



SAN DIEGO
HOUSING
COMMISSION

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San Diego Housing Commission (SDHC)

Ramada Inn – Purchase and Sale Agreement

Presentation to the SDHC Board of Commissioners
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SDHC: Ramada Inn – Purchase and Sale Agreement Introduction

- Need for additional permanent supportive housing (PSH) for individuals experiencing homelessness in the City of San Diego
 - Community Action Plan on Homelessness: 2,659 PSH needed in the next 10 years
 - Of those, 60 percent (1,595 units) need to be developed in the first four years.
 - February 7, 2022: City Council renewed its declaration of a shelter crisis in the City.
- SDHC has worked to identify properties to potentially create affordable housing units to address the shelter crisis.



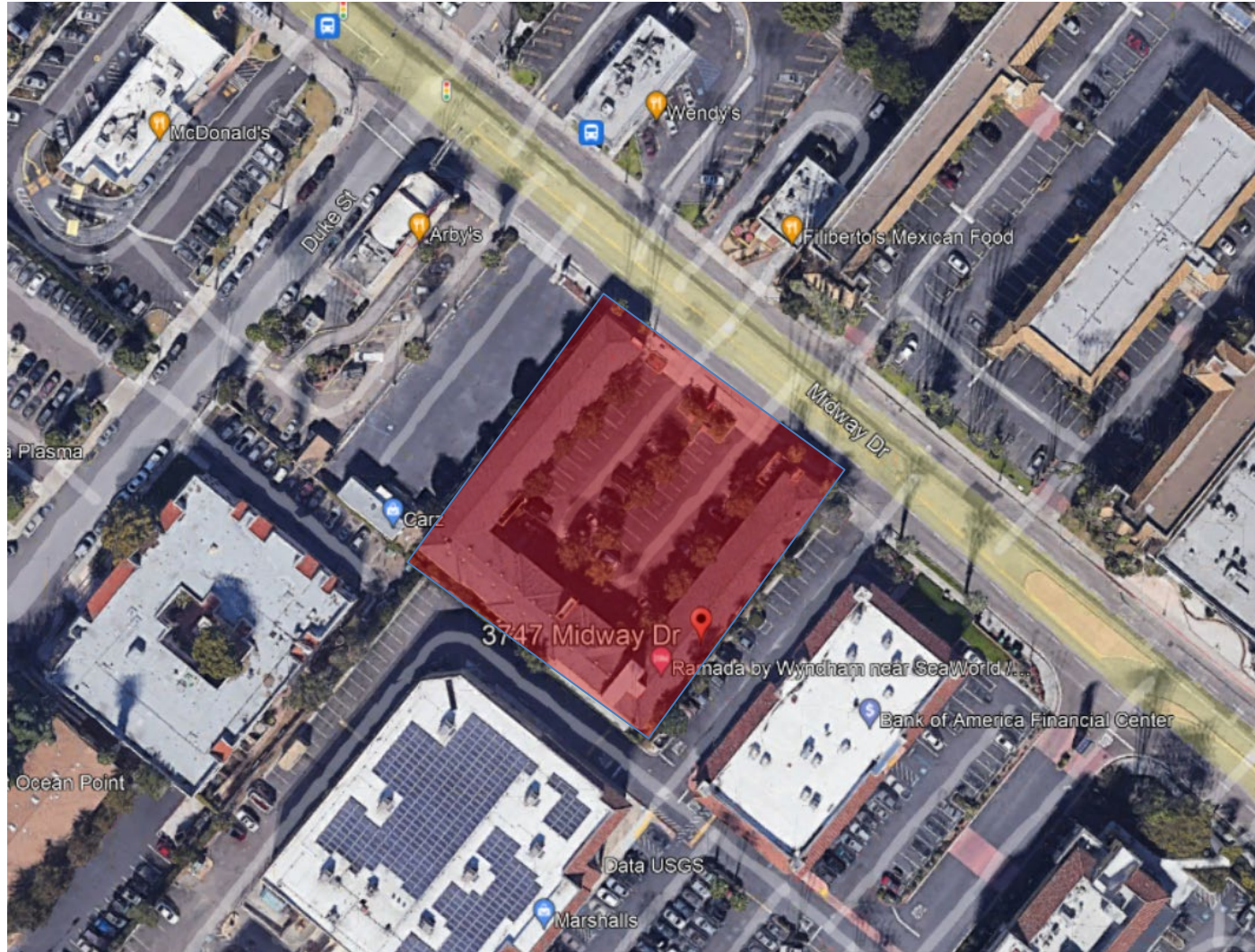
SDHC: Ramada Inn – Purchase and Sale Agreement Property

Ramada Inn 3737-3747 Midway Drive, 92110 Council District 2

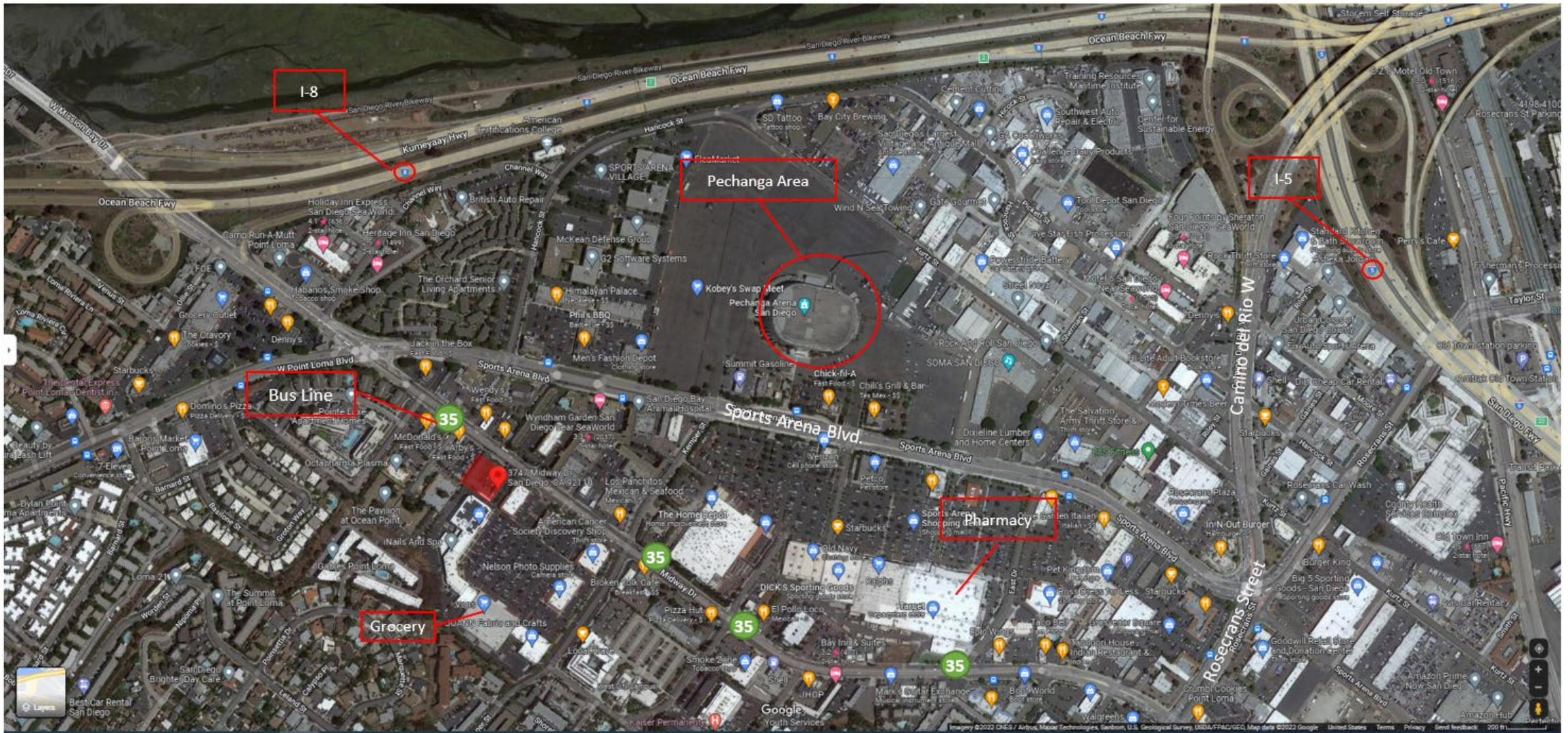
- Midway / Sports Arena
- Constructed circa 1959
- 64 units (Hotel Rooms)
- 1 Building – two-story walk-up
- Lot Size: Approximately 36,154 s.f. (.83 Ac)
- Building size: Approximately 21,912 s.f.



SDHC: Ramada Inn – Purchase and Sale Agreement Property (Continued)



SDHC: Ramada Inn – Purchase and Sale Agreement Property (Continued)



SDHC: Ramada Inn – Purchase and Sale Agreement Proposed Terms

- Due diligence period begins upon execution of the Purchase and Sale Agreement (PSA).
- Due diligence period ends 120 days after the PSA is executed.
- Purchase of the property is contingent on approvals from the SDHC Board of Commissioners and Housing Authority of the City of San Diego.
- Purchase price: not to exceed \$11,623,000
- Deposit:
 - Refundable deposit of \$50,000 deposited into escrow within five days of PSA execution
 - At end of due diligence period:
 - If SDHC decides to purchase the property: Additional \$50,000 deposit and total of \$100,000 become non-refundable and is credited against the purchase price.
 - If SDHC decides not to purchase the property: \$50,000 deposit is refunded to SDHC.
- Close of escrow within 12 months of execution of the PSA unless extended six months at SDHC's sole discretion



SDHC: Ramada Inn – Purchase and Sale Agreement Due Diligence

- Purchase and Sale Agreement necessary **before** SDHC can obtain site control to perform required due diligence.
- Due diligence:
 - Assess items, such as:
 - Zoning conformance
 - Presence of potential environmental hazards
 - Immediate and long-term capital needs
 - Pest control
 - Unique site conditions and constraints
 - Americans with Disabilities Act and path-of-travel review
 - Any other areas that need additional review
 - Obtain appraisals (including peer review appraisal) and market studies for this site
 - Enable SDHC to identify potential risks, if any, associated with purchasing the property and converting it to permanent affordable rental housing.



SDHC: Ramada Inn – Purchase and Sale Agreement

Funding Sources and Uses

FY 23 Funding Sources	
Local Funds	\$237,431
Federal/Moving to Work	\$112,569
TOTAL	\$350,000
FY 23 Funding Uses	
Acquisition Cost (Deposit)	\$100,000
Due Diligence	\$250,000
TOTAL	\$350,000



SDHC: Ramada Inn – Purchase and Sale Agreement Staff Recommendations

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) take the following actions:

- 1) Authorize SDHC's President and Chief Executive Officer (President & CEO), or designee, to execute a Purchase and Sale Agreement (PSA) by and between SDHC and Anjali Enterprises, LLC (Seller), with a purchase price not to exceed \$11,623,000 for the property located at 3737-3747 Midway Dr., San Diego, CA 92110.
- 2) Authorize an Earnest Money Deposit not to exceed \$100,000 as detailed in the staff report.
- 3) Authorize the commencement of Due Diligence and a Due Diligence budget not to exceed \$250,000 as set forth in the staff report.



SDHC: Ramada Inn – Purchase and Sale Agreement Staff Recommendations (Continued)

- 4) Authorize SDHC's President & CEO, or designee, to substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability.
- 5) 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, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner.



Questions & Comments

