

REPORT

DATE ISSUED: July 5, 2023

REPORT NO: HDPM23-002

ATTENTION: Chair and Members of the Board of Directors of
HDP Mason Housing Corporation
For the Agenda of July 12, 2023

SUBJECT: Approve the Appointment of a Board Member

CHAIR OF THE BOARD'S RECOMMENDATION

That the HDP Mason Housing Corporation (HDP Mason) Board of Directors (Board) take the following actions:

- 1) Approve the appointment of San Diego Housing Commission (Housing Commission) Vice Chair Ryan Clumpner as a member of the HDP Mason Board of Directors.
- 2) Find that the foregoing action is just and reasonable as to HDP for purposes of California Corporations Code 5234.

Please note a Conflict Disclosure Statement at the end of this report has been included because HDP is the Housing Commission's nonprofit affiliate, and these transactions otherwise involve the Housing Commission.

SUMMARY

Housing Development Partners (HDP) was established in 1990 as a nonprofit affiliate of the Housing Commission. HDP develops and preserves affordable housing for low-income San Diegans through the rehabilitation of existing buildings and new construction. Rental housing for seniors, families, veterans, workers and residents with special needs are among the developments in HDP's real estate portfolio. HDP is staffed by Housing Commission employees.

HDP Mason Housing Corporation was established in 2011. It oversees the operation of the Mason Hotel, a 17-unit affordable housing development in downtown San Diego for individuals with low-income at risk of homelessness. HDP Mason acquired the property in 2011. The property underwent a comprehensive rehabilitation in 2012. HDP Mason is a 501(c)(3) corporation that was formed for the acquisition of the Mason Hotel and to facilitate financing of that transaction. The membership of the Board of Directors of the HDP Mason Board is identical to the membership of the HDP Board of Directors.

The HDP Mason Board consists of the five members of the HDP Board, who are the Housing Commission's President & CEO, two members of the Housing Commission Board, and two at-large community members.

On June 15, 2023, the Housing Commission Board of Commissioners approved the appointment of Housing Commission Vice Chair Ryan Clumpner to the HDP Mason Board of Directors.

July 5, 2023

Approval of the Appointment of a Board Member

Page 2

The Housing Commission Board of Commissioners elected Commissioner Clumpner to serve as Vice Chair on January 11, 2019, and July 8, 2022. Vice Chair Clumpner was appointed to the Board of Commissioners by Mayor Kevin L. Faulconer and was confirmed by the City Council on August 7, 2018. He has worked in public policy and communications for more than 15 years. He also has experience in the public sector, including serving as Chief of Staff for elected officials in the California State Assembly and the San Diego City Council. In 2016, Vice Chair Clumpner launched a boutique consultancy business, focused on providing strategic advice to business associations and ballot measure campaigns. He also has worked for a national public affairs consulting agency, handling public outreach and communications for candidates and ballot measures across the country at all levels of government, from small municipalities to statewide.

FISCAL CONSIDERATIONS

The proposed action has no fiscal impact.

KEY STAKEHOLDERS and PROJECTED IMPACTS

The key stakeholders of this action are the Housing Commission Board of Commissioners, the Board of Directors of HDP, the Board of Directors of HDP Mason Housing Corporation, the ownership partners and residents of HDP affordable housing developments, the residents of Mason Hotel, participants in Housing Commission collaborative programs and developments, and the individuals Housing Commission collaborative developments and programs assist.

ENVIRONMENTAL REVIEW

California Environmental Quality Act (CEQA)

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.

National Environmental Policy Act (NEPA)

Processing under the National Environmental Policy Act is not required as no federal funds are involved in this action.

CONFLICT DISCLOSURE STATEMENT:

Two San Diego Housing Commissioners (Commissioners), Eugene “Mitch” Mitchell and Ryan Clumpner, and Interim President & Chief Executive Officer (CEO) of the San Diego Housing Commission (Housing Commission), Jeff Davis, are each directors of HDP Mason Housing Corporation (HDP Mason), 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 Mason’s Board of Directors and/or as officers of HDP Mason. 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.

July 5, 2023

Approval of the Appointment of a Board Member

Page 3

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 Mason matter. Further, Mr. Davis is not compensated by HDP Mason, and he sits on the HDP Mason Board of Directors. He is legally entitled to vote and to be counted for quorum purposes for this HDP Mason matter.

None of HDP Mason'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 Mason.

Further, to the extent that HDP Mason 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 the HDP Mason. Similar disclosures will be made in the records of the Housing Commission, if and when this matter is heard by the 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 Mason, a vote on this matter should incorporate a finding that these transactions are just and reasonable as to HDP Mason.

Respectfully submitted,



Jeff Davis

Chair of the Board

HDP Mason Housing Corporation

Docket materials are available on HDP's website at www.hdpartners.org