



## EXECUTIVE SUMMARY

MEETING DATE: October 10, 2025

HCR25-066

SUBJECT: Award of Property Management Services Contract for Hillcrest Inn Apartments

COUNCIL DISTRICT: 3

ORIGINATING DEPARTMENT: Real Estate Division

CONTACT/PHONE NUMBER: Emmanuel Arellano (619) 578-7586

### REQUESTED ACTION:

Approve an increase to the maximum compensation amount in the agreement with Hyder & Company for Property Management Services at the San Diego Housing Commission-owned Hillcrest Inn Apartments at 3754 Fifth Ave. The contract cost for the initial one-year term is \$299,920, plus a 10 percent contingency of \$29,992, for a total potential maximum compensation amount of \$329,912. The total cost for a one-year term with four one-year options to renew, if all options are exercised, is \$1,813,063, which includes a 10 percent contingency each year and an annual 3 percent increase in the management fee. Option years will be exercised based upon the needs of and at the sole discretion of SDHC. Contingency will be used based upon the needs of and at the sole discretion of SDHC.

### EXECUTIVE SUMMARY OF KEY FACTORS:

- SDHC has a continuing need for property management services for Hillcrest Inn Apartments (Hillcrest Inn) at 3754 Fifth Ave., San Diego, CA 92103, in Council District 3.
- The property consists of 45 studio units, one manager's unit, and one office unit. Project-Based Vouchers provide rental assistance for 12 of the 45 studio units, which are permanent supportive housing rental homes for people who previously experienced homelessness.
- Since SDHC's acquisition of the property in 2020, SDHC has contracted with a third-party property management company to manage Hillcrest Inn.
- SDHC initially considered transitioning Hillcrest Inn's management responsibilities to staff in SDHC's Property Management Department in the Real Estate Division. However, SDHC determined that continuing to leverage third-party property management was the best approach at this time.
- In alignment with this updated direction, SDHC issued a Request for Proposals (RFP) on August 5, 2025, seeking highly qualified contractors to deliver Permanent Supportive Property Management Services for SDHC-owned properties, including Hillcrest Inn.
- Final proposals were due August 26, 2025, and one bid was received from Hyder & Company, the incumbent property management company for Hillcrest Inn.
- Hyder & Company ranked as a responsive respondent, and after careful consideration, the evaluation committee recommended the award of the contract to Hyder & Company.
- To prevent a gap in services between the end of the expiring property management contract and the SDHC Board's action on the proposed contract, upon completion of the RFP and recommendation of the evaluation committee, an initial contract in an amount not to exceed \$250,000 was executed with Hyder & Company. Staff is recommending that the SDHC Board amend this contract to increase the maximum compensation amount to \$299,920; add a 10 percent contingency; and include four one-year renewal options with a 3 percent annual increase in the management fee, at SDHC's sole discretion.
- The proposed sources and uses were included in the Housing Authority-approved FY 2026 Budget. The funding source for the property will be the revenue generated by rent collections. Future years will be constrained by the fiscal budget for the relevant fiscal year.

## REPORT

**DATE ISSUED:** October 2, 2025

**REPORT NO:** HCR26-066

**ATTENTION:** Chair and Members of the San Diego Housing Commission Board of Commissioners  
For the Agenda of October 10, 2025

**SUBJECT:** Award of Property Management Services Contract for Hillcrest Inn Apartments

**COUNCIL DISTRICT:**3

***Advance notice of San Diego Housing Commission hearing of the following matter has been provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(A)-(B).***

### **REQUESTED ACTION**

Approve an increase to the maximum compensation amount in the agreement with Hyder & Company for Property Management Services at the San Diego Housing Commission-owned Hillcrest Inn Apartments at 3754 Fifth Ave. The contract cost for the initial one-year term is \$299,920, plus a 10 percent contingency of \$29,992, for a total potential maximum compensation amount of \$329,912. The total cost for a one-year term with four one-year options to renew, if all options are exercised, is \$1,813,063, which includes a 10 percent contingency each year and an annual 3 percent increase in the management fee.

| Contract Term                                     | Contract Amount     | Contingency       | Contract plus Contingency |
|---|---------------------|-------------------|---------------------------|
| Year 1<br>September 29, 2025 - September 30, 2026 | \$ 299,920          | \$ 29,992         | \$ 329,912                |
| Year 2<br>October 1, 2026 - September 30, 2027    | \$ 314,134          | \$ 31,413         | \$ 345,547                |
| Year 3<br>October 1, 2027 - September 30, 2028    | \$ 328,950          | \$ 32,895         | \$ 361,845                |
| Year 4<br>October 1, 2028 - September 30, 2029    | \$ 344,479          | \$ 34,448         | \$ 378,927                |
| Year 5<br>October 1, 2029 - September 30, 2030    | \$ 360,757          | \$ 36,076         | \$ 396,832                |
| <b>Total Contract Cost</b>                        | <b>\$ 1,648,239</b> | <b>\$ 164,824</b> | <b>\$ 1,813,063</b>       |

Option years will be exercised based upon the needs of and at the sole discretion of SDHC.  
Contingency will be used based upon the needs of and at the sole discretion of SDHC.

### **STAFF RECOMMENDATION**

That the San Diego Housing Commission (SDHC) Board of Commissioners (Board) take the following actions:

1. Approve a \$49,920 increase to the maximum annual compensation amount in the agreement with Hyder & Company, PM-26-04, for Property Management Services at the SDHC-owned Hillcrest Inn Apartments at 3754 Fifth Ave. and a 10 percent contingency of \$29,990 per year for

with Hyder & Company, PM-26-04, for Property Management Services at the SDHC-owned Hillcrest Inn Apartments at 3754 Fifth Ave. and a 10 percent contingency of \$29,990 per year for a maximum compensation amount of \$329,912 in the first year; with four one-year renewal options, including a 3 percent annual increase in the contracted management fee. Option years will be exercised based upon the needs of and at the sole discretion of SDHC. Contingency will be used based upon the needs of and at the sole discretion of SDHC.

2. Authorize the President and Chief Executive Officer (President and CEO), or designee, to adjust or substitute the funding sources with other available funding sources , without further action by the SDHC Board or the 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 benefit SDHC and its mission.
3. 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.

### **SUMMARY**

SDHC has a continuing need for property management services for Hillcrest Inn Apartments (Hillcrest Inn) at 3754 Fifth Ave., San Diego, CA 92103, in Council District 3. SDHC acquired Hillcrest Inn Apartments in 2020. The property consists of 45 studio units, one manager's unit, and one office unit. Project-Based Vouchers provide rental assistance for 12 of the 45 studio units, which are permanent supportive housing rental homes for people who previously experienced homelessness. These residents have access to supportive resident services.

Since SDHC's acquisition, SDHC has contracted with a third-party property management company to manage Hillcrest Inn. Property management services include, but are not limited to, leasing units while adhering to SDHC policies concerning tenant selection; terminating tenancy while following SDHC policies concerning house rules and evictions; performing maintenance of the property; and maintaining accounts and providing reporting for all financial activities related to the property. Property Management will partner with the resident service provider to support and engage with tenants to maintain a stable tenancy and prevent lease violations that may jeopardize their housing stability.

The SDHC issued a Request for Proposals (RFP) on August 5, 2025, seeking highly qualified contractors to deliver Permanent Supportive Property Management Services for SDHC-owned properties, including Hillcrest Inn.

The RFP was made publicly available through SDHC's portal on the PlanetBids website. Additionally, electronic notifications were sent to all registered property management vendors, encouraging broad participation. In total, 565 contractors received the notice, and 22 plan holders downloaded the RFP.

Final proposals were due August 26, 2025, and one bid was received from Hyder & Company, the incumbent property management company for Hillcrest Inn. A responsiveness review was conducted, and the proposal was found to be responsive.

The evaluation committee reviewed, scored and ranked the response based on the following criteria: qualifications and experience, technical and availability of the contractor, cost proposal, and non-

discrimination and ethical compliance. A summary of the evaluation scoring is below.

| Property Management Services at Hillcrest Inn |         |         |         |           |    |
|---|---------|---------|---------|-----------|----|
| Project Evaluations, PM-26-04, Round 1        |         |         |         |           |    |
| Hyder & Company                               |         |         |         |           |    |
|   | Rater 1 | Rater 2 | Rater 3 |           |    |
| Points Available                              | Score   | Score   | Score   | Aggregate |    |
| Qualification & Experience                    | 30      | 30      | 20      | 28        | 26 |
| Technical & Availability of the Contractor    | 25      | 25      | 25      | 20        | 23 |
| Cost Proposal                                 | 30      | 25      | 20      | 20        | 22 |
| Non-Discrimination & Ethical Compliance       | 15      | 10      | 15      | 12        | 12 |
| Round 1 Total                                 | 90      | 80      | 80      | 83        |    |

Hyder & Company ranked as a responsive respondent, and after careful consideration, the evaluation committee recommended the award of the contract to Hyder & Company.

To prevent a gap in services between the end of the expiring property management contract and the SDHC Board's action on the proposed contract, upon completion of the RFP and recommendation of the evaluation committee, an initial contract in an amount not to exceed \$250,000 was executed with Hyder & Company. Staff is recommending that the SDHC Board amend this contract to increase the maximum compensation amount to \$299,920; add a 10 percent contingency; and include four one-year renewal options with a 3 percent annual increase in the management fee, at SDHC's sole discretion.

As the incumbent contractor for Permanent Supportive Housing Property Management Services, Hyder & Company has provided professional service to SDHC and the Hillcrest Inn residents. Staff is confident Hyder & Company will continue to provide professional services as a reliable partner to SDHC.

Anticipated On-Site Staffing Composition.

- Property Manager
- Residential Laborer (Prevailing Wage)

### **FISCAL CONSIDERATIONS**

The proposed sources and uses were included in the Housing Authority-approved FY 2026 Budget. The funding source for the property will be the revenue generated by rent collections. Future years will be constrained by the fiscal budget for the relevant fiscal year.

Contract costs are described in five main categories; Staffing, Management Fee, Software, Banking Fee, and Training & Travel. The Management Fee includes an annual 3 percent increase.

| Cost Category       | Year One     | Year Two     | Year Three   | Year Four    | Year Five    |
|---------------------|--------------|--------------|--------------|--------------|--------------|
| Salaries & Benefits | \$ 250,544   | \$ 263,071   | \$ 276,224   | \$ 290,036   | \$ 304,537   |
| Management Fee      | \$ 43,200    | \$ 44,496    | \$ 45,831    | \$ 47,206    | \$ 48,622    |
| Total Software      | \$ 3,645     | \$ 3,827     | \$ 4,019     | \$ 4,220     | \$ 4,431     |
| Banking Fees        | \$ 1,519     | \$ 1,595     | \$ 1,674     | \$ 1,758     | \$ 1,846     |
| Training-Travel     | \$ 1,013     | \$ 1,063     | \$ 1,116     | \$ 1,172     | \$ 1,231     |
| TOTAL               | \$ 299,920   | \$ 314,134   | \$ 328,9450  | \$ 344,479   | \$ 360,757   |
|                     |              |              |              |              |              |
| 3% per year         | Year One     | Year Two     | Year Three   | Year Four    | Year Five    |
| Management Fee      | \$ 43,200    | \$ 44,496    | \$ 45,831    | \$ 47,206    | \$ 48,622    |
|                     | \$80.00/unit | \$82.40/unit | \$84.87/unit | \$87.42/unit | \$90.04/unit |

Option years will be exercised upon the needs of and at the sole discretion of SDHC.

#### **NONDISCRIMINATION ASSURANCE**

At SDHC, we're about people. We are committed to ensuring a compassionate, person-centered approach to SDHC's programs, policies, projects and activities and to serving our community impartially, fairly and without bias. We are also committed to ensuring compliance with all applicable federal, state and local laws and protections to the extent that they affect this action relative to nondiscrimination.

SDHC staff has requested a workforce report for record-keeping purposes.

#### **SDHC STRATEGIC PLAN**

This item relates to Strategic Priority 3 in the proposed SDHC Strategic Plan for Fiscal Years (FY) 2026 – 2030, which is being presented to the SDHC Board for consideration on October 10, 2025: Create and Preserve Housing.

#### **ENVIRONMENTAL REVIEW**

##### **California Environmental Quality Act**

Approving the funding increase for property management at Hillcrest Inn is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing Facilities), which allows the operation, repair, maintenance permitting, leasing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use.

##### **National Environmental Policy Act**

The parties agree that the provision of any federal funds as the result of this action is conditioned on the City of San Diego's final NEPA review and approval.

Respectfully submitted,

*Emmanuel Arellano*

Emmanuel Arellano  
Vice President of Asset Management  
Real Estate Division

Approved by,

*Jeff Davis*

Jeff Davis  
Deputy Chief Executive Officer  
San Diego Housing Commission

Attachments: 1) Evaluation Criteria  
2) Contract PM-26-04, Agreement for Property Management Services at Hillcrest Inn

October 2, 2205

Award of Property Management Services Contract for Hillcrest Inn Apartments

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A printed copy is available for review during business hours at the information desk in the main lobby of SDHC's offices at 1122 Broadway, San Diego, CA 92101. Docket materials are available in the "Governance & Legislative Affairs" section of SDHC's website at [www.sdhc.org](http://www.sdhc.org)

## Attachment 1

### Evaluation Scoring Worksheet

#### Evaluator Scoring Worksheet

| Property Management Services at Hillcrest Inn Evaluation Criteria |  |
|---|--|
| POINTS AVAILABLE  | CATEGORY   |
| 30 Points   | <p><b>Qualification &amp; Experience</b><br/> Provide narrative detailing relevant experience to include but not limited to:</p> <ul style="list-style-type: none"> <li>•Describe your firm's background and experience, services, size, and history as these factors are relevant to property management services.</li> <li>•Describe your team's experience with work on similar scopes of services and include all current licenses.</li> <li>•Include all applicable resumes and work experiences of key personnel assigned.</li> <li>•Provide at least three client references from whom your firm has performed property management services. For each client, describe the project, services performed, and provide the name, address, and telephone number for a person at client's firm familiar with such work.</li> </ul>   |
| 25 Points   | <p><b>Technical &amp; Availability of the Contractor</b><br/> Provide narrative with detailed information regarding the firm's technical capabilities to include but not limited to:</p> <ul style="list-style-type: none"> <li>•Provide a statement of your firm's understanding of the work to be performed.</li> <li>•Describe your firm's ability to carry out the specified scope of services, including the personnel, equipment, and facilities to perform services. Include current and projected workloads that would affect the ability to perform services.</li> <li>•Provide an example of successfully completing similar work on schedule within the past year.</li> </ul>   |
| 30 Points   | <p><b>Cost Proposal</b><br/> As As described on the Compensation Terms quote sheet (Page 15)</p>   |
| 15 Points   | <p><b>Non-Discrimination &amp; Ethical Compliance (2 page limit)</b><br/> Contractor will demonstrate its compliance with federal and state (as applicable) non-discrimination regulations and policies.</p> <ul style="list-style-type: none"> <li>•Provide a narrative detailing the Contractor's knowledge, experience and demonstrated commitment to refrain from unfair treatment and proactive inclusion of all protected classes as outlined in federal regulations both from an employment and subcontracting perspective.</li> </ul> <ol style="list-style-type: none"> <li>1. Provide specific examples of proactive activities and initiatives which may include but are not limited to: <ol style="list-style-type: none"> <li>a) Knowledge in the principles and practices of non-discrimination regulation requirements;</li> <li>b) Staff trainings regarding unlawful discrimination;</li> <li>c) Recruitment/workplace practices and outreach efforts to ensure contractor is not unlawfully discriminating in its recruitment, promotion and other related Human Resource (HR) activities;</li> <li>d) Outreach and engagement efforts to ensure Contractor is not unlawfully discriminating in its subcontracting opportunities.</li> </ol> </li> <li>2. Does your company engage only with contractors/business partners which adhere to all applicable local, state and federal labor and employment requirements related to, e.g. wage payment, anti-discrimination/harassment, equal opportunity, family and medical leave, and other applicable provisions?</li> <li>3. Describe in general terms how your company supports local, regional, and national business markets.</li> <li>4. Describe any company environmentally conscious business practices and policies.</li> </ol> |
| 100 Points  | Total Possible Points  |