# Mayor's Office of Homeless Services Acquisition of Hotels

February 21, 2023



# **PURPOSE**



The Mayor's Office of Homeless Services (MOHS) is committed to our mission to make homelessness rare, brief, and nonrecurring. Acquiring two hotel properties with ARPA funding will **increase Baltimore** City's housing inventory and increase the availability of housing for people experiencing homelessness; and provide the City with flexibility for overflow shelter operations.

### SHORT-TERM GOAL:

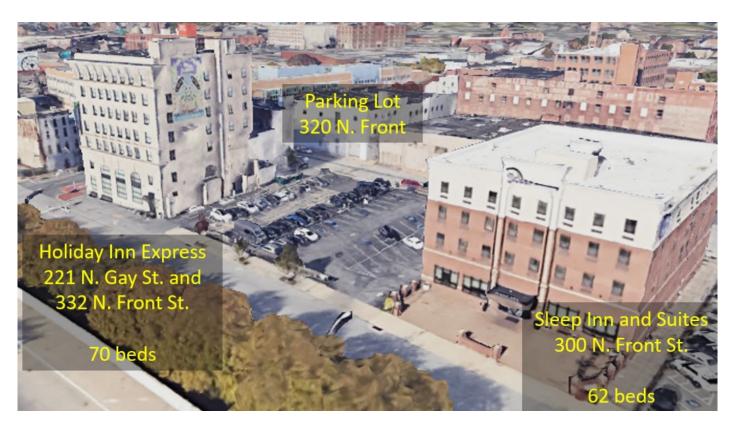
To provide greater flexibility for overflow and emergency sheltering services

### **LONG-TERM GOAL:**

Convey properties to non-profit to provide permanent supportive housing

# **PROPERTIES**





### **BENEFITS:**

- Leases for billboard and cellular equipment generate \$83k annually
- Parking lot presents development opportunity
  - Can be converted into an additional facility for housing or healthcare

## TRANSACTION DETAILS



# **Purchase Agreement**

- \$15.2 million
- 1 option agreement for all three parcels
- Will require closing no later than March 29, 2024

### **Management Agreement**

- \$3.2 million
- 1 agreement for both hotels
- Effective March 29, 2024 through December 31, 2024
- 4 lump sum payments as follows:
  - \$1.7 million by 4/1/24
  - \$500,000 7/1/24
  - \$500,000 10/1/24
  - \$500,000 12/31/24

# TRANSACTION DETAILS, CONT.



Under the management agreement, the <u>seller will be responsible</u> <u>for providing operational and maintenance support</u>, including the continuation of the following services:

- Soap, shampoo, conditioner, linens, towels
- Room cleanings
- 24-hour front desk staffing
- Clearing of public areas
- Operate, monitor, and maintain all building systems and equipment (elevators, HVAC, plumbing, boilers, electrical, fire alarm and suppressions, laundry)
- Pest control services
- Trash and recycling collection and disposal

## MOHS STRATEGIC FRAMEWORK



In alignment with MOHS' mission, this purchase will be used as a foundation in the framework used to identify and explore initiatives to enhance the lives of the residents in Baltimore City. In the upcoming months, we plan to:

- Work alongside our community providers to develop an RFP with the goal of identifying an organization that will transition the hotels in to permanent supportive housing that includes comprehensive support such as healthcare, mental health, case management and additional resources and support.
- Working alongside the Department of Real Estate to find permanent shelter space for singles and families.
- Housing Accelerator Fund: In February over 15M dollars was awarded to developers and community based organizations for the creation of permanent supportive units.
- In partnership with HABC, MOHS signed an MOU to add 36 permanent housing units to MOHS inventory.
- In partnership with Springboard Community Services, funded 14 dormitory units that will provide interim housing to transitional aged youth ages 18-24.
- In partnership with Point Source Youth (PSY), MOHS will fund a guaranteed income pilot program that will serve youth ages 18-24 years old with \$1,000 monthly for two years to support expenses such as rent, food and other items to meet basic needs.
- Additional property acquisitions for new shelters
- Housing Accelerator Fund

