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San Diego Housing Commission (SDHC)
Award of Property Management Contract for Hillcrest Inn Apartments
Presentation to the SDHC Board of Commissioners
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SDHC – Award of Property Management Contract for Hillcrest Inn Apartments

Introduction

- Property management services for Hillcrest Inn Apartments (Hillcrest Inn) at 3754 Fifth Ave. San Diego, CA 92103, in Council District 3.
- SDHC acquired Hillcrest Inn Apartments in 2020.
- The property consists of 45 studio units.
- Project-Based Vouchers provide rental assistance for 12 of the 45 studio units
- SDHC has contracted with a third-party property management company to manage Hillcrest Inn.



SDHC – Award of Property Management Contract for Hillcrest Inn Apartments Request for Proposals

- August 5, 2025: Request for Proposals (RFP) for Property Management services was issued.
- August 26, 2025: RFP closed
- SDHC received one proposal
- An evaluation committee evaluated, scored and ranked the proposal:
 - Company Qualifications & Experience
 - Company Technical Capabilities
 - Cost Proposal
 - Company Assurances of Nondiscrimination
- Hyder & Company ranked as a responsive respondent, and after careful consideration, the evaluation committee recommended the award of the contract to Hyder & Company.



SDHC – Award of Property Management Contract for Hillcrest Inn Apartments

Request for Proposals (Continued)

- Initial contract in an amount not to exceed \$250,000 was executed with Hyder & Company to prevent a gap in services between the end of the expiring property management contract and the SDHC Board's action on the proposed contract.
- Staff is recommending that the SDHC Board amend this contract to increase the maximum compensation amount to \$299,920; add a 10 percent contingency; and include four one-year renewal options with a 3 percent annual increase in the management fee, at SDHC's sole discretion.
- Staff is confident Hyder & Company will continue to provide professional services as a reliable partner to SDHC.
- Anticipated On-Site Staffing Composition
 - Property Manager
 - Residential Laborer (Prevailing Wage Position)



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Fiscal Consideration

- The proposed sources and uses were included in the Housing Authority-approved FY 2026 Budget.
- The funding source for the property will be the revenue generated by rent collections.
- Future years will be constrained by the fiscal budget for the relevant fiscal year.
- The Management Fee includes an annual 3 percent increase.

Cost Category	Year One	Year Two	Year Three	Year Four	Year Five
Salaries & Benefits	\$ 250,544	\$ 263,071	\$ 276,224	\$ 290,036	\$ 304,537
Management Fee	\$ 43,200	\$ 44,496	\$ 45,831	\$ 47,206	\$ 48,622
Total Software	\$ 3,645	\$ 3,827	\$ 4,019	\$ 4,220	\$ 4,431
Banking Fees	\$ 1,519	\$ 1,595	\$ 1,674	\$ 1,758	\$ 1,846
Training-Travel	\$ 1,013	\$ 1,063	\$ 1,116	\$ 1,172	\$ 1,231
TOTAL	\$ 299,920	\$ 314,134	\$ 328,9450	\$ 344,479	\$ 360,757
3% per year	Year One	Year Two	Year Three	Year Four	Year Five
Management Fee	\$ 43,200	\$ 44,496	\$ 45,831	\$ 47,206	\$ 48,622
	\$80.00/unit	\$82.40/unit	\$84.87/unit	\$87.42/unit	\$90.04/unit



SDHC – Award of Property Management Contract for Hillcrest Inn Apartments Staff Recommendations

That the SDHC Board of Commissioners take the following actions:

- 1) Approve a \$49,920 increase to the maximum annual compensation amount in the agreement with Hyder & Company, PM-26-04, for Property Management Services at the SDHC-owned Hillcrest Inn Apartments at 3754 Fifth Ave. and a 10 percent contingency of \$29,990 per year for a maximum compensation amount of \$329,912 in the first year; with four one-year renewal options, including a 3 percent annual increase in the contracted management fee. Option years will be exercised based upon the needs of and at the sole discretion of SDHC. Contingency will be used based upon the needs of and at the sole discretion of SDHC.
- 2) Authorize the President and Chief Executive Officer (President and CEO), or designee, to adjust or substitute the funding sources with other available funding sources , without further action by the SDHC Board or the Housing Authority of the City of San Diego, but only if and to the extent that the total program/project budget amount after substitution does not exceed the approved total budget, should the operational need arise or should such actions benefit SDHC and its mission.
- 3) Authorize the President and 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 take such actions as are necessary and/or appropriate to implement these approvals, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner.





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Questions & Comments

