



SAN DIEGO
HOUSING
COMMISSION

“We’re About People”

San Diego Housing Commission (SDHC) Quality Inn & West Park Inn – Property Acquisition & Transfer September 8, 2017

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Real Estate Division





Quality Inn & West Park Inn – Property Acquisition & Transfer Recommendations

That the San Diego Housing Commission (SDHC) Board approve the following actions:

- Authorize the Executive Vice President & Chief of Staff, or designee, to execute documents necessary to allow SDHC to acquire the Quality Inn and West Park Inn properties, located at 1830 & 1840 Fourth Avenue, San Diego;
- Ratify the execution of a Purchase and Sale Agreement dated March 9, 2017;
- Authorize the Executive Vice President & Chief of Staff, or designee, to perform such actions as are necessary to acquire the properties for a negotiated price not to exceed \$15,190,000;
- Authorize the Executive Vice President & Chief of Staff to execute and record an affordability covenant against the property for 65 years, with all of the units remaining affordable at or below 80 percent of the San Diego Area Median Income (AMI);
- Ratify the funding of the refundable escrow deposit of \$200,000;



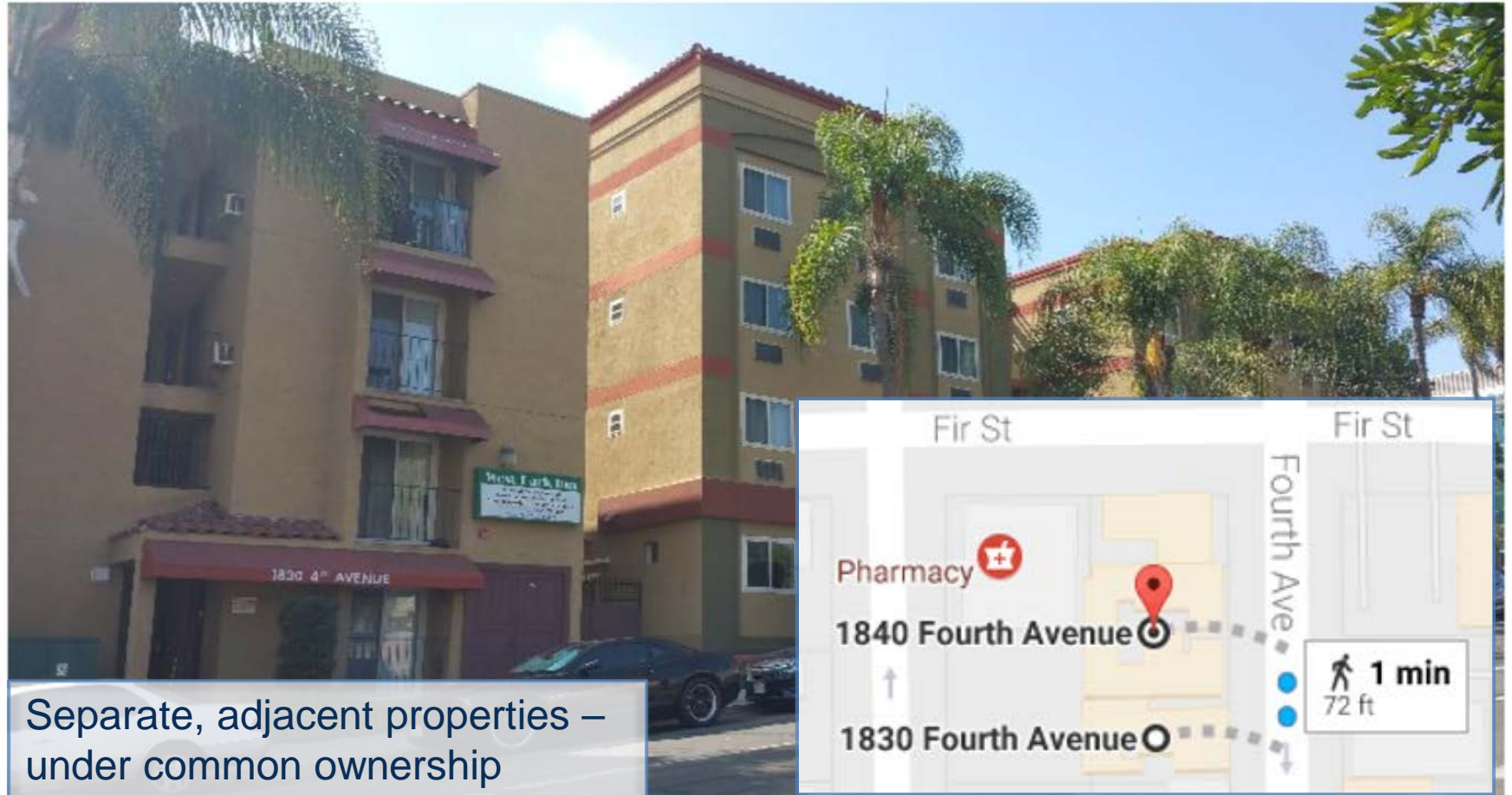


Quality Inn & West Park Inn – Property Acquisition & Transfer Recommendations (Continued)

- Authorize the Housing Commission to provide property management services or procure a new property management company;
- Authorize the utilization of up to \$7.7 million in Moving to Work funds and up to \$8.2 million in local funds to purchase the properties;
- Authorize the Executive Vice President & Chief of Staff, or designee, to substitute approved funding with locally generated revenue (lease or rental) and/or any other available funds as deemed appropriate, contingent upon budget availability;
- Authorize SDHC to enter into a 65-year Ground Lease Agreement with a to-be-formed entity(ies) of which Housing Development Partners (HDP), SDHC's nonprofit affiliate, is the managing member, for the transfer of the property;
- Authorize the Executive Vice President & Chief of Staff to execute all documents and instruments necessary to implement these approvals;
- Approve all budgets associated with this potential acquisition.

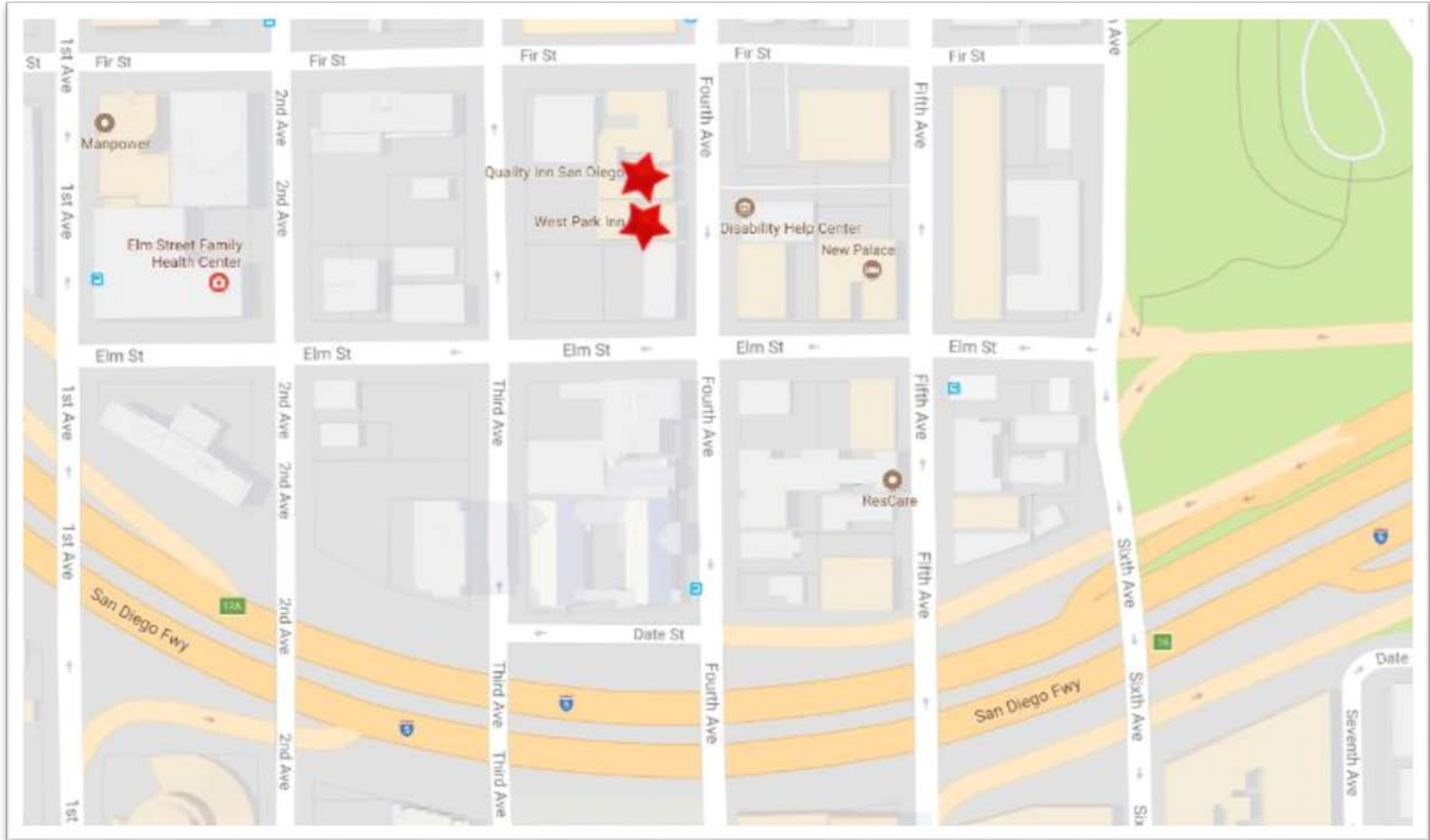


Quality Inn & West Park Inn – Property Acquisition & Transfer Site Location – 1830 & 1840 Fourth Avenue



Quality Inn & West Park Inn – Property Acquisition & Transfer

Site Location – 1830 & 1840 Fourth Avenue (Continued)





Quality Inn & West Park Inn – Property Acquisition & Transfer Property Details

Year Built	1990 (Quality Inn) and 1989 (West Park Inn)
Number of Units	139 total (92 at Quality Inn; 47 at West Park Inn)
Current Population	Market-Rate Nightly Hotel Residents & Short-Term Rentals
Current AMI Restriction	None
Proposed Unit Mix	SRO & Studio Rentals; Permanent Supportive Housing
Proposed AMI Restrictions	80% of AMI
Social Services	On-Site Social Services for Permanent Supportive Housing Units





Quality Inn & West Park Inn – Property Acquisition & Transfer Benefits

- Advances objectives of HOUSING FIRST – SAN DIEGO: 2018-2020
- Opportunity to rapidly house displaced Single-Room Occupancy Population & Homeless Individuals
- Creation of new Affordable Housing by utilizing an existing resource
- Minimal Relocation: 99% vacant at close of sale
- Downtown Adjacent Location (Bankers Hill)
- Close Proximity to Social Services & Area Amenities (Balboa Park)





Quality Inn & West Park Inn – Property Acquisition & Transfer Financial Highlights

Purchase Price	\$15,190,000
Appraised Value	\$15,700,000
Price Per Unit	\$113,696
Estimated Rents	\$706 - \$942 Per Unit
Market Rents	\$760 - \$1,300 Per Unit
Rental Subsidy	Section 8 Required for Permanent Supportive Housing Units



Quality Inn & West Park Inn – Property Acquisition & Transfer Site Photos



West Park Inn



Quality Inn & West Park Inn – Property Acquisition & Transfer Site Photos (Continued)



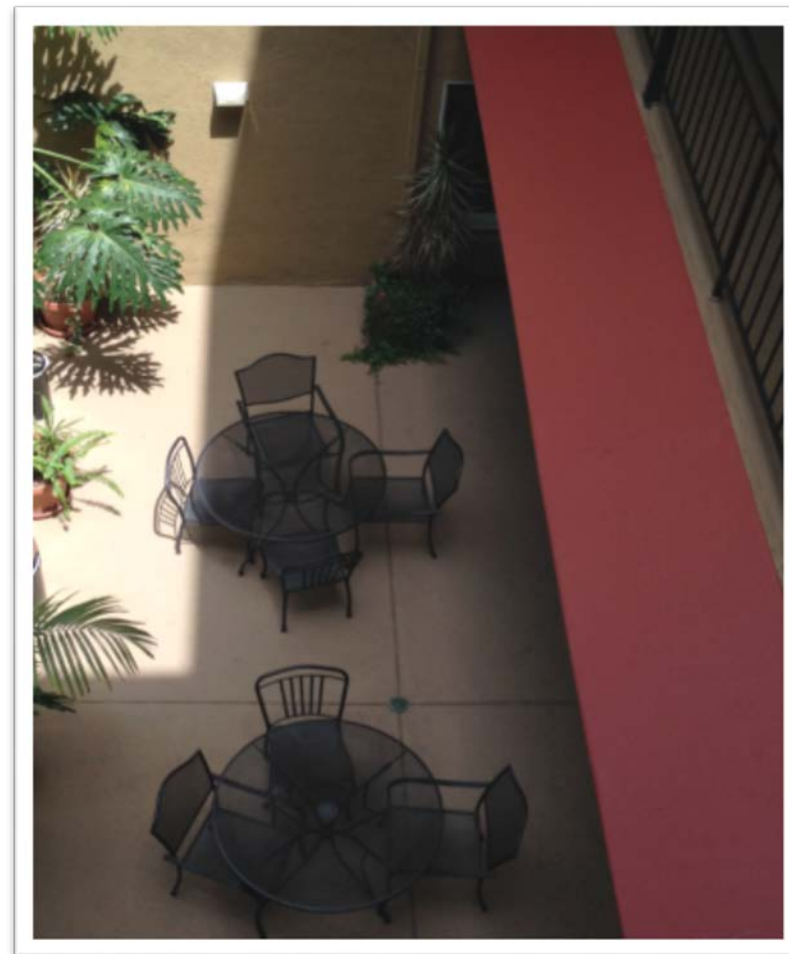
Quality Inn



Quality Inn & West Park Inn – Property Acquisition & Transfer Site Photos (Continued)



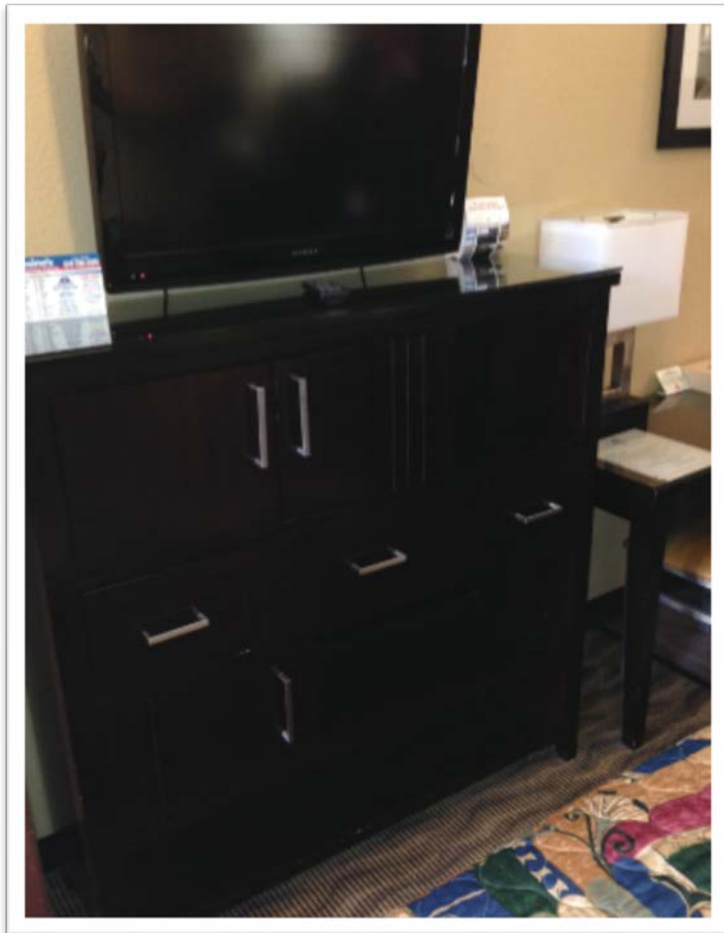
Quality Inn



Quality Inn



Quality Inn & West Park Inn – Property Acquisition & Transfer Site Photos (Continued)



Quality Inn



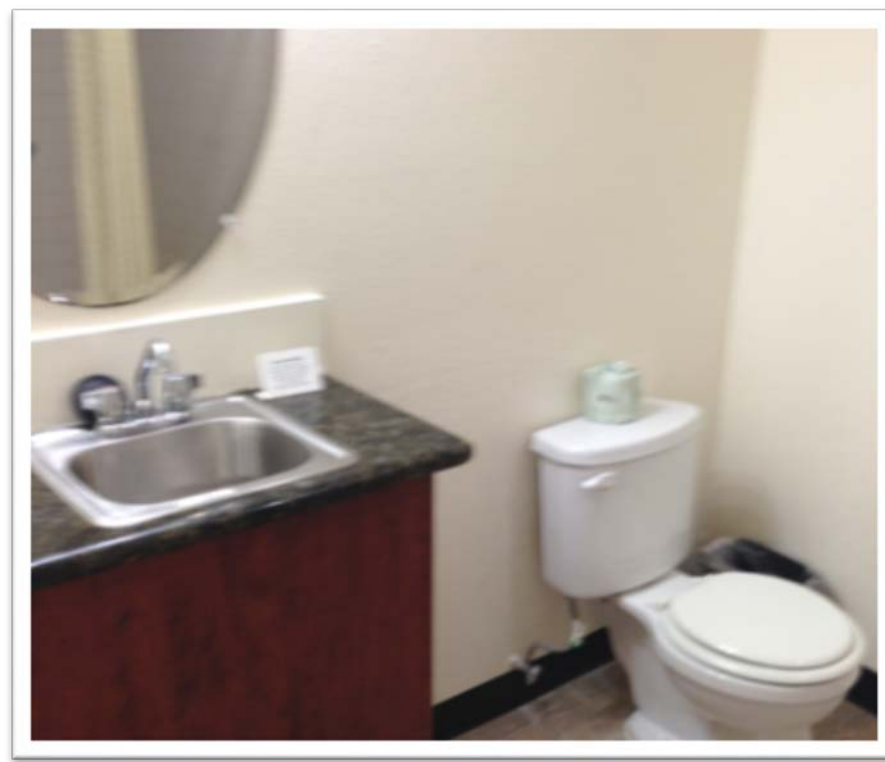
Quality Inn



Quality Inn & West Park Inn – Property Acquisition & Transfer Site Photos (Continued)



Quality Inn - Kitchenette



West Park Inn - Bath



Quality Inn & West Park Inn – Property Acquisition & Transfer Site Photos (Continued)



Quality Inn



West Park Inn





Quality Inn & West Park Inn – Property Acquisition & Transfer

Questions & Comments

