest due to site restrictions
- Potential of tenant displacement

Option 2 – Long-term Ground Lease with Sale

City retains land ownership but leases it long-term to an affordable housing developer.

- Pros
- Maintains public ownership of land
- Affordability through covenants
- Potential ground lease revenue
- Cons
- May yield less financial return compared to sale
- Compliance monitoring
- Potential limited interest due to site restrictions
- Potential of tenant displacement

Option 3 – Refinance the Property

Refinance the existing asset to pull equity for reinvestment into Park Vista or other priorities.

Pros

- Maintains ownership
- Generates cashflow without sale
- Equity can be used for housing efforts or other capital improvements

Cons

- Subject to market conditions and property income
- Adds long-term debt
- City remains liable for operations

Option 4 – Maintain Ownership & Partner with a Mission Aligned Partner

City retains ownership and enters into long-term agreement with a qualified non-profit

Pros

- Maintains ownership
- Partners with mission-driven & experienced non-profit
- May improve of affordability of operations and services

Cons

- City remains liable for operations
- Potential for limited interest with ownership stake

QUESTIONS?

Requested Council Direction

1. Receive and file a report on long-term operations of the Park Vista senior housing facility.
2. Provide direction to staff to further pursue any options presented.
3. Alternatively, discuss and take other action related to this item.