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San Diego Housing Commission (SDHC)
Construction Design Phase Contract with SGPA for Architecture
Services for Potential Acquisition of Extended Stay America Hotel Circle
Presentation to the SDHC Board of Commissioners
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SDHC – Extended Stay America: Design & Permitting Process

Introduction

- **April 20, 2023:** SDHC Board of Commissioners approved the execution of a Purchase and Sale Agreement (PSA) for the property at 2087 Hotel Circle South, San Diego, CA 92108 (Resolution HC-1979).
- After the execution of the PSA, SDHC staff engaged with an architecture firm, SGPA, through a task order under an on-call contract to evaluate the options and requirements to renovate existing units at the property.
 - Contract procured through a competitive process (CS-23-25)
- Due diligence period expires on January 31, 2024. SDHC staff anticipates contingencies will be removed.
 - The sale and acquisition date is subject to the award and release of the California Department of Housing and Community Development (HCD) Homekey funds.
 - If the State does not award Homekey funds for this project, SDHC will not acquire and rehabilitate the property.
 - Per PSA, date for close of escrow is April 20, 2024, with a three-month option to extend.
 - Staff will present the acquisition request to the SDHC Board, subject to review by the Housing Authority of the City of San Diego, for consideration before the close of escrow.



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Homekey Performance Requirements

- **SDHC must start full design to secure building permits and solicit for a general contractor as soon as possible to meet Homekey performance timelines.**

Homekey Timelines

- All Homekey funds are to be spent within eight months of award.
- All construction / rehabilitation must be completed within 12 months of award.
- Projects must achieve full occupancy (allowing for a 10% vacancy) within 90 days of construction completion.



**Extended Stay America – to be known as
Presidio Palms
2087 Hotel Circle South, 92108
Council District 3**

- Mission Valley Area
- Constructed circa 1999
- 165 existing rooms (post-rehab 163 units)
- 1 building – three-story, elevator-served
- Lot size: approximately 4.58 acres
- Building size: approximately 80,000 s.f.



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Architectural Design Services

- A contract and associated budget are necessary to engage with SGPA to design the construction project to be able to comply with Homekey construction completion timelines.
 - This will expedite the timing to lease the units to people experiencing homelessness.
- Continuation of architectural design services will allow for the preparation of documents needed to secure construction bids and submit for permits required by the City of San Diego.
- SGPA provided hourly rates during the competitive solicitation process that were deemed fair and reasonable.
 - A fee proposal for the Design Development through Construction Administration phases, inclusive of supporting engineering and sub-consultant disciplines, is in line with industry standards.
- Approval of the contract amendment will allow SGPA to commence additional architectural design services and take the necessary actions to complete the lengthy bid and permitting processes.





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Key Dates

Milestone	Date
Begin Schematic Design Process*	December 2023
Anticipated Homekey Award	January/February 2024
Anticipated Closing Date	April 20, 2024
Last day to close escrow (Per PSA. Includes optional 3-month extension)	July 24, 2024
Finalize Design / Pull Permits	August 2024

**Design, permit, and bid processes will require approximately eight months to complete.*



That the SDHC Board of Commissioners take the following actions:

- 1) Authorize the execution of an amendment to increase the compensation limits on a competitively solicited on-call architectural design contract with SGPA Architecture and Planning in an amount not to exceed \$890,000 to provide complete architectural design and engineering services to support the acquisition and development of the property at 2087 Hotel Circle South, San Diego, CA 92108.
- 2) Approve the predevelopment budget of \$941,025 associated with the potential acquisition of the Property. This includes the transfer and/or reallocation of funds between any and all funding use line items within the total approved predevelopment/project budget, provided the total project/predevelopment budget amount after any and all transfers/reallocations does not exceed the previously approved budget total, in any instances when the operational need(s) arise and/or when such actions are to the benefit of SDHC and its mission.



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Staff Recommendations (Continued)

- 3) Authorize SDHC's President and Chief Executive Officer (President and CEO), or designee, to substitute funding sources if necessary, without further action by the SDHC Board or the Housing Authority, but only if and to the extent that funds are determined to be available for such purposes.
- 4) Authorize SDHC's 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 to take such actions as are necessary and/or appropriate to implement these approvals upon the advice of General Counsel, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner.



Questions & Comments

