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San Diego Housing Commission (SDHC)
Hillcrest Apartments – Renewal of Property Management
Services Contract
Presentation to the SDHC Board of Commissioners
September 20, 2022

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SDHC – Hillcrest Apartments Property Management Introduction

- October 2020: SDHC acquired Hillcrest Apartments at 3754 5th Ave., San Diego, CA 92103.
 - 47 Single-Room Occupancy (SRO) units
 - 45 affordable rental housing units
 - 1 unit for on-site Property Management staff residence
 - 1 unit for on-site Property Management office
- September 29, 2020: SDHC executed a nine-month agreement for Property Management Services for Hillcrest Apartments.
 - At the end of the first term of the contract, the agreement was amended, and SDHC exercised a 90-day extension option through September 28, 2021.
- The Agreement was amended a second time, and SDHC executed the first one-year option to extend the Agreement through September 28, 2022.
 - Maximum compensation: \$249,366



SDHC – Hillcrest Apartments Property Management Reimbursable Budget Summary

- Budget analysis completed in preparation for the second one-year option to extend the agreement
 - Property Management Fee plus reimbursable expenses: \$266,045
 - SDHC Procurement Department provided cost escalations to include in the forecasting for goods and services.

EXPENSE	SEPTEMBER 29, 2022 – SEPTEMBER 28, 2023
Property Management Fee	\$29,529
PM CO – Salary and Benefits	\$231,006
Banking Fees	\$1,022
Software Licenses	\$486
Software Licenses and Support	\$1,205
PM Co – Training and Travel	\$817
Pre-authorized Budget Overrun	\$2,000
Total	\$266,045



SDHC – Hillcrest Apartments Property Management Fiscal Considerations

- The funding sources and uses proposed for approval by this action are included in the Fiscal Year (FY) 2023 Housing Authority-approved SDHC Budget (July 1, 2022 – June 30, 2023):
 - FY 2023 Funding Sources:
Rental Income \$ 199,445
 - FY 2023 Funding Uses:
Property Expenses \$ 199,445
- Approval of sources and uses in FY 2024 (July 1, 2023 – June 30, 2024) and future years will be included in SDHC's proposed budget for each fiscal year.



Hillcrest Apartments – Unit Interior



SDHC – Hillcrest Apartments Property Management Property Photos



SDHC – Hillcrest Apartments Property Management Staff Recommendations

That the SDHC Board of Commissioners (Board) take the following actions:

- 1) Approve an increase of \$17,132 to the Agreement with Hyder Property Management Professionals for property management services at Hillcrest Apartments, 3754 Fifth Avenue, San Diego, CA 92103, for a total one-year contract cost of \$266,045, effective September 29, 2022.
- 2) Approve a contingency amount of no more than 20 percent of total agreement amount (\$266,498) or \$53,209 if necessary, should the anticipated Property Management fee and Reimbursable Items be determined to be higher in the future Agreement renewal options, without further action by the SDHC Board.
- 3) Authorize the President & Interim Chief Executive Officer (President & CEO), or designee, to execute all documents and instruments necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and take such actions as 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.





SDHC – Hillcrest Apartments Property Management

Questions & Comments

