

## INFORMATIONAL REPORT

**DATE ISSUED:** December 8, 2022

**REPORT NO:** HDP22-025

**ATTENTION:** Chair and Members of the Board of Directors of  
Housing Development Partners of San Diego  
For the Agenda of December 15, 2022

**SUBJECT:** Three-Year Cash Flow

**NO ACTION IS REQUIRED ON THE PART OF THE HDP BOARD OF DIRECTORS**

### **SUMMARY**

The Three-Year Cash Flow report is a fiscal planning guide that forecasts Housing Development Partners' (HDP) cash inflows and outflows over the next three years based on scheduled receipts from existing projects, the proposed 2023 HDP Operating Budget, and anticipated receipts from potential projects.

Please note a Conflict Disclosure Statement at the end of this report.

### **CONFLICT DISCLOSURE STATEMENT:**

Two San Diego Housing Commissioners (Commissioners), Stefanie Benvenuto and Eugene "Mitch" Mitchell, and Interim President & Chief Executive Officer (CEO) of the San Diego Housing Commission (Housing Commission), Jeff Davis, are each directors of Housing Development Partners (HDP), a California nonprofit public benefit corporation qualified as an Internal Revenue Code Section 501(c)(3) corporation for federal purposes. Any Commissioner, who is also a director of HDP as of the date of this staff report, and Interim CEO Davis have no conflict of interest as discussed below.

The Commissioners and Interim CEO Davis receive no compensation for their service on HDP's Board of Directors and/or as officers of HDP. Pursuant to the provisions of Government Code Sections 1091.5(a)(7) and 1091.5(a)(8), the Commissioners and Interim CEO Davis each have a "non-interest" as described in Government Code Section 1091.5 for purposes of their action on Housing Commission matters associated with this matter, if any. This disclosure shall be incorporated into the record of the Housing Commission, if and when this matter is heard by the Housing Commission.

Further, as members of the Housing Commission Board of Commissioners, the Commissioners are legally entitled to vote and be counted for quorum purposes in this HDP matter. Further, Mr. Davis is not compensated by HDP, and he sits on the HDP Board of Directors. He is legally entitled to vote and to be counted for quorum purposes for this HDP matter.

None of HDP's Board members has a financial interest in this action item that would legally preclude their participation under the provisions of Government Code Sections 1090 and/or 87100 et. seq. Further, the Housing Commission is a public agency, and the Commissioners are not compensated for their service as Commissioners of the Housing Commission. Further, Mr. Davis's compensation from a

public agency, the Housing Commission, is a non-interest under the provisions of Government Code Section 1091.5(a)(9) as well as for the purposes of Government Code Section 87100 et. seq. Mr. Davis's compensation with the Housing Commission is not a financial interest that would, in any way, preclude him being counted for quorum purposes or voting on these matters before HDP.

Further, to the extent that HDP is a public agency for local Ethics Ordinance purposes, neither the Commissioners nor Director Davis have any conflicts of interest under the local ethics ordinance that would preclude their, or any of their, actions in this matter or from being counted for quorum purposes. This disclosure shall be and is hereby documented in the official records of HDP. Similar disclosures will be made in the records of the Housing Commission, if and when this matter is heard by the Housing Commission.

**MUTUAL DIRECTORS STATEMENT:**

To the extent that Commissioners may be considered to be "directors" of the Housing Commission for purposes of California Corporations Code Section 5234 and, hence, common directors with HDP, a vote on this matter should incorporate a finding that these transactions are just and reasonable as to HDP.

Respectfully submitted,

*Julie Conserva*

Julie Conserva  
Vice President of Finance – Real Estate  
Housing Development Partners

Approved by,

*Suket Dayal*

Suket Dayal  
Executive Vice President and Treasurer/Chief  
Financial Officer  
Housing Development Partners

Attachments: 1) Three-Year Cash Flow

Docket materials are available on HDP's website at [www.hdpartners.org](http://www.hdpartners.org)

## HDP Three-Year Cash Flow Forecast

	2022	2023	2024
Inflows			
Developer Fees (from Capital/Perm Sources)	\$ 1,000,000	\$ 1,058,330	\$ 1,639,291
Residual Receipts from Project Operating Cash Flows	1,552,327	1,675,717	1,718,260
Partnership Management Fees	173,552	218,930	225,198
Other Inflows	9,500	10,000	10,300
<b>Total Inflows</b>	<b>2,735,379</b>	<b>2,962,977</b>	<b>3,593,049</b>
Outflows			
Administrative Expenses	1,350,791	1,945,926	2,014,034
Project Expenditures	50,000	737,800	-
<b>Total Outflows</b>	<b>1,400,791</b>	<b>2,683,726</b>	<b>2,014,034</b>
<b>Net Cash Flow</b>	<b>1,334,588</b>	<b>279,251</b>	<b>1,579,016</b>
<b>Beginning Cash</b>	<b>9,998,741</b>	<b>11,333,329</b>	<b>11,612,580</b>
<b>Ending Cash</b>	<b>\$ 11,333,329</b>	<b>\$ 11,612,580</b>	<b>\$ 13,191,595</b>