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HOUSING
COMMISSION

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San Diego Housing Commission (SDHC)
Award of Property Management Services Contracts for
Valley Vista and Kearny Vista Apartments
Presentation to the SDHC Board of Commissioners
November 20, 2023

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SDHC – Property Management Contract for Valley Vista and Kearny Vista Apartments

Introduction

- SDHC has a continuing need for property management services for Kearny Vista and Valley Vista Apartments.
 - The current contract for property management services expires December 31, 2023.
 - Proposed new one-year contract term from January 1, 2024, through December 31, 2024.
 - Four one-year renewal options, based on SDHC’s needs.
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- **Kearny Vista:**
 - 142 affordable units and two managers’ units
 - 108 studios
 - 36 two-bedroom/two-bathroom
 - **Valley Vista:**
 - 190 affordable units and two managers’ units
 - 156 one-bedroom/one-bathroom
 - 20 two-bedroom/one-bathroom
 - 16 two-bedroom/two-bathroom



SDHC – Property Management Contract for Valley Vista and Kearny Vista Apartments

Introduction (Continued)

- July 25, 2023: SDHC issued a Request for Proposal (RFP) for property management services.
- August 15, 2023: Hyder & Company (Hyder) was the sole respondent to the RFP.
- The evaluation committee ranked Hyder & Company as a responsive respondent, and after careful consideration, recommended the award of the contract to Hyder.
- Hyder has extensive experience managing affordable housing and permanent housing with supportive services for individuals who experienced homelessness.
- Hyder's Current Portfolio
 - 124 affordable housing properties
 - 8,167 units
 - San Diego, Imperial County, Inland Empire, Los Angeles



SDHC – Property Management Contract for Valley Vista and Kearny Vista Apartments

Contract Terms – Valley Vista

- Initial one-year term
 - Plus a 20% contingency
- One-year term with four one-year options to renew
 - Includes a 20% contingency each year, as allocated below
 - Annual 3% increase in the contracted management fee

Contract Term	Contract Amount	Contingency	Contract Plus Contingency
Year 1 (January 1, 2024 – December 31, 2024)	\$1,070,402.20	\$214,080.44	\$1,284,482.64
Year 2, 1 st Option (January 1, 2025 – December 31, 2025)	\$1,075,532.20	\$215,106.44	\$1,290,638.64
Year 3, 2 nd Option (January 1, 2026 – December 31, 2026)	\$1,080,816.10	\$216,163.22	\$1,296,979.32
Year 4, 3 rd Option (January 1, 2027 – December 31, 2027)	\$1,086,264.39	\$217,252.88	\$1,303,517.27
Year 5, 4 th Option (January 1, 2028 – December 31, 2028)	\$1,091,853.58	\$218,370.72	\$1,310,224.30
Total Contract Cost	\$5,404,868.47	\$1,080,973.69	\$6,485,842.16



SDHC – Property Management Contract for Valley Vista and Kearny Vista Apartments

Contract Terms – Kearny Vista

- Initial one-year term
 - Plus a 20% contingency
- One-year term with four one-year options to renew
 - Includes a 20% contingency each year, as allocated below
 - Annual 3% increase in the contracted management fee

Contract Term	Contract Amount	Contingency	Contract Plus Contingency
Year 1 (January 1, 2024 – December 31, 2024)	\$785,355.72	\$157,071.14	\$942,426.86
Year 2, 1st Option (January 1, 2025 – December 31, 2025)	\$789,189.72	\$157,837.94	\$947,027.66
Year 3, 2nd Option (January 1, 2026 – December 31, 2026)	\$793,138.74	\$158,627.75	\$951,766.49
Year 4, 3rd Option (January 1, 2027 – December 31, 2027)	\$797,210.62	\$159,442.12	\$956,652.74
Year 5, 4th Option (January 1, 2028 – December 31, 2028)	\$801,387.80	\$160,277.56	\$961,665.36
Total Contract Cost	\$3,966,282.60	\$793,256.52	\$4,759,539.12



SDHC – Property Management Contract for Valley Vista and Kearny Vista Apartments

Fiscal Considerations

- The funding source will be the revenue generated by rent collections and is budgeted for:
 - Valley Vista: \$5,420,894 for Fiscal Year 2024.
 - Kearny Vista: \$3,032,368.00 for Fiscal Year 2024.
- Contract costs
 - Staffing
 - Management Fee
 - Includes annual 3 percent increase
 - Software
 - Banking Fees
 - Training & Travel



SDHC – Property Management Contract for Valley Vista and Kearny Vista Apartments

Staff Recommendations

Valley Vista Apartments (Agenda Item 102)

That the SDHC Board of Commissioners take the following actions:

- 1) Authorize SDHC to enter into an agreement with Hyder & Company to provide property management services at Valley Vista Apartments at 1865 Hotel Circle South, which SDHC owns, for a one-year term from January 1, 2024, through December 31, 2024, in the amount of \$1,070,402.20, with four one-year renewal options, based on SDHC's needs, with a 3 percent annual increase in the contracted management fee.
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to substitute the funding sources with other available funding sources and/or increase compensation by not more than 20% per year of the total annual agreement amount, if necessary, without further action by the SDHC Board of Commissioners or 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 be to the benefit of SDHC and its mission.



SDHC – Property Management Contract for Valley Vista and Kearny Vista Apartments Staff Recommendations (Continued)

Valley Vista Apartments (Agenda Item 102 - Continued)

- 3) Authorize the President & CEO, or designee, to execute all document 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.



SDHC – Property Management Contract for Valley Vista and Kearny Vista Apartments

Staff Recommendations (Continued)

Kearny Vista Apartments (Agenda Item 103)

That the SDHC Board of Commissioners:

- 1) Authorize SDHC to enter into an agreement with Hyder & Company to provide property management services at Kearny Vista Apartments at 5400 Kearny Mesa Road, which SDHC owns, for a one-year term from January 1, 2024, through December 31, 2024, in the amount of \$785,355.72, with four one-year renewal options, based on SDHC's needs, with a 3 percent annual increase in the contracted management fee.
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to substitute the funding sources with other available funding sources and/or increase compensation by not more than 20% per year of the total annual agreement amount, if necessary, without further action by the SDHC Board of Commissioners or 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 be to the benefit of SDHC and its mission.



SDHC – Property Management Contract for Valley Vista and Kearny Vista Apartments Staff Recommendations (Continued)

Kearny Vista Apartments (Agenda Item 103)

- 3) Authorize the President & CEO, or designee, to execute all document 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

