



REPORT

DATE ISSUED: June 17, 2015

REPORT NO: HCR15-054

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of June 25, 2015

SUBJECT: Amendment to the Contract for Property Management Services for Village North Senior Garden Apartments

COUNCIL DISTRICT: 7

REQUESTED ACTION

Approve an amendment to the contract between the San Diego Housing Commission and San Diego Sunrise Management Company for property management services for Village North Senior Garden Apartments.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) take the following actions:

- 1) Approve an amendment to the contract between the Housing Commission and San Diego Sunrise Management Company to increase the contract option for the period July 1, 2015, through July 31, 2015, by \$35,000 to a not-to-exceed amount of \$130,000.
- 2) Authorize the President & Chief Executive Officer, 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 make such actions as are necessary and/or appropriate to implement these approvals.

SUMMARY

The existing contract between the Housing Commission and San Diego Sunrise Management Company allows for a base contract of \$95,000 for the period May 1, 2015, through June 30, 2015, for property management services at its newly acquired Village North Senior Garden Apartments (Village North Senior) site located at 7720-7780 Belden Street. The scope of services for this contract includes full-service residential property management services. San Diego Sunrise Management Company has been the acting management company at Village North Senior since 1998.

The Housing Commission is requesting an extension to the current contract in order to perform additional due diligence on San Diego Sunrise Management Company related to its operations, internal structure and reporting. The Real Estate Property Management Department is seeking input from a variety of resources, including the Fiscal Department, Procurement Department, and Legal Counsel as part of this review.

The total contract amount for the period May, 1, 2015, through July 30, 2015, is \$130,000. The amount includes a not to exceed amount of \$10,506.51 for management fees (based on \$29.43 per unit, per

June 17, 2015

Amendment to Contract for Property Management Services for Village North Senior Garden Apartments

Page 2

month, excluding the Manager's unit) and 2) not to exceed amount of \$119,493.49 for reimbursable expenses. The reimbursable expenses include payroll expenses for on-site staff and other property-related expenses including maintenance, administrative costs, utilities and minor replacements.

FISCAL CONSIDERATIONS

The proposed funding sources and uses approved by this action were included in the Fiscal Year (FY) 2016 Housing Commission Budget. Approving this action will not change the FY 2016 Budget.

FY 2016 sources are local unrestricted funds consisting of anticipated Rental Revenue, which have been included as part of the FY 2016 Housing Commission Budget.

EQUAL OPPORTUNITY/CONTRACTING

San Diego Sunrise Management Company is a local business and has submitted the required EOC forms and Workforce Report.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders include the residents at Village North Senior, Housing Commission Real Estate Division, Property Management Department and San Diego Sunrise Management Company.

ENVIRONMENTAL REVIEW

This activity is not a project as defined by the California Environmental Quality Act Section 21065 and State CEQA Guidelines Section 15378(b)(5), as it is an administrative activity of government that will not result in direct or indirect physical changes in the environment. The determination that this activity is not subject to CEQA, pursuant to Section 15060(c)(3), is not appealable and a Notice of Right to Appeal the Environmental Determination (NORA) is not required. This activity is categorically excluded from the National Environmental Policy Act pursuant to Part 58.35(b)(3) of Title 24 of the Code of Federal Regulations.

Respectfully submitted,

Jennifer McKinney

Jennifer McKinney
Vice President, Real Estate Operations
Real Estate Division

Approved by,

Deborah N. Ruane

Deborah N. Ruane
Senior Vice President
Real Estate Division

Hard copies are available for review during business hours in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials on the San Diego Housing Commission website at www.sdhc.org.