San Diego Housing Commission (SDHC)  
Ramada Inn – Purchase and Sale Agreement  
Presentation to the SDHC Board of Commissioners  
July 8, 2022

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San Diego Housing Commission

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San Diego Housing Commission
• 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.
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
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.
### FY 23 Funding Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Funds</td>
<td>$237,431</td>
</tr>
<tr>
<td>Federal/Moving to Work</td>
<td>$112,569</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$350,000</strong></td>
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### FY 23 Funding Uses

<table>
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<th>Use</th>
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<tbody>
<tr>
<td>Acquisition Cost (Deposit)</td>
<td>$100,000</td>
</tr>
<tr>
<td>Due Diligence</td>
<td>$250,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$350,000</strong></td>
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</tbody>
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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.
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