

MEMO

To: Corri Feige– Resource Management Committee Chair
Date: 10/16/2025
Re: Request to Lease Trust Land at Less than Fair Market Value
Grant Amount: ~~\$357,404~~ for one year – the annual grant amount is determined by the difference between the fair market value of the property and below market lease amount
Grant Term: 1-year lease
Grantee: Catholic Social Services
Project Title: Catholic Social Services Less than Fair Market Value Lease

REQUESTED MOTION:

The Resource Management Committee recommends the Full Board approve the annual lease rent of \$37,000 for a 1-year lease for Lot 1, Block 1 of the Community Park Loop Subdivision, Plat 85-218, containing 3.46 acres, in Anchorage, Alaska to Catholic Social Services.

Assigned Program Staff: Heather Phelps

STAFF ANALYSIS

Catholic Social Services requests a one year-term lease at less than fair market value for the real property located at 3710 East 20th Avenue, Anchorage, Alaska. Catholic Social Services (CSS) currently uses this property for the St. Francis House Food Pantry and the storage of household goods. CSS subleases a portion of the property to Kids' Corp. In 2023, the St. Francis House Pantry served over 4,700 households and almost 14,000 people, who came to seek relief from hunger or food insecurity. A recent survey of program recipients shows that approximately 29% of households reported themselves or a family member who experienced a mental health condition that qualifies them as a Mental Health Trust beneficiary. Extrapolating the survey results to the population served, the pantry serves approximately 4,040 AMHTA Beneficiaries or household members each year.

The sublessee, Kids' Corp, provides a Head Start program. They serve approximately 80 children who are Mental Health Trust beneficiaries, about 30% of all children enrolled in the program.

Additionally, about 20% of the parents are Mental Health Trust beneficiaries living in poverty according to federal poverty guidelines.

The last executed lease for CSS predates the Alaska Mental Health Trust Authority and was executed on 5/1/1986 and expires on 5/31/2026. The sublease to Kids' Corp commences on 6/1/2010 and expires on 5/31/2026.

Due to the unique circumstances for this property (an existing sublease, not serving 100% Trust beneficiaries, and the agreements of the original lease predate the Alaska Mental Health Trust Authority), TAO staff and the TLO real estate staff met with CSS staff, including their interim Executive Director, on 9/3/2025 to discuss potential options regarding the property. At the time, TAO presented that CSS could purchase the property, change their business model on the property, and serve a higher percentage of Trust beneficiaries, or do a below fair market lease for one year, as CSS decides a plan. Based on this discussion, CSS revised their initial request and opted for a one-year lease at 1% of the property appraisal. CSS sent a letter on 9/26/25 to TAO staff with this revised request. Based on CSS's letter dated 9/25/25, they requested that the current lease be extended until May 31, 2027, at the offered rate of 1 % of the property's value (equivalent to \$37,000 annually) with the option to terminate early without penalty. CSS further requests that the extension allow them to maintain Kids' Corps, Inc. as a tenant.

Trust Authority Office staff has determined that sufficient information was provided by the organization, per 20 AAC 40.710, to warrant a less than fair market value lease, and that the project aligns with the Mental Health and Addiction Intervention focus area to serve Trust beneficiaries.

Staff recommend the approval of a lease of Trust land at less than fair market value under 20 AAC 40.710.

COMP PLAN IDENTIFICATION

Area of Focus	Objective	Comments
Area of Focus 3: Economic & Social Well-being	3.4 Enhance timely access to basic needs services	

PROJECT DESCRIPTION

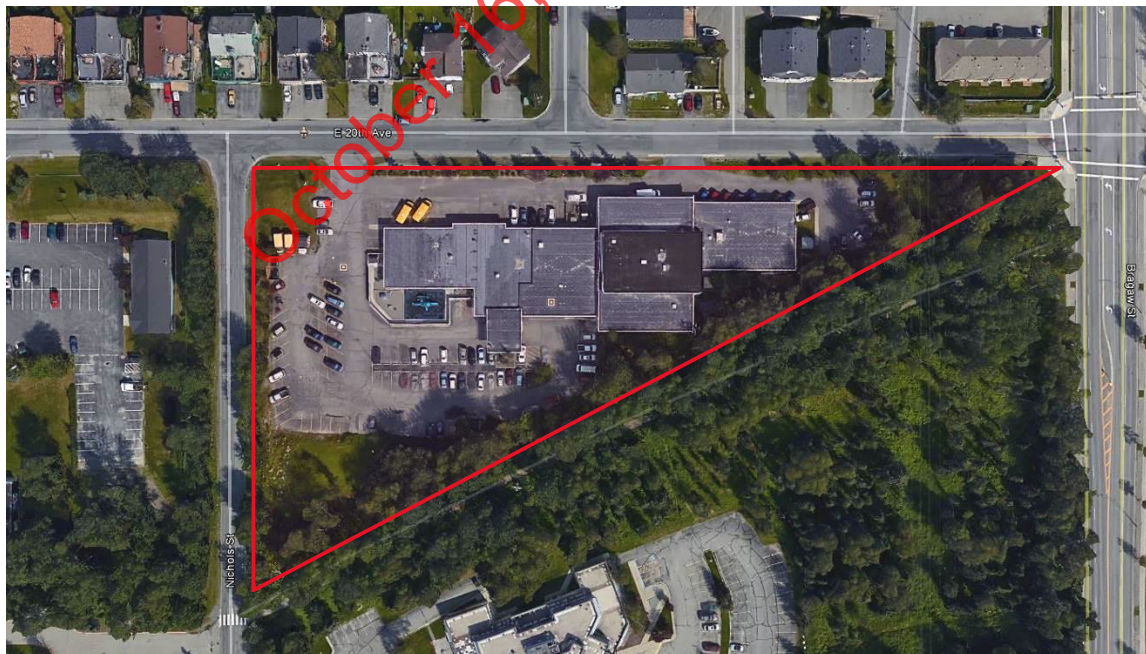
Catholic Social Services sent a letter to the Trust Authority staff requesting a long-term lease at less than fair market value under 11 AAC 99.110 and 20 AAC 40.710 to continue providing behavioral health services to Trust beneficiaries at the property

located at 3710 East 20th Avenue, Anchorage, Alaska. Their initial letter requested a 15-year lease with a nominal annual lease of \$1,200. Based on conversations with Trust Authority staff, they revised this request for a one-year lease with a \$37,000 lease rental fee. CSS sent a letter on 9/26/25 to TAO staff with this revised request. Based on CSS's letter dated 9/25/25, they requested that the current lease be extended until May 31, 2027, at the offered rate of 1 % of the property's value (equivalent to \$37,000 annually) with the option to terminate early without penalty. CSS further requests that the extension allow them to maintain Kids' Corps, Inc. as a tenant.

At this location, CSS estimated that they serve approximately 4,040 Trust beneficiaries annually. This location includes storage for household goods and an existing sublease with Kids' Corp, which serves about 30% Trust beneficiaries. CSS will continue to use the property to address the food and household good needs of Trust beneficiaries in the Anchorage community.

PARCEL DESCRIPTION

The portions of the real property are legally described as Community Park Alaska Subdivision, Block 1, Lot 1, Section 21, Township 13 North, Range 3 West, Seward Meridian, Alaska. Plat # 85-218. The tax identification number of the property contains two MOA (Municipality of Anchorage) tax identification numbers: 004-171-30-000 (Land) and 004-171-22-001 (Improvements). The Trust owns the land and buildings. Area: 30,408 square feet and 3.46 acres, more or less. The real property is generally consistent with the following exhibit below.



PROJECT BUDGET

Grantee	Initial Appraised Value	Annual LTFMV Rent	LTFMV Rent Percent of Appraised Value	Initial Appraised Annual FMV Rent	Term	Total "granted" annually	Total "granted" for term
Catholic Social Services	\$ 3,700,000	\$ 37,000	1.00%	\$394,404	1	\$357,404	\$357,404

WHO WE SERVE

Catholic Social Services was founded in 1966. CSS serves those most in need by working to end poverty, create opportunity, and advocate for just communities. Their programs help over 10,000 children, families, and individuals each year. They provide shelter, meals, employment assistance, and medical care to those experiencing homelessness. They assist children and their families, help immigrants and refugees adjust to life in Alaska, and serve people with disabilities. CSS's mission is to promote the physical, spiritual, and mental welfare of persons in need in the community.

ESTIMATED NUMBERS OF BENEFICIARIES SERVED EXPERIENCING:

Mental Illness:	4040
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Attached Exhibits:

1. Trust Authority Suitability Request Letter
2. Trust Land Office Suitability Letter
3. Catholic Social Service's Request for Less than Fair Market Letter dated 8/21/25
4. Catholic Social Service's Request for Less than Fair Market Letter dated 9/25/25

Jusdi Warner
Executive Director, Trust Land Office
Department of Natural Resources
Jusdi.warner@alaska.gov

September 26, 2025

Trust Authority Office (TAO) staff requests that the Trust Land Office (TLO) determine whether the Trust Land MH Parcel of the real property located at 3710 East 20th Avenue, Anchorage, AK, is suitable for the use proposed by Catholic Social Services (CSS). The portions of the real property are legally described as Community Park Alaska Subdivision, Block 1, Lot 1, Section 21, Township 13 North, Range 3 West, Seward Meridian, Alaska. Plat # 85-218. The tax identification number of the property contains two MOA (Municipality of Anchorage) tax identification numbers: 004-171-30-000 (Land) and 004-171-22-001 (Improvements). The Trust owns the land and buildings. Area: 30,408 and 3.46, more or less. The real property is generally consistent with the following exhibit below.



Catholic Social Services has provided a letter requesting an annual-term lease for the property below market value under 11 AAC 99.110 and 20 AAC 40.710. Catholic Social Services occupies the existing property located at 3710 East 20th Avenue under a current long-term partnership with the Alaska Mental Health

Trust Authority. Catholic Social Services subleases a portion of the building to Kids' Corp. The last executed with CSS lease predates the Alaska Mental Health Trust Authority and was executed on 5/1/1986 and expires on 5/31/2026. The sublease to Kids' Corp commences on 6/1/2010 and expires on 5/31/2026. Catholic Social Services currently uses the property for the St. Francis House Food Pantry and the storage of household goods. In 2023, the St. Francis House Pantry served over 4,700 households and almost 14,000 people, who came to seek relief from hunger or food insecurity. A recent survey of program recipients shows that approximately 29% of households reported themselves or a family member who experienced a mental health condition that qualifies them as a Mental Health Trust beneficiary. Extrapolating the survey results to the population served, the pantry serves approximately 4,040 AMHTA Beneficiaries or household members each year.

The sublessee, Kids' Corp, provides a Head Start program. They serve approximately 80 children who are Mental Health Trust beneficiaries, about 30% of all children enrolled in the program. Additionally, about 20% of the parents are Mental Health Trust beneficiaries living in poverty according to federal poverty guidelines.

The initial request dated August 21, 2025 and the revised request dated September 25, 2025 are both attached and summarized below:

1. Letters from the Catholic Social Services requesting the use of Trust land at less than fair market value, an organization that serves approximately 29% Trust beneficiaries annually.
2. The 8/21/25 request includes the Catholic Social Services contact information.
3. The 8/21/25 request included a sufficient property description to identify the location and area to be used.
4. Catholic Social Services has requested to pay less than fair market value for the one year-term lease of the land to continue providing food pantry services and provide storage for household goods.
5. Catholic Social Services requested a 15-year lease in their 8/21/05 letter and revised the request to a 1 year lease in their 9/25/25 letter.
6. Catholic Social Services initially requested a nominal annual lease fee of \$1,200. However, they revised their request in a letter dated 9/25/25, requesting that the current lease be extended until May 31, 2027, at the offered rate of 1 % of the property's value (equivalent to \$37,000 annually) with the option to terminate early without penalty. CSS further requests that the extension allow them to maintain Kids' Corps, Inc. as a tenant.

With the information above, the TAO staff has determined that the organization has provided sufficient information as guided by 20 AAC 40.710. Due to the unique circumstances for this property (an existing sublease, not serving 100% Trust beneficiaries, and the agreements of the original lease predate the Alaska Mental Health Trust Authority), TAO staff and the TLO real estate staff met with CSS staff, including their interim Executive Director, on 9/3/2025 to discuss potential options regarding the property. At the time, TAO presented that CSS could purchase the property, change their business model on the property, and serve a higher percentage of Trust beneficiaries, or do a below fair market lease for one year, as CSS decides a plan. Based on this discussion, CSS revised their initial request and opted for a one-year lease at 1% of the property appraisal.

The TAO staff have reviewed the CSS appraisal conducted in June 2025 and have determined that a 1% for a one-year lease is recommended for a one time annual below fair market lease of \$37,000. Please advise whether the land is suitable for the use proposed by CSS and what the TLO has determined to be the estimated fair market rental value of the use as required by 20 AAC 40.710.

Sincerely,

Eric D. Boyer, MPH
Senior Program Officer, TAO

Cc: Dr. Mary Wilson, CEO TAO
Katie Baldwin-Johnson, COO TAO
Jeff Green, Deputy Director TLO



Trust
Land Office

Eric D. Boyer, MPH
Senior Program Officer
Alaska Mental Health Trust Authority
eric.boyer@alaska.gov

2600 Cordova Street, Suite 201
Anchorage, AK 99503
Tel 907.269.8658
alaskamentalhealthtrust.org/trust-land-office/

September 26, 2025

The Trust Land Office (TLO) has reviewed the request from the Alaska Mental Health Trust Authority Staff, received September 23, 2025, to determine the suitability of the proposed use of Trust property, estimated fair market value and annual rent, and use requested by Catholic Social Services (CSS).

The parcel involved in the proposed use is SM-1523 and is legally described as Community Park Alaska Subdivision, Block 1, Lot 1, Section 21, Township 13 North, Range 3 West, Seward Meridian, Alaska. Plat # 85-218.

The property is located at 3710 East 20th Avenue, Anchorage. The parcel comprises 3.46 acres and is improved with a 30,408-square foot commercial office building. It is currently zoned PLI, Public Lands and Institutions; this zoning designation is intended to provide for major public and quasi-public civic, administrative, and institutional uses and activities. Given the parcel size, building characteristics, and zoning, it is the TLO's conclusion that the parcel is suitable for the proposed use by CSS.

In July 2025, the TLO had the fair market value of the parcel and structure, including the fair market rent, appraised by Black-Smith, Bethard & Carlson, LLC. The appraisal used a sales approach of similar properties within the region that recently sold or leased and determined the fee simple fair market value of the land and improvements to be \$3,700,000.00. The lease for these types of structures on the parcel in this market area was appraised to be \$1.75-2.10 per square foot on a gross basis, making the estimated fair market lease rental of the structure to be \$703,714 annually; net of operating expenses, the triple net equivalent fair market lease rental of the structure would equal \$394,404 annually. Please contact the TLO with any additional questions.

Sincerely,
Signed by:

Jusdi Warner

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Jusdi Warner

Executive Director
Trust Land Office



Catholic Social Services

4600 Debarr Road, Suite 201, Anchorage, AK 99508 • (907) 222-7300 • Fax (907) 258-1091 • cssalaska.org

3rd Avenue Resource &
Navigation Center

August 21, 2025

Brother Francis
Shelter

Eric Boyer, MPH
Senior Program Officer
Alaska Mental Health Trust Authority
3745 Community Park Loop, #200
Anchorage, AK 99508

Clare House

Complex Care

Family Disability
Services

Dear Eric,

Homeless Family
Services

Thank you for your support of Catholic Social Services regarding the lease renewal for the property on 3710 East 20th Avenue (Plat# 850218). As requested in the statute/guidelines, the contact information for Catholic Social Services is as follows:

Refugee Assistance &
Immigration Services

Leslie T. Maiman, Jr., D. Min.
Interim Executive Director
Catholic Social Services
4600 Debarr Road
Anchorage, AK 99508
907-222-7351

lmaiman@cssalaska.org

Alaska Office
for Refugees

St. Francis House
Food Pantry

Supportive Family
Services

A description of the property that we seek to continue to use is as follows:
Lessee: Catholic Social Services

- PARID: 0041713000
- Property: A developed parcel containing a low-rise commercial office building. The Trust owns the land; Catholic Social Services owns the building.
- Area: 150,875 square feet
- Address: 3710 East 20th Avenue, Anchorage, Alaska, 99508
- Plat#: 850218
- Location: Grid# SW1535, Community Park Alaska, BLK 1 Lot 1

Since approximately 1966, Catholic Social Services has provided services to Anchorage's most vulnerable populations, empowering individuals and families on their path to permanent stability.

While Catholic Social Services has recently moved many of its administrative positions to a new location, the 3710 E. 20th property remains home to the St. Francis House Food Pantry, storage of household goods, and the Kids Corps early learning center, a long-term tenant.

Over the last forty years or more, Catholic Social Services has operated its St. Francis House Food Pantry from 3710 E. 20th Avenue. In 2023 the St. Francis House Pantry served over 4,700 households and almost 14,000 people, who came to seek relief from hunger or food insecurity. A recent survey of program recipients shows that approximately 29% of households reported themselves or a family member who experienced a mental health condition that qualifies them as a Mental Health Trust beneficiary. Extrapolating the survey results to the population served, the pantry serves approximately 4,040 AMHTA Beneficiaries or household members each year.

Kids' Corps, Inc. is a Head Start program focusing on childcare and early childhood development. They serve approximately 80 children that are Mental Health Trust beneficiaries, about 30% of all children enrolled in the program. Additionally, about 20% of the parents are Mental Health Trust beneficiaries living in poverty according to federal poverty guidelines.

In addition to the clients that come directly to the center to receive services in a Head Start program or at the food pantry, almost all of CSS' clients benefit from the services the building offers. For instance, food from the pantry is distributed at all three of CSS' homeless shelters. Furthermore, CSS maintains about 5,000 square feet of household good storage at 3710 E. 20th Ave. The furniture, clothing, bedding etc. is provided to people moving into housing from homelessness and to our newly arrived refugees. Most clients experiencing homelessness or fleeing war torn countries experience conditions that would qualify them as Trust Beneficiaries. Without a storage location, CSS would need to rely on purchased goods which would ultimately mean that less financial support would be provided to Trust Beneficiaries as some of it would be redirected to purchasing move-in supplies.

Retaining affordable property to house our St. Francis House food pantry is a key component of CSS being able to continue to provide food access to over 3,500 Trust Beneficiaries. It also allows us to leverage the impact of public and private funds we direct to refugee resettlement and housing insecurity, providing a significant net benefit to a wide swath of trust beneficiaries in Anchorage.

Because CSS is paying less than market rate rent for the land located at 3710 E 20th Avenue, the pantry is able to distribute over 700,000 pounds of food to low-income Alaskans, and support household good distribution to over 250 households of refugees and people experiencing homelessness each year. The collection and distribution of food and household goods is supported almost exclusively by philanthropic giving and unrestricted funds at CSS. An increase in occupancy costs would likely yield a corresponding decrease in service delivery at the site. It would also likely result in an increase in rent charged to Kids Corps which would also their bottom line and potentially their ability serve Beneficiaries.

Catholic Social Services desires to maintain use of the property and continue to provide services at 3710 E. 20th Avenue and is asking for a fifteen-year land lease at \$1,200 per annum.

Respectfully,

Leslie T. Maiman, Jr., D. Min.

Enclosures: ATTACHMENT 1, Saint Francis House Food Pantry Statistics
CC: CSS Reading File, Other AMHTA staff

October 16, 2025 PMC Meeting

ATTACHMENT 1, Saint Francis House Food Pantry Summary Statistics

Survey Information

Total Households Served CY 2023	4,757
Total Clients Served CY 2023	13,946
Surveyed Households about MHT Beneficiary Status	138
Number of Households Reporting at least one qualifying condition	40
Percent of Households with a qualifying condition in survey	28.99%
Sampling Error at 95% confidence Level	9%
Lowest % of Households with MHT Beneficiary if 100% surveyed (95% CI)	26.38%
Highest % of Households with MHT Beneficiary if 100% surveyed (95% CI)	31.59%

Estimate of Clients Receiving Food from the Pantry that have a AMHTA Beneficiary in their Household (95% CI)

Low Estimate	3,679
Middle Estimate	4,042
High Estimate	4,406



Catholic Social Services

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September 25, 2025

Eric Boyer, MPH
Senior Program Officer
Alaska Mental Health Trust Authority
3745 Community Park Loop, #200
Anchorage, AK 99508

Re: Lease at 3710 East 20th Avenue (Plat# 850218)

Dear Eric,

Thank you for the information and guidance you provided on the lease renewal for the building at 3710 East 20th Avenue, which has housed Catholic Social Services programs and the St. Francis House Food Pantry for nearly forty years. CSS appreciates the Trust's consideration and the thoughtful options presented at our September 12, 2025, meeting.

Given the need to relocate the St. Francis House Food Pantry and other operations currently based at 3710, CSS formally requests that the current lease be extended until May 31, 2027, at the offered rate of 1% of the property's value (equivalent to \$37,000 annually), with the option to terminate early without penalty. CSS further requests that the extension allow us to maintain Kids Corps, Inc. as a tenant.

This glide-path extension will allow CSS to plan and implement the transition with minimal disruption to the more than 4,000 Trust Beneficiaries and their families who receive food, household goods, or related services through this location each year.

CSS has long valued its collaboration with the Trust and looks forward to continuing that relationship in service of Alaskans who experience mental illness, homelessness, poverty, and other challenges.

Best Regards,

Leslie T. Maiman, Jr., D. Min.
Interim Executive Director