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San Diego Housing Commission (SDHC)  
Building Rehabilitation Contract for Pacific Village  
Presentation to the SDHC Board of Commissioners  
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# Building Rehabilitation Contract for Pacific Village

## Introduction

- **July 8, 2022:** The SDHC Board of Commissioners (Board) voted 5-0 to authorize SDHC to execute a Purchase and Sale Agreement (PSA) to acquire the hotel property at 3737-3747 Midway Drive, San Diego CA 92110, in Council District 2, now known as Pacific Village.
  - **July 28, 2022:** The PSA was fully executed.
- **February 9, 2023:** The SDHC Board voted 4-0 to approve the execution of an architectural design contract with SILLMAN for the conversion of the property to affordable housing.
  - SILLMAN produced the project plans and submitted them to the City of San Diego Development Services Department under the new “Affordable Housing Permit Now” process.
  - This collaborative process was designed to expedite the plan approval process for qualifying deed-restricted affordable housing projects.
  - Project plans are “permit ready” and ready for issuance following notification to the City of the selection of the General Contractor.



# Building Rehabilitation Contract for Pacific Village

## Introduction (Continued)

- **May 12, 2023:** SDHC Board voted 4-0 to authorize an application for the third round of State of California Department of Housing and Community Development (HCD) Homekey Program grant funds.
  - **June 6, 2023:** SDHC submitted an application to the HCD Homekey Program for grant funds to support the acquisition and development of the property.
  - **September 26, 2023:** HCD informed SDHC of its intent to award \$16,850,000 in Homekey grant funds for the project.
- **November 20, 2023:** SDHC Board voted 5-0 to accept \$16,850,000 in State of California (State) Homekey Program Funds, \$5,921,281 in City of San Diego funds, and \$5,921,281 in County of San Diego funds to support the acquisition and rehabilitation of the property
  - **January 2, 2024:** SDHC commenced a two-step competitive solicitation process for construction services.
  - **January 26, 2024:** SDHC successfully closed on the acquisition of the property.



# Building Rehabilitation Contract for Pacific Village Property

## Pacific Village (former Ramada Inn) 3737-3747 Midway Drive, 92110, Council District 2

- Midway / Sports Arena
- Constructed circa 1959
- 64 existing hotel rooms (post-rehab 62 units)
- 1 Building – two-story walk-up
- Lot Size: Approximately 36,154 s.f. (.83 Ac)
- Building size: Approximately 21,912 s.f.



# Building Rehabilitation Contract for Pacific Village

## Construction Scope of Work

Construction scope of work includes, but is not limited to:

- Installation of kitchenettes in all units;
- Addition of fire sprinkler and alarm systems;
- Upgrades to existing building systems to extend useful life and accommodate new kitchenettes and fire systems;
- Upgrades to life safety systems;
- Security additions including the installation of cameras and perimeter fencing;
- Plumbing fixture replacement;
- Roof replacement;
- Painting of the interior and exterior of the building;
- Accessibility upgrades including path of travel to units and common areas;
- Termite fumigation and repairs; and
- Other site improvements



# Building Rehabilitation Contract for Pacific Village Contractor Solicitation Process

- SDHC engaged in a two-step solicitation process with a Request for Qualifications (RFQ) followed by an Invitation for Bid (IFB).

## RFQ

- SDHC issued the RFQ for the Rehabilitation Contract on January 2, 2024.
  - 3,063 notices went to contractors, and 94 downloaded the RFQ.
  - A preproposal virtual meeting was held on January 5, 2024, and 19 contractors attended.
  - A site walk was held on January 10, 2024, and six contractors attended.
- RFQ proposals were due on January 23, 2024, and one response was received, from LDCo.
  - Using the RFQ scoring criteria, an evaluation committee deemed LDCo a qualified respondent.
  - Neither the number of responses or number of qualified respondents were disclosed.



# Building Rehabilitation Contract for Pacific Village Contractor Solicitation Process (Continued)

## IFB

- Issued January 29, 2024, to LDCo, the only qualified respondent to the RFQ.
  - The number of qualified respondents was not disclosed in the IFB.
  - The IFB closed on February 5, 2024, and LDCo provided a response.
- LDCo's bid for the base project scope plus a list of defined cost add alternates totaled \$11,378,943.29.
  - Deemed reasonable when compared to cost estimates from two outside companies and the project's capital budget.
- Additionally, LDCo provided unit costs in their bid that will be 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.



# Building Rehabilitation Contract for Pacific Village

## Fiscal Considerations

Fiscal Year 2024 Funding Sources:	
California Department of Housing and Community Development Homekey	\$3,261,898
City of San Diego	\$5,386,947
County of San Diego	\$5,771,281
<b>Total</b>	<b>\$14,420,126</b>
Fiscal Year 2024 Funding Uses:	
Hard Costs (Not to Exceed)	\$13,149,934
Hard Cost Contingency (Remainder of Approved Budget Sources)	\$1,270,192
<b>Total</b>	<b>\$14,420,126</b>





# Building Rehabilitation Contract for Pacific Village

## Interim Use and Schedule Extension

- In the aftermath of heavy rainfall and associated flooding that displaced many households from their homes in the City of San Diego, SDHC identified Pacific Village as a site for a short-term emergency shelter for storm-impacted households.
- HCD granted SDHC a 105-day extension to the project schedule for the purpose of this interim use of the property.
- On February 3, 2024, households began moving into the property for temporary shelter stays.
- The rehabilitation of Pacific Village will commence after the short-term emergency shelter has concluded.



# Building Rehabilitation Contract for Pacific Village

## Staff Recommendations

### That the SDHC Board 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 \$13,149,934 for general construction services at Pacific Village at 3737-3747 Midway Drive, San Diego, 92110, which the Housing Commission owns and manages. The contract term shall align with the completion date required by the State of California Department of Housing and Community Development (HCD) Homekey Program, currently set at January 9, 2025.
- 2) Authorize the President and CEO, or designee, to use project contingency and amend the contract, as needed, as long the total amount of the contract plus amendments does not exceed \$14,420,126 without further approval from the SDHC Board. The contingency will not be expended unless there is a demonstrated need.



## Building Rehabilitation Contract for Pacific Village 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 hard cost budget, including the contingency, of \$14,420,126, should the need arise, without further action by the Housing Commission 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

