



SAN DIEGO  
HOUSING  
COMMISSION

We're About People

# San Diego Housing Commission (SDHC) Predevelopment Budget – 7798 Starling Drive Presentation to the SDHC Board of Commissioners September 12, 2025

Josh Hoffman  
Vice President of Real Estate Development Services  
San Diego Housing Commission

Buddy Bohrer  
Vice President of Real Estate Finance and Acquisitions  
San Diego Housing Commission



# SDHC: Predevelopment Budget – Starling Place

## Introduction

**April 25, 2025:** SDHC Board of Commissioners approved the execution of a Purchase and Sale Agreement (PSA); a due diligence budget; and the submission of a California Department of Housing and Community Development (HCD) Homekey+ Application for the property at 7798 Starling Drive, referred to as Starling Place (Report No. HCR25-018).

**September 2, 2025:** Due diligence expired, and staff has removed contingencies on the sale (subject to Seller Closing Conditions).

### Acquisition Updates:

- The acquisition date is subject to the award and release of the California Department of Housing and Community Development (HCD) Homekey+ funds.
- Current estimate for close of escrow is February 2026, with the option to extend to November 1, 2026, at SDHC's sole discretion.
- Staff will present the acquisition request to the SDHC Board and the Housing Authority of the City of San Diego for consideration before the close of escrow.



# SDHC: Predevelopment Budget – Starling Place

## Introduction (Continued)

**To meet Homekey+ deadlines and SDHC Acquisition Policy requirements, SDHC staff must engage in predevelopment activities before the acquisition, including:**

- Architectural and Civil Engineering design of the construction project so that it is near “permit-ready” upon close of escrow
- Associated permit fees
- Third-party construction cost estimates
- Tenant interviews and a relocation study
- Subsidy layering review



# SDHC: Predevelopment Budget – Starling Place Property

- **Starling Place**
  - Council District: 7
  - County Supervisorial District: 4
- Serra Mesa
- One Building: three stories, elevator served
- 64 Parking Spaces (four accessible per the Americans with Disabilities Act)
- Lot Size: 0.95 Acres
- Building size: Approximately 40,083 sq. ft.
- Former commercial office building converted to SRO units in 2022 and currently operating as short-term vacation rentals



# SDHC: Predevelopment Budget – Starling Place Homekey+ Performance Requirements

- SDHC must start design as *soon as possible* to be near “permit ready” at close of escrow to fulfill Homekey+ requirements:
  - All construction / rehabilitation must be completed within 14 months of award.
  - All Homekey funds are to be spent within 17 months of award.
  - Projects must achieve 90% occupancy within 90 days of construction completion.



# SDHC: Predevelopment Budget – Starling Place

## Predevelopment Budget

### FY 26 Funding Sources

SDHC Local Funds	\$617,504.40
<b>TOTAL</b>	<b>\$617,504.40</b>

### FY 26 Funding Uses

Predevelopment Budget	\$514,587.00
Pre-Development Contingency (20%)	\$102,917.40
<b>TOTAL</b>	<b>\$617,504.40</b>



# SDHC: Predevelopment Budget – Starling Place

## Estimated Timeline

Milestone	Date
Homekey+ Application Submitted	May 2025
Begin Design / Permit Approval Process	September 2025
Anticipated Homekey+ Award	October 2025
Anticipated Closing Date	February 2026
Anticipated Permit Approval	May 2026
Anticipated Construction Start	May 2026
Construction Completion	December 2026



# SDHC: Predevelopment Budget – Starling Place

## Staff Recommendations

### **That the SDHC Board take the following actions:**

- 1) Authorize a predevelopment budget in the amount of \$617,504.40 associated with the proposed acquisition and rehabilitation of the property at 7798 Starling Dr., San Diego, CA 92123, currently under a Purchase and Sale Agreement.
- 2) 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.
- 3) 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

