

EMBASSY HOTEL
3645 PARK BOULEVARD
SAN DIEGO, CA 92103



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INVESTMENT OFFERING
79+ UNIT SRO ADAPTIVE REUSE OR DEVELOPMENT POTENTIAL

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THE OFFERING

Commercial Asset Advisors, as the exclusive marketing advisor to the Seller, is pleased to present qualified investors with the outstanding opportunity to acquire the Embassy Hotel, a $\pm$ 79-unit SRO property featuring a house and restaurant, totaling approximately $\pm$ 33,216 square feet, ideally positioned in San Diego's premier Hillcrest/North Park neighborhood.

Embassy Hotel offers investors the ability to acquire a property with vintage charm in one of San Diego's most coveted locations. Current amenities include queen-size beds, flat-screen TVs, WiFi, on-site laundry, and kitchenette facilities in select units.

Ideally situated just steps from Balboa Park and the world-famous San Diego Zoo, and with immediate access to Highway 163 and one of San Diego's most celebrated dining and retail corridors at the doorstep, the Embassy Hotel occupies one of the most irreplaceable addresses in all of Southern California.

CONFIDENTIALITY & CONTENTS

This Offering Memorandum has been prepared by Commercial Asset Advisors and is intended solely for the use of the party to whom it is delivered. It contains select information pertaining to the property and does not purport to be all-inclusive or to contain all information a prospective purchaser may require.

The information contained herein has been obtained from sources deemed reliable; however, no warranty or representation, express or implied, is made as to its accuracy or completeness. All information is subject to errors, omissions, changes in price, rental or other conditions, withdrawal without notice, and any special listing conditions imposed by our principals. All negotiations relating to the purchase, sale, rental, or lease of the property shall be conducted exclusively through Commercial Asset Advisors.

THE OFFERING



OFFERING MEMORANDUM
3645 PARK BOULEVARD
San Diego | CA 92103

PROPERTY DESCRIPTION

The Embassy Hotel is a 4-story, $\pm$ 79-room residential hotel situated in the heart of Hillcrest/North Park, San Diego. The property accommodates both short-term travelers and long-term guests through flexible daily, weekly, and monthly rate structures. Guest room amenities include queen-size beds, flat-screen TVs, WiFi, phones with complimentary local calling, and kitchenette facilities in select units. An on-site laundry facility serves the entire property.



Street Address	3645 Park Blvd., San Diego, CA 92103
Submarket	Hillcrest / North Park
Project Size	$\pm$ 33,216 SF
Site Area	$\pm$ 0.62 Acres
Floors	Four (4) + Basement
Year Built	$\pm$ 1929
Rooms	$\pm$ 79+ Plus **House (SFR) and **Restaurant
Room Details	All units have full bathrooms. 8 units have kitchens.
APN	452-361-28-00 (*Potentially Divisible)
Property Type	Hotel SRO
Zoning	RM-2-5

** Unoccupied, significant renovations required.

* Buyer to verify.







VALUE ADD OPPORTUNITY

This offering presents an opportunity for multiple, executable value-add strategies that can be pursued individually or in parallel. While the existing SRO units must likely remain in place, the property's excess land, scale, configuration, and Hillcrest/North Park location opens the door to substantial NOI growth, basis reduction through public incentives, and long-term tax advantages. Some potential concepts worth additional consideration include:

- 
Excess Land Development

Sufficient developable area to support new ground-up construction, including market-rate or affordable residential, leveraging California density bonuses and San Diego's streamlined entitlement pathways.
- 
Complete Communities Program

Site could qualify for the City of San Diego's Complete Communities Housing Solutions program, offering substantial density bonuses, FAR increases, and reduced parking requirements in exchange for affordable units, dramatically expanding the development envelope beyond base zoning.
- 
Modern Historic Boutique Hotel

Reposition the historic structure as a design-forward boutique hotel, capitalizing on the building's character and the submarket's lack of comparable lodging product, after construction of replacement affordable units.
- 
Federal Historic Tax Credits (HTC)

If listed or eligible for listing on the National Register, qualified rehabilitation expenditures may qualify for a 20% federal historic tax credit, materially reducing effective project cost on the hotel or residential conversion.
- 
Mills Act Contract

As a designated or designable historic resource, the property may qualify for a Mills Act agreement with the City of San Diego, potentially reducing property taxes by 40–60% in exchange for ongoing preservation — a long-term, compounding NOI enhancement.
- 
Low-Income Housing Tax Credits (LIHTC)

New affordable units developed on excess land or through interior additions may qualify for LIHTC allocations, alongside California state tax credits, providing significant equity to offset development costs.
- 
Affordable Housing Incentives & Funding

Project-based Section 8 vouchers, HCD funding programs, San Diego Housing Commission gap financing, and AHSC/Prop 1 sources may further enhance feasibility and returns.
- 
Interior Unit Additions

Convert oversized common areas and the former restaurant space into additional rentable units, increasing density and revenue within the existing footprint with limited structural work.
- 
Parking Income Agreement

Execute a third-party parking agreement projected to generate approximately \$200,000 in additional annual revenue with minimal capital outlay.
- 
Adaptive Reuse Optionality

Additional pathways including affordable senior housing, transitional housing, and mixed-use configurations subject to entitlement.

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DEVELOPMENT POTENTIAL

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BUILDING VIBRANT. CONNECTED. SUSTAINABLE NEIGHBORHOODS.

San Diego's framework for fostering vibrant and sustainable neighborhoods through smart growth, development incentives, and community collaboration.



COMPLETE COMMUNITIES – SAN DIEGO'S INITIAL FRAMEWORK

KEY FEATURES OF THE INITIATIVE



DEVELOPMENT INCENTIVES

Offered incentives such as density bonuses and reduced parking requirements to encourage projects that support walkability and local amenities.



MIXED-USE ZONING

Promoted developments that combine residential, commercial, and recreational spaces, with incentives for projects that met these criteria.



INFRASTRUCTURE IMPROVEMENT

Focused on enhancing local infrastructure—such as streets, parks, and public services—to improve quality of life in neighborhoods.



COMMUNITY ENGAGEMENT

Emphasized involving local residents in planning to ensure developments align with community needs and preferences.



**STRONGER NEIGHBORHOODS.
GREATER ACCESS.
BETTER QUALITY OF LIFE.**

COMPLETE COMMUNITIES 2.0 – EXPANDED & REFINED APPROACH

ENHANCING INCENTIVES. EXPANDING OPPORTUNITIES. ADVANCING EQUITY.



ENHANCED DEVELOPMENT INCENTIVES

Introduces targeted incentives including additional density bonuses, expedited review processes, and reduced impact fees for projects that deliver affordable housing, green features, or community benefits.



FLEXIBLE ZONING TOOLS

Offers more flexible zoning regulations to accommodate diverse housing types and mixed-use projects, increasing options and supporting community goals.



AFFORDABLE HOUSING FOCUS

Incentivizes affordable housing through increased density allowances and financial subsidies to more effectively address housing affordability.



SUSTAINABILITY MEASURES

Provides benefits for sustainable designs such as energy efficiency and low-impact development to promote environmental responsibility.



EQUITY FOCUS

Offers specific incentives for projects that address social and economic disparities, ensuring equitable benefits across all communities.



ADVANCED COMMUNITY ENGAGEMENT

Provides incentives for comprehensive engagement with community stakeholders during planning to ensure projects meet local needs and preferences.



WALKABLE NEIGHBORHOODS



MORE HOUSING CHOICES



STRONGER COMMUNITIES



SUSTAINABLE FUTURE



EQUITABLE GROWTH



Learn more about Complete Communities and incentives:
sandiego.gov/development-services/complete-communities



This information is provided for general reference only and is subject to change.
For full program details and eligibility requirements, please visit the City of San Diego website.

Complete Communities: Housing Solutions Area Map

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FLEXIBLE ENTITLEMENT PATHWAYS IN NORTH PARK:

The property is located within the RM-2-5 (Residential Multiple Unit) Zone in the North Park Community Plan, designated for Medium Residential development with an allowable density of 16-29 dwelling units per acre. The site benefits from its location within the Transit Area Overlay Zone, Sustainable Development Area, and Complete Communities Housing Solutions program, allowing up to Tier 3 (6.5 FAR), subject to City of San Diego regulations and applicable development standards. The property is also located within the Airport Land Use Compatibility Overlay Zone and Mobility Zone 2.

PRIMARY ZONING



ZONE DESIGNATION

RM-2-5

Residential Multiple Unit



COMMUNITY PLAN AREA (CPA)

North Park



COMPLETE COMMUNITIES
HOUSING SOLUTIONS (CCHS)

**FAR TIER 3
6.5 FAR**

*Subject to City of San Diego regulations
and applicable development standards.*

OVERLAY ZONES



TRANSIT AREA OVERLAY ZONE

YES



AIRPORT LAND USE
COMPATIBILITY OVERLAY ZONE

YES



TRANSIT PRIORITY AREAS

YES



AIRPORT INFLUENCE AREA

YES



SUSTAINABLE DEVELOPMENT AREAS

YES



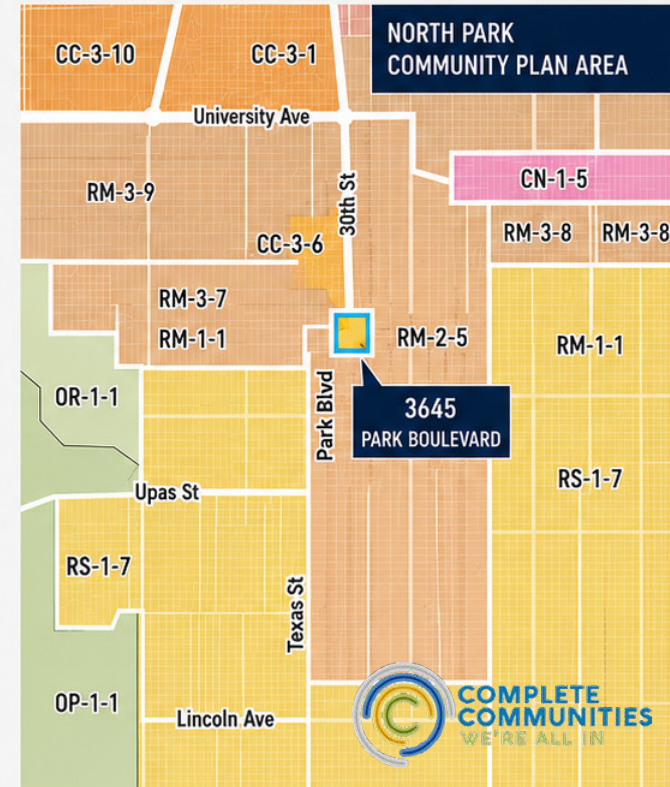
CTCAC/HCD OPPORTUNITY AREAS

YES



COMPLETE COMMUNITIES PLAN

YES



Well-positioned in North Park with access to transit,
amenities, and key employment centers.

*Zoning information provided is intended for general reference only.
Buyer to verify all information with the City of San Diego.*

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TAX CREDIT POTENTIAL

HISTORIC TAX CREDITS | A POWERFUL INCENTIVE FOR THE REHABILITATION OF CERTIFIED HISTORIC BUILDINGS...

The Federal Historic Tax Credit provides a 20% federal tax credit on qualified rehabilitation expenditures for certified historic structures listed on or eligible for the National Register of Historic Places. It is a dollar-for-dollar reduction in federal income tax liability, not a deduction. The property must be income-producing and the rehabilitation must meet the Secretary of the Interior's Standards for Rehabilitation and receive National Park Service certification. Credits are claimed over five years following project completion and are commonly syndicated to institutional investors in exchange for upfront construction equity.

Eligibility requires verification by qualified tax credit professionals and historic preservation consultants.



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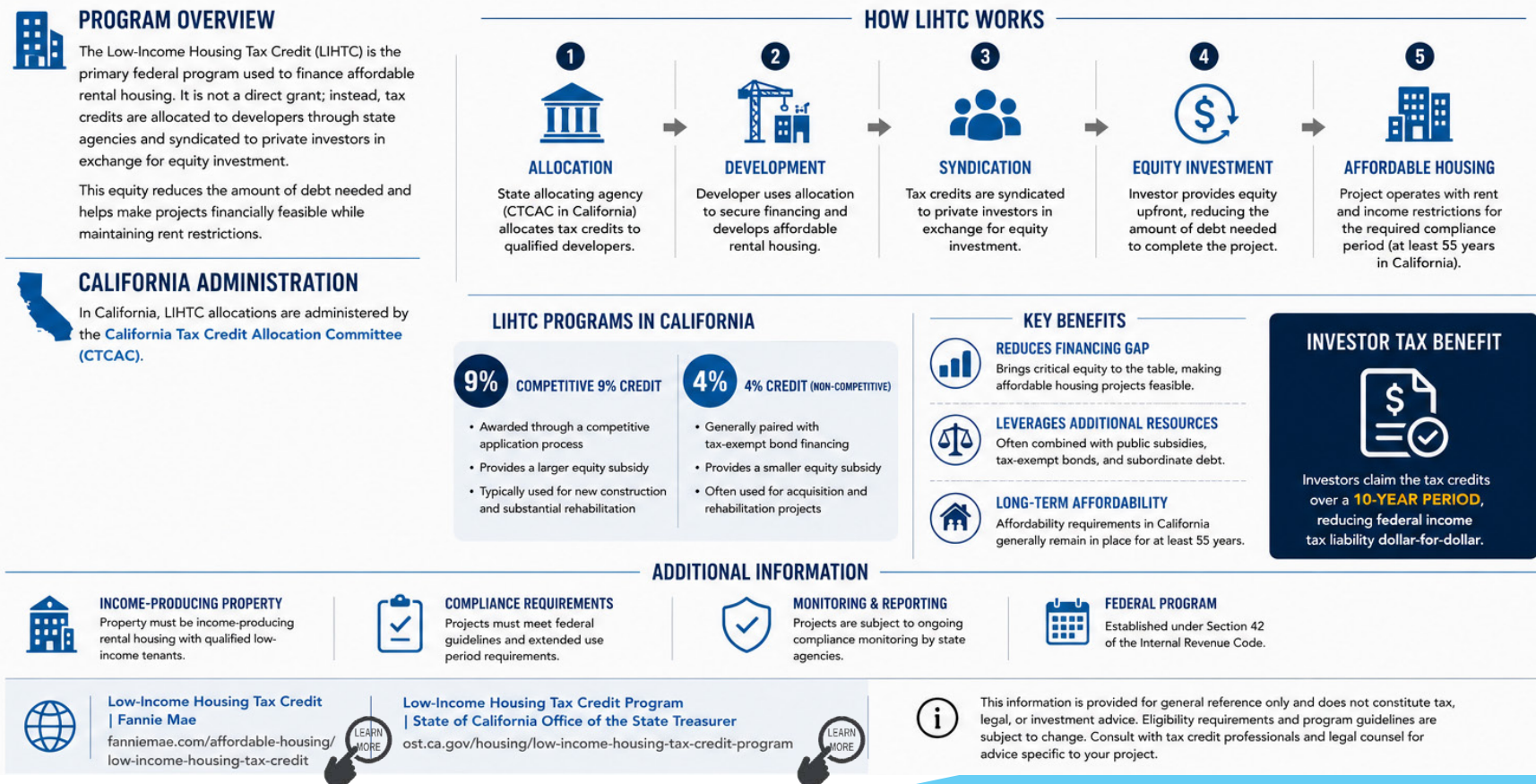
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TAX CREDIT POTENTIAL

LOW-INCOME HOUSING TAX CREDIT (LIHTC) | THE PRIMARY FEDERAL PROGRAM FOR FINANCING AFFORDABLE RENTAL HOUSING...

The Low-Income Housing Tax Credit (LIHTC) is the primary federal program used to finance affordable rental housing. It is not a direct grant; instead, tax credits are allocated to developers through state agencies and syndicated to private investors in exchange for equity investment. This equity reduces the amount of debt needed and helps make projects financially feasible while maintaining rent restrictions.

In California, LIHTC allocations are administered by the California Tax Credit Allocation Committee (CTCAC). Credits are generally available through two programs: the competitive 9% credit, which provides a larger subsidy, and the 4% credit, which is typically paired with tax-exempt bond financing. Projects often combine LIHTC equity with additional financing sources, including public subsidies and subordinate debt. Investors claim the credits over a 10-year period, while affordability requirements in California generally remain in place for at least 55 years.



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TAX CREDIT POTENTIAL

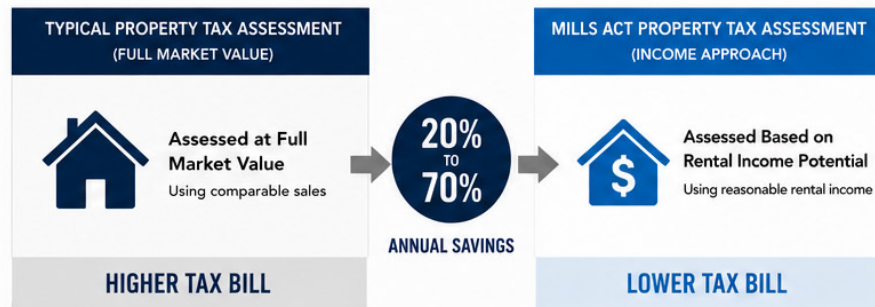
THE MILLS ACT | HISTORIC PROPERTY TAX SAVINGS IN SAN DIEGO...

The Mills Act is a California state program that allows the City of San Diego to offer significant property tax reductions to owners of officially designated historic properties. It is one of the most valuable financial benefits available to historic homeowners in the state.



HOW THE TAX SAVINGS WORK

Rather than being assessed at full market value using comparable sales, a Mills Act property is valued based on the rental income it could reasonably generate. This typically results in a much lower assessed value — and a lower tax bill.



Savings have ranged from **20% to 70%** annually, depending on the property's location, size, and comparable rents as calculated by the San Diego County Assessor.



THE CONTRACT

The Mills Act is a 10-year agreement between the property owner and the City. It renews automatically each year, keeping 10 years remaining on the term at all times. The contract continues indefinitely unless either party formally cancels it.



BENEFITS STAY WITH THE PROPERTY

The Mills Act contract runs with the land, not the owner. When the property sells, the new owner inherits the tax savings automatically—no reapplication needed. There is also no supplemental tax bill issued at the time of purchase for a property already under contract.



OWNER RESPONSIBILITIES

In exchange for the tax benefit, the owner agrees to maintain and preserve the property's historic character in accordance with the U.S. Secretary of the Interior's Standards for Rehabilitation.



ELIGIBILITY

A property must be officially designated on the City of San Diego Historic Register to qualify. Designation on the National or California State Register alone does not make a property eligible.



Mills Act Property Tax Reduction

City of San Diego Official Website

sandiego.gov/development-services/historic/mills-act



This information is provided for general reference only and does not constitute tax, legal, or investment advice. Consult with a qualified tax professional or legal advisor for guidance specific to your property.

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2025 POPULATION

33,040

1-mile residents

MEDIAN HH INCOME

\$96,658

1-mile trade area

MEDIAN HOME VALUE

\$897,517

1-mile trade area

2025 HOUSEHOLDS

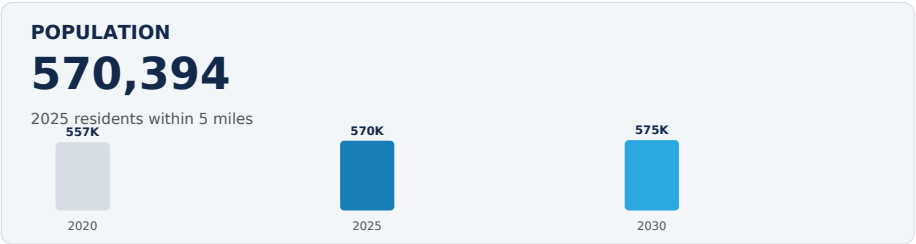
18,934

1-mile households

TRADE AREA DEMOGRAPHICS

METRIC	1 MILE	3 MILES	5 MILES
2025 Total Population	33,040	272,727	570,394
2030 Population	33,477	275,925	575,275
Population Growth (2025-2030)	0.3%	0.2%	0.2%
Average Age	40.1	39.0	37.1
2025 Total Households	18,934	129,820	228,958
Household Growth (2025-2030)	0.2%	0.3%	0.2%
Median Household Income	\$96,658	\$94,074	\$91,759
Average Household Size	1.70	2.00	2.30
2025 Avg. Household Vehicles	1.00	1.00	2.00
Median Home Value	\$897,517	\$868,743	\$854,355
Median Year Built	1974	1979	1975

MARKET PROFILE



EDUCATIONAL ATTAINMENT

55%

Bachelor's degree or higher / 1 mile

RENTER HOUSEHOLD BASE

14,634

Renter occupied households / 1 mile

CONSUMER SPENDING

\$7.4B

Specified consumer spending / 5 miles

2030 POPULATION

575,275

Projected residents / 5 miles



Dense North Park infill location supported by strong household income, established residential demand and a large surrounding consumer base.

Sources: Supplemental context from U.S. Census, Title Reporting, Costar and other sources deemed reliable. Demographic information is provided for general reference only. Buyer to verify all information and independently confirm source data prior to making investment decisions.

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LOCATION | STEPS FROM BALBOA PARK



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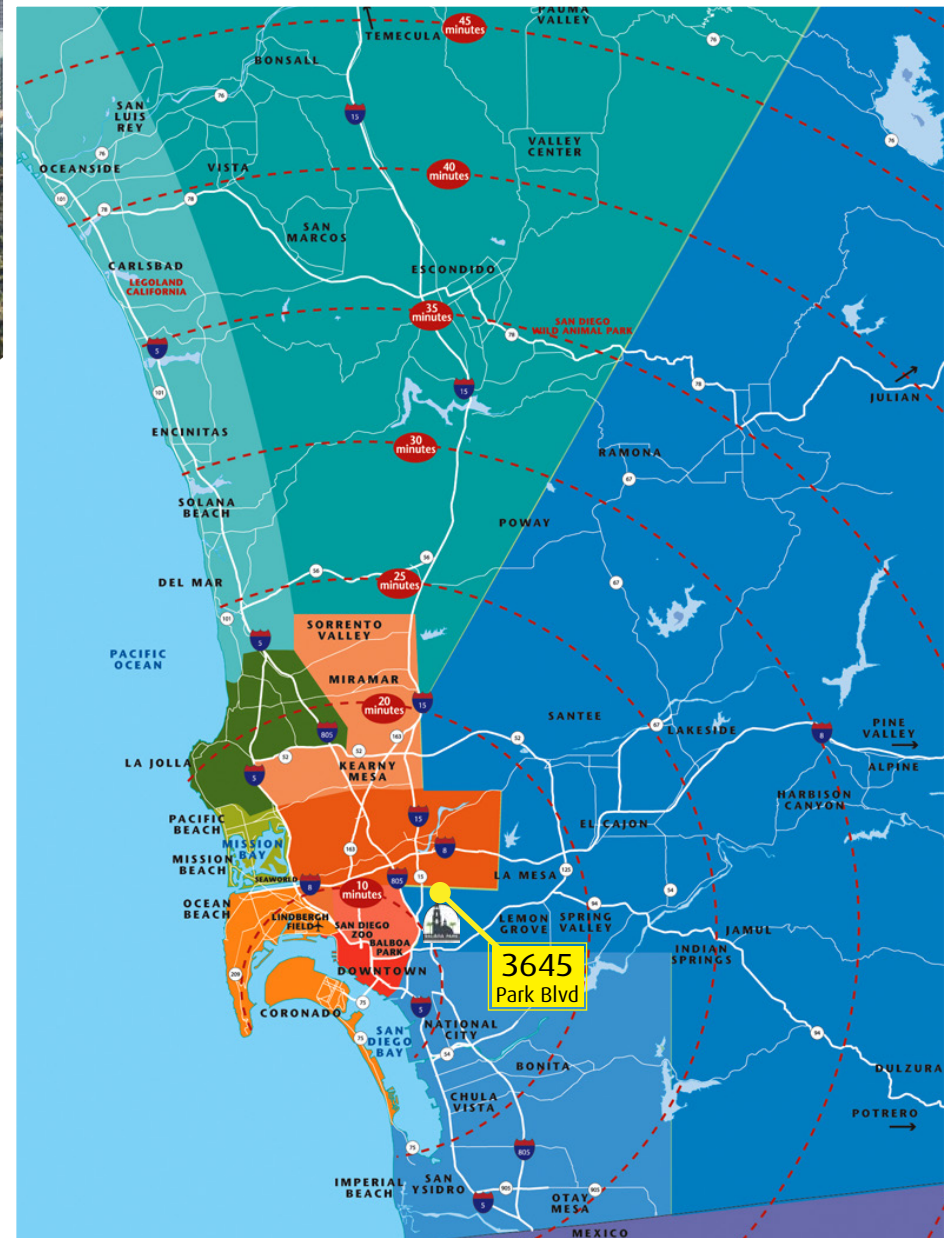


LOCATION

The Embassy Hotel is situated in Hillcrest/North Park, one of San Diego's most vibrant and walkable urban neighborhoods, just steps from Balboa Park and the world-famous San Diego Zoo. Immediate freeway access via Highway 163 connects guests to Interstate 8, Downtown San Diego, Mission Valley, and the entire metro area in minutes.

San Diego consistently ranks among the most visited and most livable cities in the United States, drawing millions of tourists annually while attracting a growing population of residents who choose to put down roots in one of the country's most desirable urban environments. Hillcrest/North Park sits at the epicenter of that demand — a neighborhood defined by its walkable streets, celebrated culinary and retail scene, and a thriving local economy that continues to attract people from across the region.

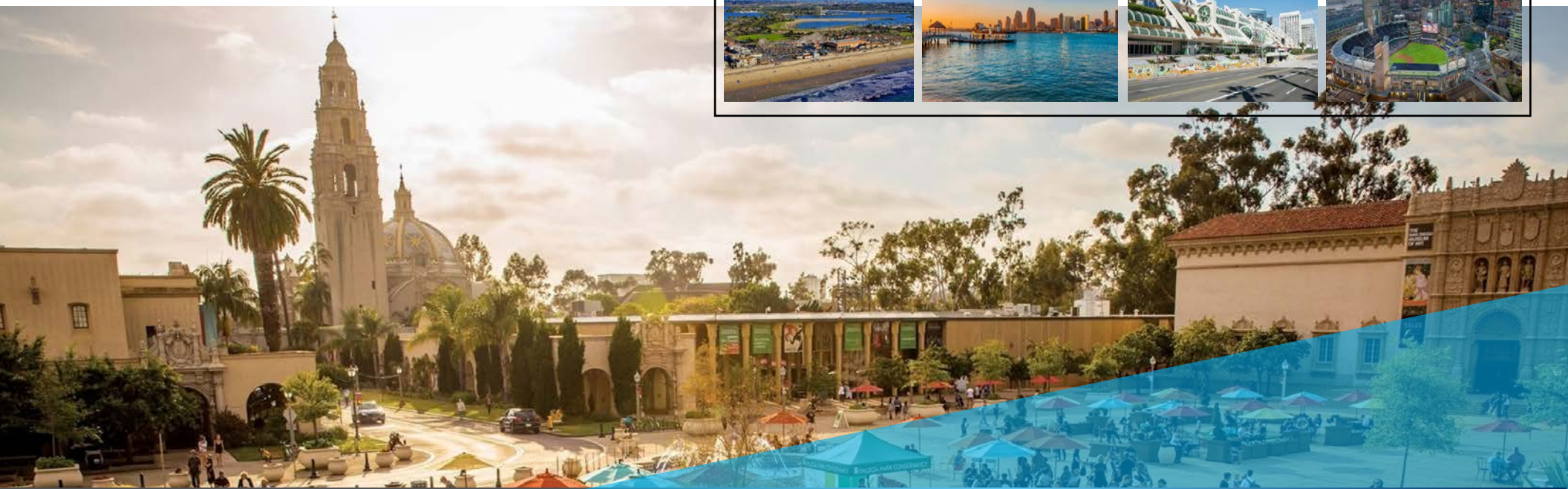
Key destinations all within easy reach include Balboa Park and the San Diego Zoo (0.3 miles), Downtown San Diego and the Gaslamp Quarter (3 miles), Petco Park — home of the San Diego Padres (3.5 miles), San Diego International Airport (4 miles), SeaWorld and Mission Bay (5 miles), Coronado Island (6 miles), and Snapdragon Stadium — host to SDSU football, international soccer, concerts, and major entertainment events (7 miles).



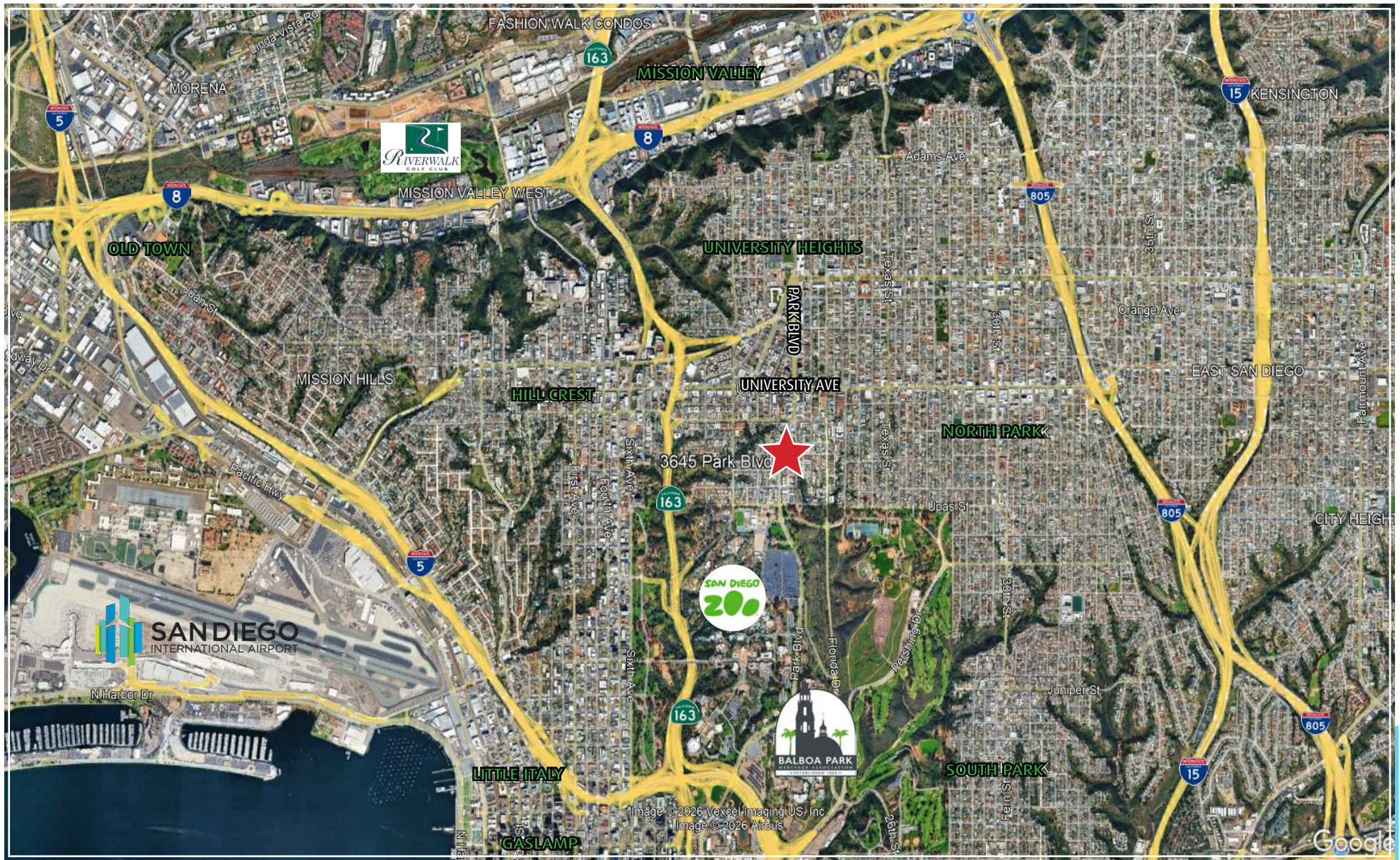
REGIONAL POINTS OF INTEREST

Just a 15-minute walk from the Embassy Hotel sit two of the most visited destinations in all of California — Balboa Park and the San Diego Zoo. Spanning 1,200 acres in the heart of the city, Balboa Park is home to 17 museums, stunning botanical gardens, and world-class performing arts venues. At its center sits the San Diego Zoo — the most visited zoo in the United States — welcoming millions of guests each year from around the globe. Together they represent the cultural and natural soul of San Diego, generating consistent, year-round demand for lodging and accommodations in the immediate area.

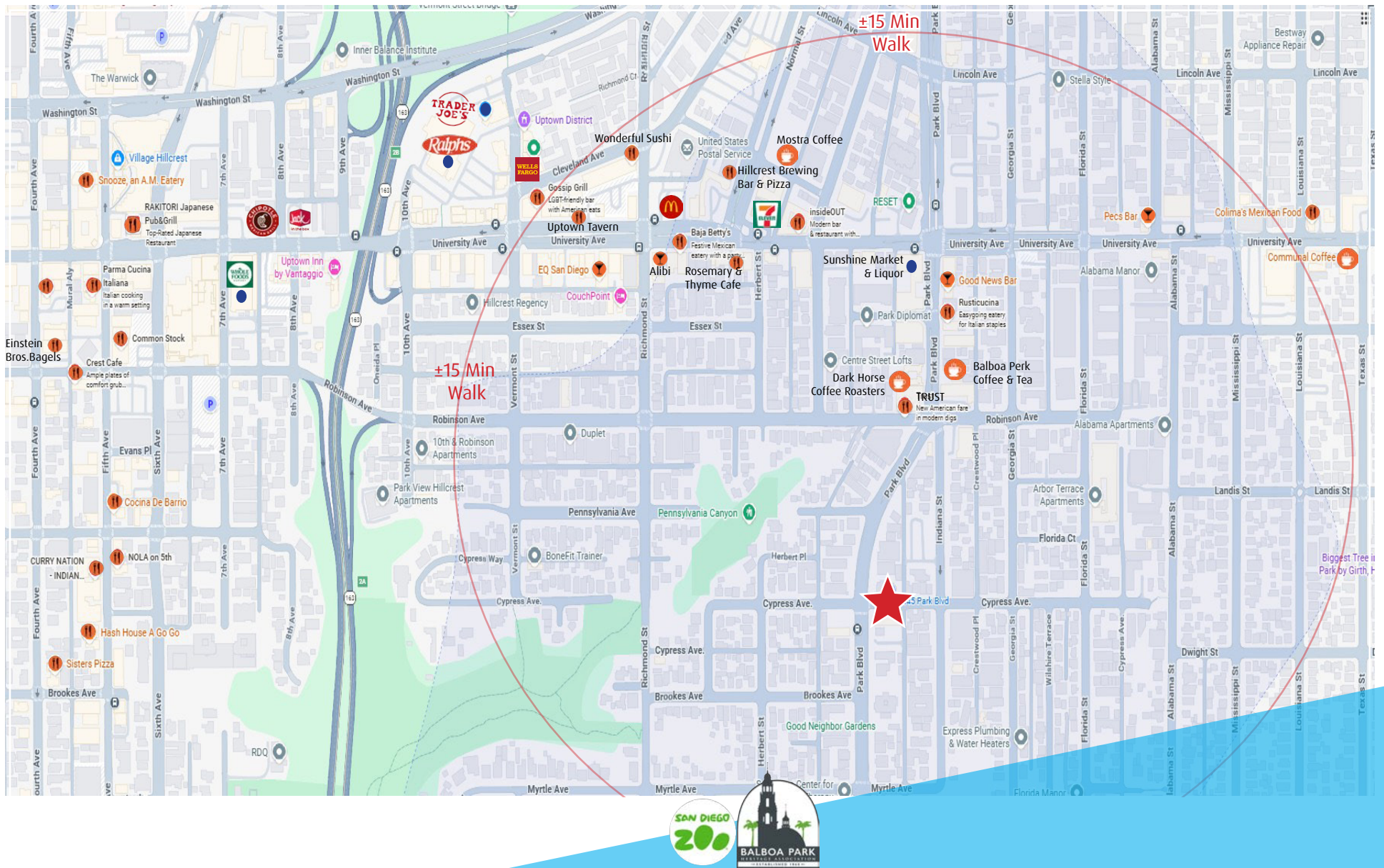
Beyond the neighborhood, the broader San Diego region delivers an exceptional array of experiences: the historic Gaslamp Quarter, USS Midway Museum, Petco Park, Old Town San Diego, SeaWorld, and the beaches of Coronado and Mission Bay are all within a short drive. Snapdragon Stadium, host to SDSU football, international soccer, major concerts, and large-scale entertainment events, draws tens of thousands of additional visitors to the region throughout the year. With San Diego International Airport just 4 miles away, the Embassy Hotel is effortlessly accessible for visitors and residents alike.



LOCATION REGIONAL MAP



NEIGHBORHOOD AREA MAP

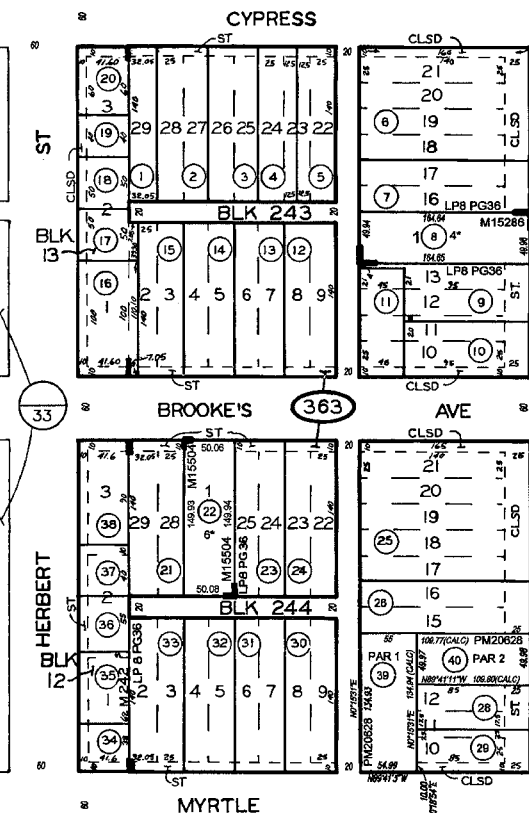


OFFERING MEMORANDUM
3645 PARK BOULEVARD
 San Diego | CA 92103



This map/plat is being furnished as an aid in locating the herein described land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

08



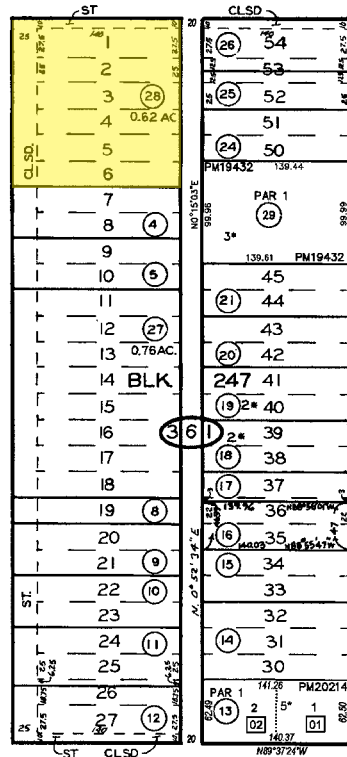
SAN DIEGO COUNTY
ASSESSOR'S MAP
BOOK 452 PAGE 36 SHT 1 OF 3

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.

BLVD

PARK

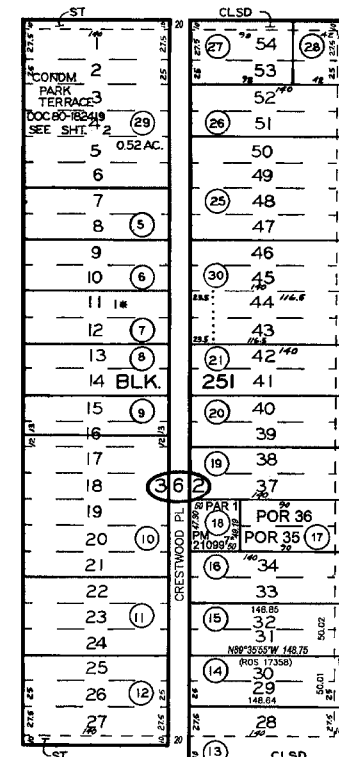
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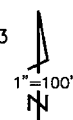
INDIANA

AVE



AVE

453
34

452-36
SHT 1 OF 3


8/12/14 JMA

CHANGES				
BLK	OLD	NEW	YR	CUT
363	1003	1-50	05	10033
362	1003	1-50	05	10033
361	1,2,3	2,8	06	2189
362	22-24	30	08	1849
361	22-23	29	05	1225
361	29	CONDO	05	575
363	08	CONDO	07	616
361	13	CONDO	08	597
363	27	39840	10	1258
362	18	CONDO	15	501

- 1st CONDO
3605 INDIANA STREET
DOC1894-0315632
(SEE SHT 2)
- 2nd CONDO (PEND)
NOB HILL
DOC1897-0227076
- 3rd CONDO
CASA VALENCIA
DOC2004-0280084
(SEE SHT 2)
- 4th CONDO
BALBOA COURT
DOC2006-0219048
(SEE SHT 3)
- 5th CONDO
1732 - 1744 MYRTLE AVENUE
DOC2007-0403742
- 6th CONDO (PEND)
1617 BROOKES AVENUE
DOC2011-0047563
- 7th CONDO
C2 10FTS
DOC2013-0721365
(SEE SHT 3)

MAP 15504 - 1617 BROOKES AVENUE CONDOMINIUMS
MAP 15286 - 3620 PARK BOULEVARD CONDOMINIUMS
MAP 242-HIGGINS ADDITION
LP 8 PG 36-UNIVERSITY HEIGHTS D'HEMECOURT MAP AMENDED
ROS 11520,13229,17358



Not to scale. For illustrative purpose only.

EMBASSY HOTEL

3645

PARK BOULEVARD
SAN DIEGO, CA 92103

FOR FURTHER INFORMATION

REQUEST THE
DUE-DILIGENCE
PACKAGE



3645

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