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San Diego Housing Commission (SDHC)
General Contract for Building Updates at Starling Place
Presentation to the SDHC Board of Commissioners
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Introduction

- **April 25, 2025:** SDHC Board voted 7-0 to:
 - Authorize SDHC to execute a Purchase and Sales Agreement to acquire the property at 7798 Starling Dr., San Diego, CA 92123.
 - Approve the commencement of due diligence activities.
 - Authorize SDHC to submit an application to the State of California Department of Housing and Community Development (HCD) Homekey+ Program for grant funds in an amount not to exceed \$35,000,000.
- **May 29, 2025:** SDHC applied for the funds.
- **October 13, 2025:** HCD informed SDHC of its intent to award \$32,411,744 million in Homekey+ grant funds for the project.
- **November 7, 2025:** The SDHC Board voted 5-0 to approve a Revised Resolution authorizing SDHC to apply for State Homekey+ Program grant funds.
 - The previously approved SDHC Board resolution needed to be revised to specify that the Starling Drive property is existing housing, as defined by the regulations at 24 CFR 983.3.



Introduction (Continued)

- **September 12, 2025:** The SDHC Board voted 6-0 to authorize a predevelopment budget for Starling Place in an amount not to exceed \$617,504.40.
 - The project architect, SGPA, produced project plans and submitted them to the City of San Diego Development Services Department under “Affordable Housing Permit Now.”
 - Collaborative process designed to expedite the plan approval process for deed-restricted affordable housing.
 - Project plans are now “permit ready” and ready for issuance following notification to the City of the selection of the General Contractor and payment of fees.
- **December 1, 2025:** SDHC commenced a two-step competitive solicitation process for construction services.
- **January 16, 2026 :** SDHC Board voted 6-0 to accept and expend \$26,490,313 in State Homekey+ capital funds, \$12,134,986 in City of San Diego funds, and \$7,000,000 in County of San Diego funds to complete the acquisition and upgrades of the property
- **April 10, 2026:** SDHC successfully closed on the acquisition of the property.



Subject Property

Starling Place
7798 Starling Drive, 92123
Council District 7

- Serra Mesa
- One Building: three stories, elevator-served
- 64 Parking Spaces (four accessible per the Americans with Disabilities Act)
- Lot Size: 0.95 Acres
- Building size: 40,083 sq. ft.





Construction Scope of Work

- Accessibility upgrades, including path of travel to units and common areas
- Reconfiguration of interior spaces to accommodate:
 - Staff and service provider office spaces
 - Resident community room and laundry facilities
- Roof repairs and replacement
- Security upgrades, to include:
 - Installation of security camera system
 - Improvements to perimeter fencing
 - Addition of vehicle and pedestrian gates with access control
- Solar photovoltaic system design and installation
- Repaint of all units
- Corridor flooring replacement
- Miscellaneous site and interior improvements



Summary of Contractor Solicitation Process

- Two-step solicitation process
 - Request for Qualifications (RFQ)
 - Invitation for Bid (IFB)

RFQ

- Issued December 1, 2025
 - 787 notices went to contractors, and 64 downloaded the RFQ.
 - 13 participants attended a preproposal virtual meeting on December 15, 2025.
- SDHC received five RFQ responses by the January 15, 2026, deadline.
 - Using the RFQ scoring criteria, an evaluation committee determined that two responses did not meet the RFQ's threshold requirements, and the submitting firms did not demonstrate the necessary qualifications to perform the work.
 - Using the RFQ scoring criteria, the committee deemed LDCo., Inc. (LDCo.), All Source Company Building Group (All Source) and T. Morrissey Corporation (T. Morrissey) qualified respondents.



Summary of Contractor Solicitation Process

IFB

- Issued April 26, 2026, to LDCo., All Source and T. Morrissey
 - LDCo. and T. Morrissey provided responses to the IFB ahead of the May 22, 2026, deadline.
 - All Source did not submit a response to the IFB.
- LDCo.'s bid for the base project scope plus a list of defined cost alternates totaled \$3,581,600.
 - Within the parameters of the capital budget the SDHC Board approved for the project.
 - Less than cost estimates received from third-party firms to establish that budget.
- Additionally, LDCo. provided unit costs in their bid that are the basis for allowances to be added to the contract.
 - Any unused allowances will be credited back to SDHC at the conclusion of the project.



Board-approved Sources and Uses of Funds

FY26 Funding Sources	Amount
State of California Homekey+	\$3,599,493
Local Match Funding – County of San Diego	\$1,000,000
Total Project Sources	\$4,599,493

FY26 Funding Uses	Cost	Cost Per Unit
Hard Costs	\$4,599,493	\$56,091
Total Project Uses	\$4,599,493	\$56,091



Staff Recommendations

That the SDHC Board of Commissioners take the following actions:

- 1) Authorize the President and Chief Executive Officer (President and CEO), or designee, to enter into a contract with LDCo. Inc., (LDCo.) in an amount not to exceed \$3,581,600 for general construction services at Starling Place, 7798 Starling Drive, San Diego, CA 92123, which SDHC owns and manages. The contract term shall align with the completion date, inclusive of any approved extensions, required by the State of California Department of Housing and Community Development (HCD) Homekey+ Program. This date is currently December 14, 2026.
- 2) Authorize the President and CEO, or designee, to use the previously Board-approved Hard Cost budget and amend the contract, as needed, as long the total amount of the amendments does not exceed \$4,599,493 without further approval from the SDHC Board. The surplus budget will not be expended unless there is a demonstrated need.



Staff Recommendations (Continued)

- 3) Authorize the President and CEO, or designee, to substitute the identified contract funding sources with other available funding sources, as long as the total activity amount after substitution does not exceed the approved total project Hard Cost budget of \$4,599,493, should the need arise, without further action by the SDHC Board or Housing Authority of the City of San Diego, but only if and to the extent that funds are determined to be available for such purposes.

- 4) 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.



Questions & Comments