



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

DATE: September 13, 2018 HCR18-064

SUBJECT: Building Rehabilitation and Site Improvements of La Jolla Marine Apartments
Affordable Housing

COUNCIL DISTRICT(S): 1

ORIGINATING DEPARTMENT: Real Estate Division

CONTACT/PHONE NUMBER: Tom Mudd/619-578-7439

REQUESTED ACTION:

Award of a design-build contract and approval of development budget for the rehabilitation and site improvements of eight affordable housing units owned and managed by the San Diego Housing Commission, located at 7410 – 7412 Cuvier Street, La Jolla, California, 92037.

EXECUTIVE SUMMARY OF KEY FACTORS:

- The La Jolla Marine affordable housing apartment complex is located in the La Jolla community of San Diego.
- La Jolla Marine Apartments, originally constructed in 1977, consists of four 3-bedroom townhomes and four 4-bedroom townhomes.
- The San Diego Housing Commission (Housing Commission) assumed the rights and responsibilities of the City ground lease and ownership of the eight townhomes in May 2005. On January 12, 2018, the Housing Commission Board of Commissioners authorized the Housing Commission to purchase the land from the City for a purchase price not to exceed \$10,000 and closing costs not to exceed \$50,000.
- Since completion of original construction, no apparent or major rehabilitation work has been performed. While most building elements are in functional condition, they are near or at the end of their useful life.
- The proposed work includes the rehabilitation of eight residential units, parking area, one non-dwelling building, and the recondition of existing landscape areas with modern water conservation landscape systems.
- No accessibility improvements will be performed at this site.
- The project will implement the development plan utilizing the design-build contract with competitively bid solicitations and appropriate procurement methodologies.
- The development budget is an amount not to exceed \$1,355,968.



REPORT

DATE ISSUED: September 6, 2018

REPORT NO: HCR18-064

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of September 13, 2018

SUBJECT: Building Rehabilitation and Site Improvements of La Jolla Marine Apartments
Affordable Housing

COUNCIL DISTRICT: 1

REQUESTED ACTION:

Seven Day Advance Notice of San Diego Housing Commission hearing of the following matter has been provided to the Housing Authority Members in accordance with the terms and provisions of San Diego Municipal Code Section 98.0301 (e)(4)(b).

Award of a design-build contract and approval of development budget for the rehabilitation and site improvements of eight affordable housing units owned and managed by the San Diego Housing Commission, located at 7410 – 7412 Cuvier Street, La Jolla, California, 92037.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) take the following actions:

- 1) Authorize the President & Chief Executive Officer (President & CEO), or designee, to enter into a design-build contract, and all necessary contracts arising as a result of this procurement solicitation based on competitively bid solicitations and appropriate procurement methodologies, without further approvals by the Housing Commission Board of Commissioners (Board) or the Housing Authority of the City of San Diego (Housing Authority), provided that the aggregate amount of the contracts do not exceed the budget listed in Staff Recommendation No. 2, below;
- 2) Approve total development plan and ratification of the budget (Attachment 1) in an amount not to exceed \$1,355,968;
- 3) Authorize the President & CEO, or designee, to substitute the identified contract funding sources with other available funding sources, as long as the total activity budget amount after substitution does not exceed the total approved budget, should the operational need arise or should actions be to the benefit of the Housing Commission and its mission; and
- 4) Authorize the 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 are necessary and/or appropriate to implement these approvals.

SUMMARY

La Jolla Marine Apartments, originally constructed in 1977, consists of four 3-bedroom townhomes and four 4-bedroom townhomes located at 7410 – 7412 Cuvier Street, San Diego, CA 92037. The Housing Commission assumed the rights and responsibilities of the City ground lease and ownership of the eight townhomes in May 2005. On January 12, 2018, the Housing Commission Board of Commissioners authorized the Housing Commission to purchase the land from the City for a purchase price not to exceed \$10,000 and closing costs not to exceed \$50,000.

The site is bounded by Cuvier Street to the east, Marine Street to the south, and by residential properties to the north and west. The site consists of two 2-story dwelling structures containing eight apartment units. In addition, the property has a detached laundry/storage building. The parking lot accounts for 10 parking spaces.

Since completion of original construction, no apparent or major rehabilitation work has been performed. While most building elements are in functional condition, they are near or at the end of their useful life. The building structure scope of work includes foundation repairs on two buildings. Asbestos and microbial growth abatement. Removal and replacement of roof, gutters and downspouts, perimeter and patio fences, damaged architectural woodwork and fascia. Re-color coating of entire exterior stucco siding, paint and repair entry doors, and woodwork throughout.

Building interior work in the dwelling units includes removal and replacement of kitchen cabinet doors, closet doors and frames, floor finishes, wall bases, gas ranges, range hoods, refrigerators, water closets, base cabinets, lavatories, tub surrounds, medicine cabinets, windows, window blinds, acoustic ceilings, insulation, wall heaters, electrical outlets, switch plates and outlets, porch and patio lights, electrical breakers, smoke/carbon monoxide detectors, electrical wiring, sewer, plumbing repairs, limited stair system upgrades and painting of interior walls.

Non-dwelling structure work includes relocation of washers and dryers, painting of interior walls, clear finish to concrete floor, hot water heater, rough-in and venting for dryers, outlets and covers, switches and covers, exterior ceiling light, exterior wall pack, plumbing repairs, and new electrical breakers.

Site work includes patch, repair, seal and striping of all affected parking lot areas. Sewer line replacement as deemed necessary, fumigation of all building structures and installation of drought-tolerant water conservation landscape.

The project will implement the development plan utilizing the design-build contract with competitively bid solicitations and appropriate procurement methodologies.

A design-build contract is a method of procurement that allows flexibility of designing to a budget while maintaining competitive solicitation requirements.

The first step in this process is a Request for Qualifications (RFQ) issued as a public solicitation. The RFQ includes a general Scope of Work, estimated value of the project, and general Design Build Team requirements. Once the RFQ responses have been received, an evaluation committee is formed to determine the most qualified respondents. From this determination, the top three to five respondents will be requested to move on to step two.

The second step is a Request for Proposals (RFP) issued to the three to five most qualified respondents to the RFQ. Unlike traditional “Lowest Price” bidding, a point-based selection criteria format is used to determine “Best Value.” Such criteria is described in the RFP and includes: cost, qualifications of the project team, technical approach, construction plan, and summary of proposal. Each component that forms the overall criteria includes a weighted scoring scale to determine the best valued and most qualified Design Build Team.

TEMPORARY RELOCATION CONSIDERATIONS

The Housing Commission will temporarily relocate all residents for an estimated duration of 45 calendar days. The Housing Commission will utilize the services of a third-party relocation consultant and moving company to coordinate all temporary relocation requirements. All residents will receive required relocation assistance.

FISCAL CONSIDERATIONS

The funding sources and uses proposed for approval by this action were included in the Fiscal Year 2019 Budget. Fiscal Year 2019 funding sources and uses are as follows:

Fiscal Year 2019 funding sources:

Local Funds	\$1,355,968
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Fiscal Year 2019 funding uses:

Capital Improvements	\$1,355,986
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ECONOMIC OPPORTUNITIES FOR LOW- AND VERY LOW-INCOME PERSONS

The proposed project is subsidized by HUD Project Based Vouchers; therefore, it is subject to Section 3 of the Housing and Urban Development Act of 1968, implemented at Title 24, Part 135 of the Code of Federal Regulations. New economic opportunities generated on this project shall, to the greatest extent feasible, be directed to low-income persons and businesses that employ such persons.

PREVIOUS COUNCIL and/or COMMITTEE ACTION

The Housing Commission’s FY2019 Budget was approved by the Housing Commission on May 4, 2018, (HCR18-043) and the Housing Authority on June 11, 2018 (HAR18-013).

KEY STAKEHOLDERS

The key stakeholders of this action are residents of La Jolla Marine affordable housing development.

ENVIRONMENTAL REVIEW

This proposed rehabilitation is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) Guidelines because La Jolla Marine is an existing facility and the proposed actions do not involve expansion of the existing use. The project meets the criteria set forth in CEQA Section 15301 (a), which allows for exterior and interior alterations of existing facilities. The activities described herein are Categorically Excluded subject to Section 58.5 from the National Environmental Policy Act (NEPA) pursuant to Section 58.35 (a)(3) of Title 24 of the Code of Federal Regulations. The City of San Diego, as responsible entity, has conducted a limited Environmental Review of this project as required under Section

58.35(a), and has determined that his project converts to exempt status per Section 58.34(a)(12). A copy of the Environmental Review is on file in the Environmental Review Record

Respectfully submitted,

Tom Mudd

Tom Mudd
Director, Development Services
Real Estate Division

Approved by,

Deborah N. Ruane

Deborah N. Ruane
Executive Vice President & Chief Strategy Officer
San Diego Housing Commission

Attachments: 1) Total Development Plan

Hard copies are available for review during business hours at the security information desk in the main lobby and the fifth floor reception desk of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org.

La Jolla Marine Exterior and Interior Improvements

PROJECT MANAGER: Gabriela M. Nevins

UPDATED: 07/30/18

ACCOUNT MANAGER: Julie Conserva

ACCOUNTANT: Claudia

SOURCES

JOB COST NO.	PROPERTY	TYPE	NOTES	BUDGET
Ijlm19		Development	Local Funds	\$ 1,355,967.50
TOTAL SOURCES				\$ 1,355,967.50

USES

DESCRIPTION	CATEGORY	PROPERTY	BUDGET	BUDGET REVISIONS	SPENT TO DATE	REMAINING
Architect Engineer	9000-01-020					
Architect Engineer Consultants		794,140	\$ 2,000.00	\$ 2,000.00	\$ -	\$ 2,000.00
			\$ 35,000.00	\$ 35,000.00		
Sub-total Architect Engineer			\$ 37,000.00	\$ 37,000.00	\$ -	\$ 37,000.00
Legal	9000-01-060					
Legal Counsel Services			\$ -	\$ -	\$ -	\$ -
Sub-total Legal			\$ -	\$ -	\$ -	\$ -
Soft Cost Contingency	9000-01-100					
S.C. Contingency (5%)			\$ 3,000.00	\$ 3,000.00	\$ -	\$ 3,000.00
Sub-total Soft Cost Contingency			\$ 3,000.00	\$ 3,000.00	\$ -	\$ 3,000.00
Plan Check Fees	9000-01-130					
Permits and Plan Check Fees			\$ 10,000.00	\$ 10,000.00	\$ -	\$ 10,000.00
Sub-total Plan Check Fees			\$ 10,000.00	\$ 10,000.00	\$ -	\$ 10,000.00
Relocation Study Mgmt.	9000-01-160					
Relocation Study Mgmt.		794,140	\$ 8,967.50	\$ 8,967.50	\$ -	\$ 8,967.50
Sub-total Relocation Study			\$ 8,967.50	\$ 8,967.50	\$ -	\$ 8,967.50
Other Technical Reports	9000-01-170					
Misc. Technical Reports			\$ 8,500.00	\$ 8,500.00	\$ -	\$ 8,500.00
Sub-total Other Technical Reports			\$ 8,500.00	\$ 8,500.00	\$ -	\$ 8,500.00
Rehabilitation Residential	9000-01-190					
Residential Rehabilitation			\$ 1,085,000.00	\$ 1,085,000.00	\$ -	\$ 1,085,000.00
Sub-total Rehabilitation Residential			\$ 1,085,000.00	\$ 1,085,000.00	\$ -	\$ 1,085,000.00
Hard Cost Contingency	9000-01-200					
H.C. Contingency (10%)			\$ 108,500.00	\$ 108,500.00	\$ -	\$ 108,500.00
Sub-total Hard Cost Contingency			\$ 108,500.00	\$ 108,500.00	\$ -	\$ 108,500.00
Relocation Costs	9000-01-210					
Relocation Expenses			\$ 95,000.00	\$ 95,000.00	\$ -	\$ 95,000.00
Sub-total Relocation Costs			\$ 95,000.00	\$ 95,000.00	\$ -	\$ 95,000.00
TOTAL USES			\$ 1,355,967.50	\$ 1,355,967.50	\$ -	\$ 1,355,967.50
GAP FUNDING				\$ -		