



PATH Ventures

Ramada Inn

Los Angeles, CA



Project Description

Opened in July 2021, the Ramada Inn is one of three city of Los Angeles Homekey sites owned and operated by PATH Ventures (PV), the real estate development arm and affiliate of PATH, who is leasing the property. The city asked PATH to operate the site on its behalf as it was acquired outside of the standard Round 1 Request for Proposal (RFP) process. PATH provides services in more than 150 cities in five regions across California and PV has more than 2,100 units of supportive housing completed or in the pipeline.

Built in 1965 and located in Marina Del Rey, the property was in good condition when PV acquired it, with the bathrooms recently redone, but it has very limited amenities. The initial scope of work included installing a fire system and providing upgrades to meet current accessibility standards, which were the costliest part of the renovation scope, which cost approximately \$800,000. They estimate that they are about \$300,000 over budget on the interim upgrades. As part of the interim conversion, they leveled a jacuzzi to make a patio, turned a smaller room into community space, and a decent size parking lot adapted into a community garden. Everytable provides food delivery service as the property does not have a full kitchen for meal preparation. The project receives operations support from Los Angeles County Measure H funding through Los Angeles Homeless Services Authority (LAHSA) and receives \$60 per bed night.

The property has a full-time staff of three (one program manager and two service coordinators) consistent with PATH's standard staffing configuration for interim housing. But to respond to the concerns of an organized homeowners group, PATH has had to pay out of pocket for additional security measures, including a 24/7 security guard, security cameras, and fencing. Since July of 2021, the Ramada Inn has been fully occupied.

SNAPSHOT

Project name:	Ramada Inn
Owner:	PATH Ventures
Number of units:	33
Target population served:	Unhoused individuals from surrounding area
Building type:	Motel
Occupancy type (interim or permanent):	Interim to PSH conversions
Expected conversion date:	Late 2022



Plan for Site

PATH Ventures plans to convert the Ramada Inn to permanent supportive housing (PSH) by first quarter of 2023. The city of Los Angeles did not have federally funded Project Based Vouchers (PBVs) to allocate when the site was first acquired, and as a result, PV is looking into financing the conversion with federal Tenant Based Vouchers (TBVs), or other state-funded sources. As part of the site improvements, there will also be a eight (8) foot fence erected, which came out of the early neighborhood engagement process, and more lighting than before.

Opportunities and Challenges

As a Homekey site, the Ramada Inn provides 33 units of interim housing in Marina del Rey, which will represent the first permanent supportive housing development in the neighborhood in more than 15 years once converted. The project also fits nicely into the organization's mission to end homelessness through interim, PSH, and wrap-around social services.

Taking on a smaller size Homekey project came with its challenges. There was difficulty finding general contractors to submit bids because the project's scale and scope of work were too small for the firm with which it was familiar. As a result, PATH hired a smaller general contractor less experienced with the prevailing wage and other reporting requirements involved in publicly funded contracts.

The organization also faced staunch community opposition due to the site's proximity to a single-family neighborhood in Marina Del Rey. The neighbors filed a lawsuit against the city of Los Angeles and PATH on the grounds that the property had not been vetted consistent with the California Environmental Quality Act (CEQA) and that the site was awarded to PV outside of a competitive RFP. However, AB83, which exempted all Homekey sites from CEQA, helped to mitigate the litigation, which was eventually dropped by the homeowners group. The abbreviated timeline for occupying Homekey sites provided insufficient time to engage with the community ahead of the operator taking possession of the site. For the community engagement that did occur, a lack of clarity about roles and responsibilities between the city and PATH left the operator responsible for fulfilling promises made by the city, which cost the nonprofit several hundred thousand dollars to address security concerns.



Key Takeaways

PATH's bed rate during the interim housing phase is insufficient to pay for the additional security measures, let alone to compensate for the organizational energy and focus needed to navigate litigation and negotiate with the neighbors. Addressing federal and state accessibility requirements, such as those through the Americans with Disabilities Act (ADA), is a top priority. They are hoping that compliance does not come at the expense of losing units since they plan to enlarge bathrooms. Converting the property from interim to permanent supportive housing will also be a challenge, due to the permitting and inspection requirements, as well as assembling sufficient financing for development (an additional \$3-4 million) and operations, since long-term operating subsidies are oversubscribed at this time. They are exploring other avenues for operating subsidy, including tenant-based options.

Consistent with feedback from other Homekey operators, PV wishes there was more time for due diligence and community engagement prior to acquisition but considers the program an important example of how the state can partner with localities to get funds out quickly and take advantage of underutilized sites. And while PV and their other

nonprofit developer peers are testing the acquisition/rehab model through Homekey, they expressed hesitance doing another transaction like this that requires an interim to PSH conversion (in contrast to acquiring sites that will be used directly as PSH).

The community opposition associated with this project was notable in its organization despite Homekey's regulatory streamlining and the city's dedication to keeping the project moving forward. The organization had to secure a pro bono attorney to counter those challenges but attests that more time, even 6 months, could have been enough to assuage neighborhood concerns. And the target population was also cited as factor; they took local youth and other referrals from the nearby boardwalk but suggest that even focusing on older adults could have been more palatable to mitigate community resistance.

About Enterprise

Enterprise is a national nonprofit that exists to make a good home possible for the millions of families without one. We support community development organizations on the ground, aggregate and invest capital for impact, advance housing policy at every level of government, and build and manage communities ourselves. Since 1982, we have invested \$44 billion and created 781,000 homes across all 50 states—all to make home and community places of pride, power and belonging. Join us at enterprisecommunity.org.

About PATH Ventures

PATH Ventures is a recognized leader in creating high-quality, affordable, and stable homes for people struggling with the high cost of housing in California, particularly families and individuals experiencing homelessness. Founded by PATH in 2007, PATH Ventures is building across the state, with nearly 2,500 affordable and supportive homes constructed or in pre-development. PATH Ventures' mission is to advance PATH's purpose by building and operating affordable rental homes paired with on-site services that support residents in regaining long-term stability, independence, and well-being. Learn more at epath.org/path-ventures/.