



SAN DIEGO
HOUSING
COMMISSION

We're About People

San Diego Housing Commission (SDHC)
Homekey Funds for Proposed Acquisition of Ramada Inn (Pacific Village)
at 3737-3747 Midway Drive
Presentation to the SDHC Board of Commissioners
November 20, 2023

Emily S. Jacobs
Executive Vice President of Real Estate
San Diego Housing Commission

Buddy Bohrer
Vice President of Real Estate Finance and Acquisitions
Real Estate Division



Proposed Ramada Inn Acquisition Introduction

- Homekey is a statewide program designed to rapidly produce housing for persons experiencing homelessness or at risk of homelessness.
 - \$736 million available statewide through a Notice of Funding Availability (NOFA) issued March 29, 2023.
 - \$34 million set aside for San Diego region’s local geographic pool
 - San Diego region may also apply for a competitive statewide pool of funds.
- State has awarded \$20,750,000 to SDHC for two projects to date.
 - Ramada Inn
 - Abbott Street Apartments



Proposed Ramada Inn Acquisition Previous Board Actions

- **July 8, 2022:** The SDHC Board of Commissioners (Board) voted 5-0 to authorize SDHC to execute a Purchase and Sale Agreement (PSA) to acquire the Ramada Inn at 3737-3747 Midway Drive, San Diego, CA 92110, in Council District 2.
 - July 28, 2022: The PSA was fully executed.
- **May 12, 2023:** The SDHC Board voted 4-0 to authorize SDHC to apply for funding through the third round of the State of California’s Homekey program for the proposed acquisition and rehabilitation of the Ramada Inn property.
 - June 6, 2023: SDHC applied for \$16,850,000 in Homekey Program grant funds to support the acquisition and rehabilitation of the Ramada Inn, to be known as Pacific Village.



Proposed Ramada Inn Acquisition Funding Award

- The State of California has awarded \$16,850,000 in Homekey program funds to SDHC for the proposed purchase and rehabilitation of the Ramada Inn property.
- SDHC has committed 62 Project-Based Housing Vouchers (PBV) to help pay rent for residents.
 - 15 will be Veterans Affairs Supportive Housing (VASH) vouchers for veterans experiencing homelessness.
- Homekey Key Performance Requirements:
 - All Homekey funds are to be spent within 8 months of award.
 - All construction/rehabilitation must be completed within 12 months of award letter.
 - Full occupancy must be achieved by 15 months from the date of the award letter.



Proposed Ramada Inn Acquisition Subject Property

Ramada Inn – to be known as Pacific Village 3737-3747 Midway Drive, 92110 Council District 2

- Midway / Sports Arena
- Constructed circa 1959
- 64 existing rooms (post-rehab: 62 units)
- 1 Building – two-story walk-up



Proposed Ramada Inn Acquisition Completed Due Diligence

- Appraisal
 - Peer Review of Appraisal
 - County of San Diego Appraisal Review
- Physical Needs Assessment
- Hazardous Materials
- Phase 1 Environmental Site Assessment
- Pest Inspection
- Sewer Line Inspection
- Zoning Conformance Review



Proposed Ramada Inn Acquisition Sources and Uses of Funds

SOURCES	Cost	Per Unit
Local Match Funding - City of San Diego	\$5,921,281	\$93,989
Local Match Funding - County of San Diego	\$5,921,281	\$93,989
State Homekey Funds	\$16,850,000	\$267,460
Total Project Sources	\$28,692,562	\$455,438

USES	Cost	Per Unit
Land/Acquisition	\$11,623,000	\$184,492
Design & Engineering	\$1,148,675	\$18,233
Legal/Financial/Other Consultants	\$346,876	\$5,506
Permits & Fees	\$428,004	\$6,794
Direct Building Construction	\$13,149,934	\$208,729
Reserves	\$687,777	\$10,917
Hard Cost Contingency	\$1,270,192	\$20,161
Soft Cost Contingency	\$38,104	\$605
Total Project Uses	\$28,692,562	\$455,438



Proposed Ramada Inn Acquisition

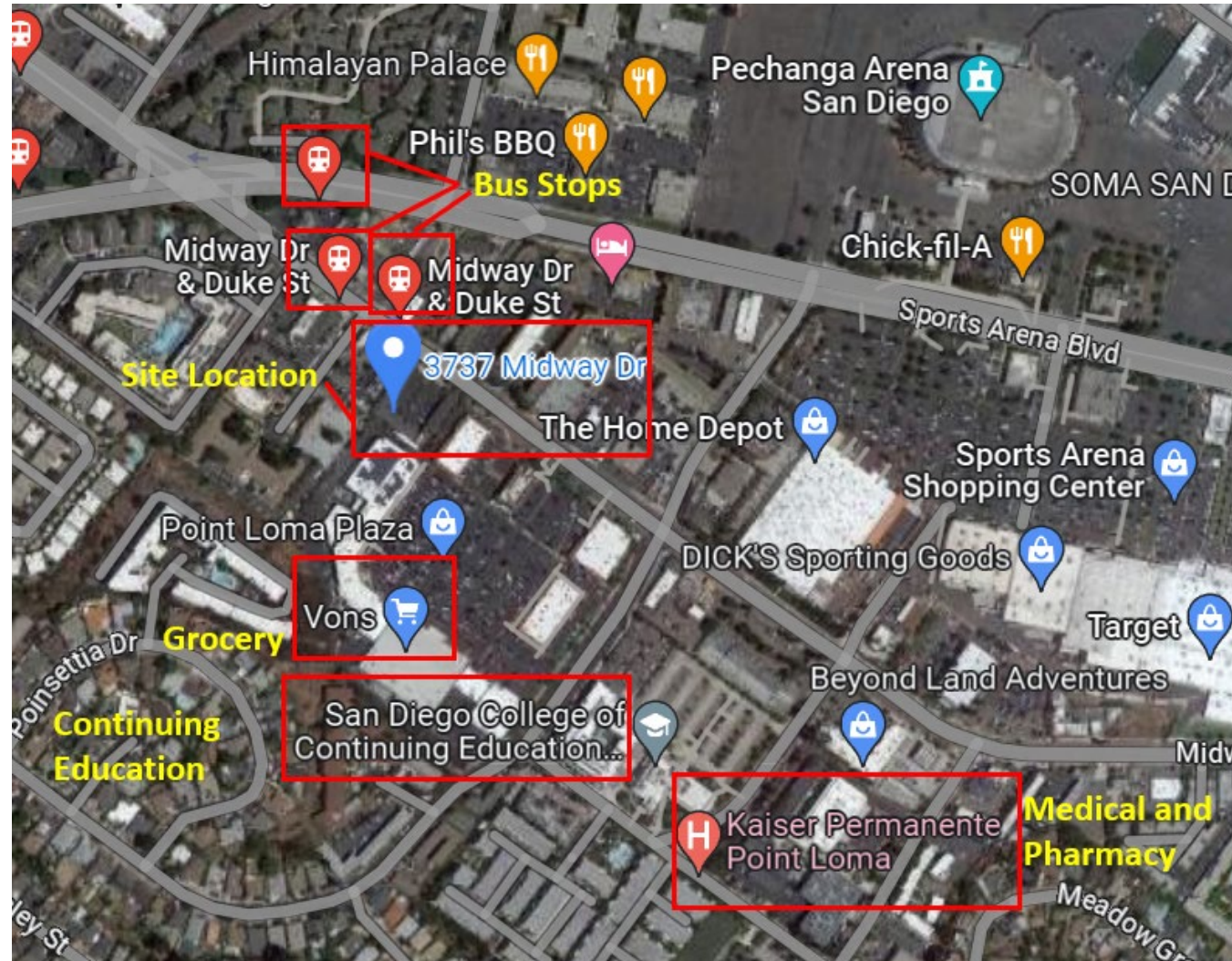
Summary of Proposed Services and Tenant Population

- Supportive services to be offered for residents:
 - Outreach and Engagement
 - Mental Health Services
 - Healthcare/Physical Health Services
 - Behavioral Health Services
 - Substance Use Services
 - Case Management
 - Care Coordination
 - Life Skills Training
 - Education Services
 - Employment Assistance
 - Assistance obtaining benefits and essential documentation
 - Transportation Services
- Residents would be identified through referrals from the Coordinated Entry System.
- Populations Served:
 - Experiencing Literal Homelessness*
 - Experiencing Chronic Homelessness*
 - Transition-Age Youth

**Of those experiencing literal and chronic homelessness, 15 people will be veterans.*



Proposed Ramada Inn Acquisition Location and Community Amenities



Proposed Ramada Inn Acquisition Status

- Executed PSA on July 28, 2022
- California Department of Housing and Community Development Standard Agreement expected December 2023
- Close of Escrow: January 2024
- Construction and rehabilitation of the property: February 2024 – September 2024
- First residents move-in: October 2024 – December 2024



Proposed Ramada Inn Acquisition Staff Recommendations

That the SDHC Board recommend that the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

- 1) Authorize SDHC to amend its Fiscal Year 2024 budget in the amount of \$28,692,652—consisting of \$16,850,000 in State of California (State) Homekey Program funds, \$5,921,281 in City of San Diego funds, and \$5,921,281 in County of San Diego funds—to support the proposed acquisition and rehabilitation of the Ramada Inn at 3737-3747 Midway Drive, San Diego, CA 92110, which will be known as Pacific Village and will consist of 62 affordable rental housing units for people experiencing homelessness with income up to 30 percent of San Diego’s Area Median Income (AMI) and one manager’s unit.
- 2) Authorize SDHC to accept and expend \$16,850,000 in State Homekey Program funds, \$5,921,281 in City of San Diego funds, and \$5,921,281 in County of San Diego funds to support the proposed purchase and acquisition of the Ramada Inn at 3737-3747 Midway Drive, San Diego, CA 92110, which will be known as Pacific Village and will consist of 62 affordable rental housing units for people experiencing homelessness with income up to 30 percent of San Diego’s Area Median Income (AMI) and one manager’s unit.



Proposed Ramada Inn Acquisition Staff Recommendations (Continued)

- 3) Authorize SDHC to acquire the Ramada Inn property, pursuant to that certain Purchase and Sale Agreement (PSA) for the Ramada Inn at 3737-3747 Midway Drive, San Diego CA, 92110, dated July 28, 2022, with the seller Anjali Enterprise LLC.
- 4) Authorize SDHC's President and Chief Executive Officer (President & CEO), or designee, to take such actions and perform such acts as are necessary to acquire Ramada Inn at 3737-3747 Midway Drive, San Diego, CA 92110, a 36,154-square-foot property, for the price of \$11,623,000. Anjali Enterprise LLC shall provide clear fee simple title upon acquisition of the property.
- 5) Authorize SDHC's President & CEO, or designee, to execute and record an affordability covenant against the Ramada Inn property, to be known as Pacific Village, for 55 years, with 62 units required to remain affordable for households experiencing homelessness with income at or below 30 percent of AMI. There will be one unrestricted manager's unit and one unrestricted unit designated as a service provider office for a total of 64 units at the property.



Proposed Ramada Inn Acquisition Staff Recommendations (Continued)

- 6) Authorize SDHC to purchase of the Ramada Inn property and complete all associated closing activities and costs, as well as remediation and upgrades to the property, utilizing \$16,850,000 in State Department of Housing and Community Development Homekey Program Round 3 (Homekey) Funds; \$5,921,281 in City of San Diego funds; \$5,921,281 in County of San Diego funds; and \$1,075,460 in a Deferred Developer Fee.

- 7) Authorize SDHC's President & CEO, or designee, to substitute approved funding sources for the Ramada Inn property, to be known as Pacific Village, with any other available funds as deemed appropriate, including, without limitation, in the event the Homekey grant is delayed beyond the closing date of February 1, 2024, contingent upon budget availability, and further authorize the President & CEO, or designee, to take such actions as are necessary, convenient and/or appropriate to implement these approvals, upon the advice of General Counsel.



Proposed Ramada Inn Acquisition Staff Recommendations (Continued)

- 8) Authorize SDHC's President & CEO, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals upon the advice of General Counsel, to allow the Housing Commission to acquire the Ramada Inn property on terms and conditions described in this report, as approved by SDHC's General Counsel. SDHC staff will notify the Housing Authority and the City Attorney's Office about any subsequent amendments or modifications to the documents, and other required documents, including amendments to any documents.



Proposed Ramada Inn Acquisition Staff Recommendations (Continued)

- 9) Approve all budgets associated with the purchase and rehabilitation of the Ramada Inn property, to be known as Pacific Village. This includes the transfer and/or reallocation of funds between any and all funding use line items within the total approved development/project budget provided the total project/development budget amount after any and all transfers/reallocations does not exceed the previously approved budget total, in any instances when the operational need(s) arise and/or when such actions are to the benefit of SDHC and its mission.
- 10) Authorize SDHC's President & CEO, or designee, to take such actions and perform such acts as necessary for the recruitment and hiring of staff for the ongoing operations of Pacific Village.



Proposed Ramada Inn Acquisition

Questions & Comments

