

## INFORMATIONAL REPORT

**DATE ISSUED:** July 5, 2023

**REPORT NO:** HDP23-010

**ATTENTION:** Chair and Members of the Board of Directors of  
Housing Development Partners of San Diego  
For the Agenda of July 12, 2023

**SUBJECT:** First Quarter 2023 Property Budget-to-Actual Reports

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

#### **SUMMARY**

The Budget-to-Actual Reports provide an overview of the Housing Development Partners (HDP) properties' financial performance during the first quarter (January through March) of Fiscal Year 2023. Variance notes are provided for line items where actual performance considerably deviates from staff's projections based on the approved 2023 property budgets.

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

#### **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 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 the HDP. 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, a vote on this matter should incorporate a finding that these transactions are just and reasonable as to HDP.

Respectfully submitted,

*Emmanuel Arellano*

Emmanuel Arellano  
Vice President of Asset Management  
Housing Development Partners

Approved by,

*Emily S. Jacobs*

Emily S. Jacobs  
Executive Vice President  
Housing Development Partners

Attachment: 1) First Quarter 2023 Property Budget-to-Actual Report

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

**ADU's**

San Diego, CA 92154

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	2023 - Quarter One			2023 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/ (under)	YTD Actual	YTD Budget	\$over/ (under)	
<b>INCOME</b>							
Gross Potential Income	22,644	23,694	(1,050)	22,644	23,694	(1,050)	See Note 1
Gain/Loss to Lease	(444)	(1,293)	849	(444)	(1,293)	849	See Note 2
Vacancy	-	(1,120)	1,120	-	(1,120)	1,120	
Manager's unit(s)	-	-	-	-	-	-	
Other deductions	-	(1,470)	1,470	-	(1,470)	1,470	
Other Income	19	33	(14)	19	33	(14)	
<b>TOTAL INCOME</b>	<b>22,219</b>	<b>19,844</b>	<b>2,375</b>	<b>22,219</b>	<b>19,844</b>	<b>2,375</b>	
<b>EXPENSES</b>							
Admin	2,580	2,912	(332)	2,580	2,912	(332)	
Utilities	112	965	(853)	112	965	(853)	See Note 3
Maintenance & Repair	989	1,687	(698)	989	1,687	(698)	
Extraordinary Expense	-	129	(129)	-	129	(129)	
Taxes & Insurance	1,507	870	637	1,507	870	637	See Note 4
Bad Debt	-	-	-	-	-	-	
Other expenses	4,635	4,635	-	4,635	4,635	-	
<b>TOTAL EXPENSES</b>	<b>9,823</b>	<b>11,198</b>	<b>(1,375)</b>	<b>9,823</b>	<b>11,198</b>	<b>(1,375)</b>	
<b>NET OPERATING INCOME</b>	<b>12,396</b>	<b>8,646</b>	<b>3,750</b>	<b>12,396</b>	<b>8,646</b>	<b>3,750</b>	
Debt Service	-	-	-	-	-	-	
<b>CASH FLOW</b>	<b>\$ 12,396</b>	<b>\$ 8,646</b>	<b>\$ 3,750</b>	<b>\$ 12,396</b>	<b>\$ 8,646</b>	<b>\$ 3,750</b>	

**Notes:**

Note 1: QTD/YTD is offset by Gain/Loss to lease

Note 2: QTD/YTD is offset by Gross Potential Rent

Note 3: QTD/YTD is lower than anticipated due to most utility bills reflecting on the SFH financials. Property management is currently working on splitting the expenses correctly for both projects.

Note 4: QTD/YTD is increased due to taxes being expensed in the 1st quarter and slightly higher than anticipated insurance cost.

# BROADWAY

1055 9th Avenue San  
Diego, CA 92101  
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	2023 - Quarter One			2023 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/ (under)	YTD Actual	YTD Budget	\$over/ (under)	
<b>INCOME</b>							
Gross Potential Income	931,680	933,233	(1,553)	\$ 931,680	\$ 933,233	(1,553)	
Gain/Loss to Lease	(1,219)	-	(1,219)	(1,219)	-	(1,219)	
Vacancy	(7,330)	(46,662)	39,332	(7,330)	(46,662)	39,332	
Manager's unit(s)	(15,996)	(16,023)	27	(15,996)	(16,023)	27	
Other deductions	-	-	-	-	-	-	
Other Income	31,897	24,032	7,865	31,897	24,032	7,865	See Note 1
<b>TOTAL INCOME</b>	<b>939,032</b>	<b>894,580</b>	<b>44,452</b>	<b>939,032</b>	<b>894,580</b>	<b>44,452</b>	
<b>EXPENSES</b>							
Admin	91,993	95,506	(3,513)	91,993	95,506	(3,513)	
Utilities	93,313	86,451	6,862	93,313	86,451	6,862	See Note 2
Maintenance & Repair	99,097	98,039	1,058	99,097	98,039	1,058	
Extraordinary Maintenance	-	-	-	-	-	-	
Taxes & Insurance	27,370	31,471	(4,101)	27,370	31,471	(4,101)	See Note 3
Bad Debt	355	412	(57)	355	412	(57)	
Other expenses	103,358	104,635	(1,277)	103,359	104,635	(1,276)	
<b>TOTAL EXPENSES</b>	<b>415,486</b>	<b>416,514</b>	<b>(1,028)</b>	<b>415,487</b>	<b>416,514</b>	<b>(1,027)</b>	
<b>NET OPERATING INCOME</b>	<b>523,546</b>	<b>478,066</b>	<b>45,480</b>	<b>523,545</b>	<b>478,066</b>	<b>45,479</b>	
Debt Service	258,313	258,314	(1)	258,313	258,314	(1)	
<b>CASH FLOW</b>	<b>\$ 265,233</b>	<b>\$ 219,752</b>	<b>\$ 45,481</b>	<b>\$ 265,232</b>	<b>\$ 219,752</b>	<b>\$ 45,480</b>	

Notes:

Note 1: QTD/YTD increased due to higher than anticipated Tenant Recovery Charges as well as restricted interest income.

Note 2: QTD/YTD increased due to Gas expenses coming in much higher in the colder months of the year. We anticipate this cost to reduce through the warmer months of 2023.

Note 3: QTD/YTD is lower due to Property and Business Improvements Districts Tax invoice not yet received for 2023.

# CASA COLINA

5207 52nd Place San  
Diego, CA 92105

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	2023 - Quarter One			2023 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/ (under)	YTD Actual	YTD Budget	\$over/ (under)	
<b>INCOME</b>							
Gross Potential Income	265,275	265,275	-	\$ 265,275	\$ 265,275	-	
Gain/Loss to Lease	-	-	-	-	-	-	
Vacancy	(4,196)	(7,958)	3,762	(4,196)	(7,958)	3,762	
Manager's unit(s)	(3,537)	(3,537)	-	(3,537)	(3,537)	-	
Other deductions	-	-	-	-	-	-	
Other Income	22,241	21,301	940	22,241	21,301	940	
<b>TOTAL INCOME</b>	<b>279,783</b>	<b>275,081</b>	<b>4,702</b>	<b>279,783</b>	<b>275,081</b>	<b>4,702</b>	See Note 1
<b>EXPENSES</b>							
Admin	49,752	52,673	(2,921)	49,752	52,673	(2,921)	
Utilities	18,975	19,066	(91)	18,975	19,066	(91)	
Maintenance & Repair	36,318	43,337	(7,019)	36,318	43,337	(7,019)	See Note 2
Extraordinary Maintenance	-	-	-	-	-	-	
Taxes & Insurance	9,346	8,400	946	9,346	8,400	946	
Bad Debt	-	-	-	-	-	-	
Other expenses	28,757	39,479	(10,722)	28,757	39,479	(10,722)	See Note 3
<b>TOTAL EXPENSES</b>	<b>143,148</b>	<b>162,955</b>	<b>(19,807)</b>	<b>143,148</b>	<b>162,955</b>	<b>(19,807)</b>	
<b>NET OPERATING INCOME</b>	<b>136,635</b>	<b>112,126</b>	<b>24,509</b>	<b>136,635</b>	<b>112,126</b>	<b>24,509</b>	
Debt Service	62,031	60,727	1,304	62,031	60,727	1,304	
<b>CASH FLOW</b>	<b>\$ 74,604</b>	<b>\$ 51,399</b>	<b>\$ 23,205</b>	<b>\$ 74,604</b>	<b>\$ 51,399</b>	<b>\$ 23,205</b>	

Notes:

Note 1: QTD/YTD Revenue is over budget due to no vacancy at the property.

Note 2: QTD/YTD is under budget due to repair and maintenance payroll savings.

Note 3: QTD/YTD is under budget due to resident service coordinator selecting less expensive health benefits package.

**SFH**

San Diego, CA 92154

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	2023 - Quarter One			2023 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/ (under)	YTD Actual	YTD Budget	\$over/ (under)	
<b>INCOME</b>							
Gross Potential Income	26,897	59,382	(32,485)	26,897	59,382	(32,485)	See Note 1
Gain/Loss to Lease	(1,069)	(33,122)	32,053	(1,069)	(33,122)	32,053	See Note 2
Vacancy	-	(1,313)	1,313	-	(1,313)	1,313	
Manager's unit(s)	-	-	-	-	-	-	
Other deductions	-	(1,470)	1,470	-	(1,470)	1,470	
Other Income	7	34	(27)	7	34	(27)	
<b>TOTAL INCOME</b>	<b>25,835</b>	<b>23,511</b>	<b>2,324</b>	<b>25,835</b>	<b>23,511</b>	<b>2,324</b>	
<b>EXPENSES</b>							
Admin	2,785	2,911	(126)	2,785	2,911	(126)	
Utilities	2,269	965	1,304	2,269	965	1,304	See Note 3
Maintenance & Repair	841	1,494	(653)	841	1,494	(653)	
Extraordinary Expense	-	129	(129)	-	129	(129)	
Taxes & Insurance	17,585	871	16,714	17,585	871	16,714	See Note 4
Bad Debt	-	-	-	-	-	-	
Other expenses	4,635	4,635	-	4,635	4,635	-	
<b>TOTAL EXPENSES</b>	<b>28,115</b>	<b>11,005</b>	<b>17,110</b>	<b>28,115</b>	<b>11,005</b>	<b>17,110</b>	
<b>NET OPERATING INCOME</b>	<b>(2,280)</b>	<b>12,506</b>	<b>(14,786)</b>	<b>(2,280)</b>	<b>12,506</b>	<b>(14,786)</b>	
Debt Service	-	-	-	-	-	-	
<b>CASH FLOW</b>	<b>\$ (2,280)</b>	<b>\$ 12,506</b>	<b>\$ (14,786)</b>	<b>\$ (2,280)</b>	<b>\$ 12,506</b>	<b>\$ (14,786)</b>	

**Notes:**

Note 1: QTD/YTD is offset by Gain/Loss to lease

Note 2: QTD/YTD is offset by Gross Potential Rent

Note 3: QTD/YTD is higher than anticipated due to most utility bills reflecting on the SFH financials. Property management is currently working on splitting the expenses correctly for both projects.

Note 4: QTD/YTD is increased due to the welfare exemptions pending status. Most of the tax expense will be reimbursed once the exemption is approved.

## HOTEL CHURCHILL

827 C Street  
San Diego, CA 92101

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	2023 - Quarter One			2023 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/ (under)	YTD Actual	YTD Budget	\$over/ (under)	
<b>INCOME</b>							
Gross Potential Income	460,776	463,842	(3,066)	460,776	\$ 463,842	(3,066)	See Note 1
Gain/Loss to Lease	7,227	(1,982)	9,209	7,227	(1,982)	9,209	See Note 2
Vacancy	(16,435)	(23,093)	6,658	(16,435)	(23,093)	6,658	
Manager's unit(s)	(6,312)	(6,354)	42	(6,312)	(6,354)	42	
Other deductions	-	-	-	-	-	-	
Other Income	1,768	5,560	(3,792)	1,768	5,560	(3,792)	See Note 3
<b>TOTAL INCOME</b>	<b>447,024</b>	<b>437,973</b>	<b>9,051</b>	<b>447,024</b>	<b>437,973</b>	<b>9,051</b>	
<b>EXPENSES</b>							
Admin	37,393	61,538	(24,145)	37,393	61,538	(24,145)	See Note 4
Utilities	42,429	27,182	15,247	42,429	27,182	15,247	See Note 5
Maintenance & Repair	86,877	63,980	22,897	86,877	63,980	22,897	See Note 6
Extraordinary Expense	-	-	-	-	-	-	
Taxes & Insurance	7,722	7,519	203	7,722	7,519	203	
Bad Debt	2,013	3,940	(1,927)	2,013	3,940	(1,927)	
Other expenses	16,601	33,244	(16,643)	16,601	33,244	(16,643)	See Note 7
<b>TOTAL EXPENSES</b>	<b>193,035</b>	<b>197,403</b>	<b>(4,368)</b>	<b>193,035</b>	<b>197,403</b>	<b>(4,368)</b>	
<b>NET OPERATING INCOME</b>	<b>253,989</b>	<b>240,570</b>	<b>13,419</b>	<b>253,989</b>	<b>240,570</b>	<b>13,419</b>	
Debt Service	1,890	1,890	-	1,890	1,890	-	
<b>CASH FLOW</b>	<b>\$ 252,099</b>	<b>\$ 238,680</b>	<b>\$ 13,419</b>	<b>252,099</b>	<b>\$ 238,680</b>	<b>\$ 13,419</b>	

### Notes:

Note 1: QTD/YTD lower due to the rent increase not being effective until August 1st. The numbers should align at year end.

Note 2: QTD/YTD is increased due to prior adjustments/tenant rent recovery.

Note 3: QTD/YTD is decreased due to the commercial space not being occupied in Q1. HDP is currently in discussion with a prospective tenant.

Note 4: QTD/YTD in decreased due to PM fee coming in under budget (-\$12,458). PM fee adjusted in April and is now aligned with budget. Also attributing to the decrease was the vacant assistant manager position which has been filled.

Note 5: QTD/YTD increased due to higher than anticipated electricity cost. Electricity cost expected to lower throughout the year and are typically higher in the beginning of the year.

Note 6: QTD/YTD is higher due to an increase in security coverage while no assistant manager was at the property, as well as having to pay for temporary maintenance while the maintenance staff transferred to another property.

Note 7: QTD/YTD is lower due to the ground lease expense scheduled to come out later in FY23.

## LOGAN DEV/KNOX GLEN

4754 Logan Avenue  
San Diego, CA, 92113

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	2023 - Quarter One			2023 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/ (under)	YTD Actual	YTD Budget	\$over/ (under)	
<b>INCOME</b>							
Gross Potential Income	270,903	272,562	(1,659)	270,903	272,562	(1,659)	
Gain/Loss to Lease	(37,264)	(36,547)	(717)	(37,264)	(36,547)	(717)	
Vacancy	(4,089)	(11,801)	7,712	(4,089)	(11,801)	7,712	
Manager's unit(s)	(5,436)	(5,274)	(162)	(5,436)	(5,274)	(162)	
Other deductions	-	-	-	-	-	-	
Other Income	4,168	1,391	2,777	4,168.00	1,391.00	2,777	See Note 1
<b>TOTAL INCOME</b>	<b>228,282</b>	<b>220,331</b>	<b>7,951</b>	<b>228,282</b>	<b>220,331</b>	<b>7,951</b>	
<b>EXPENSES</b>							
Admin	30,762	30,403	359	30,762	30,403	359	
Utilities	28,165	23,506	4,659	28,165	23,506	4,659	See Note 2
Maintenance & Repair	44,692	39,842	4,850	44,692	39,842	4,850	See Note 3
Extraordinary Maintenance	-	-	-	-	-	-	
Taxes & Insurance	10,567	10,092	475	10,567	10,092	475	
Bad Debt	69	1,273	(1,204)	69	1,273	(1,204)	
Other expenses	5,575	6,013	(438)	5,575	6,013	(438)	
<b>TOTAL EXPENSES</b>	<b>119,830</b>	<b>111,129</b>	<b>8,701</b>	<b>119,830</b>	<b>111,129</b>	<b>8,701</b>	
<b>NET OPERATING INCOME</b>	<b>108,452</b>	<b>109,202</b>	<b>(750)</b>	<b>108,452</b>	<b>109,202</b>	<b>(750)</b>	
Debt Service	58,432	58,426	6	58,432	58,426	6	
<b>CASH FLOW</b>	<b>\$ 50,020</b>	<b>\$ 50,776</b>	<b>\$ (756)</b>	<b>\$ 50,020</b>	<b>\$ 50,776</b>	<b>\$ (756)</b>	

### Notes:

Note 1: QTD/YTD increased due to interest income and tenant rent recovery.

Note 2: QTD/YTD higher due to increased water usage and cost. Property to further investigate. April water expenses in line with FY23 budget.

Note 3: QTD/YTD is higher due to maintenance salary and furniture & appliance replacements which will be reimbursed through prior to FY23 year end.

# MASON HOTEL

1345 5th Avenue  
San Diego, CA 92101

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	2023 - Quarter One			2023 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/ (under)	YTD Actual	YTD Budget	\$over/ (under)	
<b>INCOME</b>							
Gross Potential Income	70,227	94,945	(24,718)	\$ 70,227	\$ 94,945	(24,718)	See Note 1
Gain/Loss to Lease	(875)	(6,902)	6,027	\$ (875)	(6,902)	6,027	See Note 2
Vacancy	(4,131)	(4,402)	271	\$ (4,131)	(4,402)	271	
Manager's unit(s)	(4,131)	(5,179)	1,048	\$ (4,131)	(5,179)	1,048	
Other deductions	-	-	-	\$ -	-	-	
Other Income	11,265	8,151	3,114	\$ 11,265	8,151	3,114	See Note 3
<b>TOTAL INCOME</b>	<b>72,355</b>	<b>86,613</b>	<b>(14,258)</b>	<b>72,355</b>	<b>86,613</b>	<b>(14,258)</b>	
<b>EXPENSES</b>							
Admin	16,910	21,495	(4,585)	16,910	21,495	(4,585)	See Note 4
Utilities	11,181	8,157	3,024	11,181	8,157	3,024	See Note 5
Maintenance & Repair	11,350	12,278	(928)	11,350	12,278	(928)	
Taxes & Insurance	4,582	3,684	898	4,582	3,684	898	
Extraordinary Maintenance	-	-	-	-	-	-	
Bad Debt	-	1,517	(1,517)	-	1,517	(1,517)	
Other expenses	2,125	2,215	(90)	2,125	2,215	(90)	
<b>TOTAL EXPENSES</b>	<b>46,148</b>	<b>49,346</b>	<b>(3,198)</b>	<b>46,148</b>	<b>49,346</b>	<b>(3,198)</b>	
<b>NET OPERATING INCOME</b>	<b>26,207</b>	<b>37,267</b>	<b>(11,060)</b>	<b>26,207</b>	<b>37,267</b>	<b>(11,060)</b>	
Debt Service	-	-	-	-	-	-	
<b>CASH FLOW</b>	<b>\$ 26,207</b>	<b>\$ 37,267</b>	<b>\$ (11,060)</b>	<b>\$ 26,207</b>	<b>\$ 37,267</b>	<b>\$ (11,060)</b>	

**Notes:**

Note 1: QTD/YTD lower due to the rent increase not being effective until May 1st. Numbers should start to align after subsidy increase.

Note 2: QTD/YTD is lower due to G/L to Lease reflecting in GPR.

Note 3: QTD/YTD is higher due to damages being charged to tenant ledgers and appearing as accrued income.

Attempts to collect are utilized via the rental assistance program and via LEAP, if applicable.

Note 4: QTD/YTD is lower due to less anticipated cost in manager salary and employee benefits.

Note 5: QTD/YTD is increased due to electricity coming in higher than anticipated. Electricity and gas are typically increased in the colder months of the year.

# MARINER'S VILLAGE

6847 Potomac St  
San Diego, CA 92139

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	2023 - Quarter One			2023 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/(under)	YTD Actual	YTD Budget	\$over/(under)	
<b>INCOME</b>							
Gross Potential Income	858,786	921,690	(62,904)	858,786.00	921,690.00	(62,904)	
Gain/Loss to Lease	(22,160)	(180,144)	157,984	(22,160.00)	(180,144.00)	157,984	
Vacancy	(6,977)	(37,077)	30,100	(6,977.00)	(37,077.00)	30,100	See Note 1
Manager's unit(s)	(14,838)	-	(14,838)	(14,838.00)	-	(14,838)	
Other deductions	-	-	-	-	-	-	
Other Income	45,809	26,576	19,233	45,809.00	26,576.00	19,233	See Note 2
<b>TOTAL INCOME</b>	<b>860,620</b>	<b>731,045</b>	<b>129,575</b>	<b>860,620</b>	<b>731,045</b>	<b>129,575</b>	See Note 3
<b>EXPENSES</b>							
Admin	106,663	86,973	19,690	106,663	86,973	19,690	See Note 4
Utilities	61,997	71,879	(9,882)	61,997	71,879	(9,882)	See Note 5
Maintenance & Repair	66,171	78,381	(12,210)	66,171	78,381	(12,210)	See Note 6
Extraordinary Maintenance	985	-	985	985	-	985	
Taxes & Insurance	35,148	30,657	4,491	35,148	30,657	4,491	
Bad Debt	1,297	6,250	(4,953)	1,297	6,250	(4,953)	
Other expenses	80,242	98,449	(18,207)	80,242	98,449	(18,207)	See Note 7
<b>TOTAL EXPENSES</b>	<b>352,503</b>	<b>372,589</b>	<b>(20,086)</b>	<b>352,503</b>	<b>372,589</b>	<b>(20,086)</b>	
<b>NET OPERATING INCOME</b>	<b>508,117</b>	<b>358,456</b>	<b>149,661</b>	<b>508,117</b>	<b>358,456</b>	<b>149,661</b>	
Debt Service	251,659	251,096	563	251,659	251,096	563	
<b>CASH FLOW</b>	<b>\$ 256,458</b>	<b>\$ 107,360</b>	<b>\$ 149,098</b>	<b>\$ 256,458</b>	<b>\$ 107,360</b>	<b>\$ 149,098</b>	

Notes:

Note 1: QTD/YTD Vacancy loss is under budget due to high occupancy/ low vacancy.

Note 3: QTD/YTD other income is over budget due to recovery of delinquency from current tenants.

Note 3: QTD/YTD actual rental income is higher than budgeted for this income averaging project.

Note 4: QTD/YTD admin expense is over budget due to higher than budgeted management fee (% of income), and benefits for maintenance payroll being recorded as an admin expense when budgeted in maintenance.

Note 5: QTD/YTD Utilities are accrued based on estimates, pending bills based on usage to verify savings.

Note 6: QTD/YTD maintenance is under budget due to payroll savings (position now filled) and maintenance staff benefits budgeted in maintenance but expensed in admin.

Note 7: QTD/YTD other expenses is under budget as a additional not required expenses (service coordinator) were budgeted.

# NEW PALACE

1814 Fifth Avenue  
San Diego, CA 92101

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	2023 - Quarter One			2023 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/(under)	YTD Actual	YTD Budget	\$over/(under)	
<b>INCOME</b>							
Gross Potential Income	414,995	470,549	(55,554)	\$ 414,995	\$ 470,549	(55,554)	See Note 1
Gain/Loss to Lease	(8,194)	(49,747)	41,553	(8,194)	(49,747)	41,553	See Note 2
Vacancy	(17,802)	(21,040)	3,238	(17,802)	(21,040)	3,238	
Manager's unit(s)	(5,367)	(5,367)	-	(5,367)	(5,367)	-	
Other deductions	-	-	-	-	-	-	
Other Income	1,608	972	636	1,608	972	636	
<b>TOTAL INCOME</b>	<b>385,240</b>	<b>395,367</b>	<b>(10,127)</b>	<b>385,240</b>	<b>395,367</b>	<b>(10,127)</b>	
<b>EXPENSES</b>							
Admin	49,251	54,228	(4,977)	49,251	54,228	(4,977)	See Note 3
Utilities	26,959	24,713	2,246	26,959	24,713	2,246	See Note 4
Maintenance & Repair	39,872	46,302	(6,430)	39,872	46,302	(6,430)	See Note 5
Extraordinary Maintenance	-	-	-	-	-	-	
Taxes & Insurance	9,410	8,277	1,133	9,410	8,277	1,133	
Bad Debt	1,142	213	929	1,142	213	929	
Other expenses	4,540	17,462	(12,922)	4,540	17,462	(12,922)	See Note 6
<b>TOTAL EXPENSES</b>	<b>131,174</b>	<b>151,195</b>	<b>(20,021)</b>	<b>131,174</b>	<b>151,195</b>	<b>(20,021)</b>	
<b>NET OPERATING INCOME</b>	<b>254,066</b>	<b>244,172</b>	<b>9,894</b>	<b>254,066</b>	<b>244,172</b>	<b>9,894</b>	See Note 7
Debt Service	76,477	73,858	2,619	76,477	73,858	2,619	
<b>CASH FLOW</b>	<b>\$ 177,589</b>	<b>\$ 170,314</b>	<b>\$ 7,275</b>	<b>\$ 177,589</b>	<b>\$ 170,314</b>	<b>\$ 7,275</b>	

**Note 1:**

Note 1: QTD/YTD is lower due to FY23 rent increases being effective in February and August. This line is offset by Gain/Loss to lease.

Note 2: QTD/YTD is higher due to G/L to Lease reflecting in GPR.

Note 3: QTD/YTD is lower due to less anticipated cost in manager salary and employee benefits.

Note 4: QTD/YTD is higher due to increased cost for electricity.

Note 5: QTD/YTD is lower due to less anticipated cost in manager salary and employee benefits.

Note 6: QTD/YTD is lower due to the SDHC Compliance Monitoring Fee scheduled to come out later in the year, as well as a reserve withdrawal in the amount of \$9,960.

Note 7: QTD/YTD is increased due to less anticipated expenses in Q1. Expenses are scheduled to increase due to cost expected to come later in the year such as the items noted in note 6. However, NOI should continue to come in above budget due to FY23 rent increases.

## PARKER KIER

2172 Front Street  
San Diego, CA 92101

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	2023 - Quarter One			2023 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$/over/ (under)	YTD Actual	YTD Budget	\$/over/ (under)	
<b>INCOME</b>							
Gross Potential Income	225,183	226,310	(1,127)	225,183	226,310	(1,127)	
Gain/Loss to Lease	(3,465)	(1,636)	(1,829)	(3,465)	(1,636)	(1,829)	
Vacancy	(5,687)	(11,234)	5,547	(5,687)	(11,234)	5,547	
Manager's unit(s)	(7,017)	(7,052)	35	(7,017)	(7,052)	35	
Other deductions	-	-	-	-	-	-	
Other Income	5,206	742	4,464	5,206	742	4,464	See Note 1
<b>TOTAL INCOME</b>	<b>214,220</b>	<b>207,130</b>	<b>7,090</b>	<b>214,220</b>	<b>207,130</b>	<b>7,090</b>	
<b>EXPENSES</b>							
Admin	24,834	22,195	2,639	24,834	22,195	2,639	See Note 2
Utilities	33,589	19,166	14,423	33,589	19,166	14,423	See Note 3
Maintenance & Repair	40,968	44,089	(3,121)	40,968	44,089	(3,121)	See Note 4
Extraordinary Maintenance	-	-	-	-	-	-	
Taxes & Insurance	4,901	3,909	992	4,901	3,909	992	
Bad Debt	483	-	483	483	-	483	
Other expenses	3,334	13,778	(10,444)	3,334	13,778	(10,444)	See Note 5
<b>TOTAL EXPENSES</b>	<b>108,109</b>	<b>103,137</b>	<b>4,972</b>	<b>108,109</b>	<b>103,137</b>	<b>4,972</b>	
<b>NET OPERATING INCOME</b>	<b>106,111</b>	<b>103,993</b>	<b>2,118</b>	<b>106,111</b>	<b>103,993</b>	<b>2,118</b>	
Debt Service	-	-	-	-	-	-	
<b>CASH FLOW</b>	<b>\$ 106,111</b>	<b>\$ 103,993</b>	<b>\$ 2,118</b>	<b>106,111</b>	<b>103,993</b>	<b>\$ 2,118</b>	

### Notes:

Note 1: QTD/YTD is higher due to damages being charged to tenant ledgers reflected as accrued income. Attempts to collect are utilized via the rental assistance program and via LEAP, if applicable.

Note 2: QTD/YTD is slightly increased due to admin salary and legal expenses.

Note 3: QTD/YTD is significantly increased due to increased electricity cost. Historically, electricity expenses have been increased in the colder months of the year. Staff also investigating solar panels to ensure all is in working order.

Note 4: QTD/YTD is slightly lower due to less anticipated cost in employee benefits and electrical contracts.

Note 5: QTD/YTD is lower due to the Ground Lease expense scheduled to come out later in FY23.

## QUALITY INN

1840 Fourth Avenue  
San Diego, CA 92101

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	2023 - Quarter One			2023 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/ (under)	YTD Actual	YTD Budget	\$over/ (under)	
<b>INCOME</b>							
Gross Potential Income	514,428	516,632	(2,204)	\$ 514,428	\$ 516,632	(2,204)	
Gain/Loss to Lease	(15,518)	(20)	(15,498)	(15,518)	(20)	(15,498)	See Note 1
Vacancy	(50,706)	(25,831)	(24,875)	(50,706)	(25,831)	(24,875)	See Note 2
Manager's unit(s)	(6,312)	(6,322)	10	(6,312)	(6,322)	10	
Other deductions	-	-	-	-	-	-	
Other Income	7,173	1,342	5,831	7,173	1,342	5,831	
<b>TOTAL INCOME</b>	<b>449,065</b>	<b>485,801</b>	<b>(36,736)</b>	<b>449,065</b>	<b>485,801</b>	<b>(36,736)</b>	
<b>EXPENSES</b>							
Admin	70,763	76,473	(5,710)	70,763	76,473	(5,710)	See Note 3
Utilities	23,704	18,417	5,287	23,704	18,417	5,287	See Note 4
Maintenance & Repair	74,339	41,885	32,454	74,339	41,885	32,454	See Note 5
Extraordinary Maintenance	-	-	-	-	-	-	
Taxes & Insurance	12,151	6,970	5,181	12,151	6,970	5,181	See Note 6
Bad Debt	512	7,216	(6,704)	512	7,216	(6,704)	See Note 7
Other expenses	(272,006)	31,444	(303,450)	(272,006)	31,444	(303,450)	See Note 8
<b>TOTAL EXPENSES</b>	<b>(90,537)</b>	<b>182,405</b>	<b>(272,942)</b>	<b>(90,537)</b>	<b>182,405</b>	<b>(272,942)</b>	
<b>NET OPERATING INCOME</b>							
	<b>539,602</b>	<b>303,396</b>	<b>236,206</b>	<b>539,602</b>	<b>303,396</b>	<b>236,206</b>	See Note 9
Debt Service	79,600	73,975	5,625	79,600	73,975	5,625	See Note 10
<b>CASH FLOW</b>	<b>\$ 460,002</b>	<b>\$ 229,421</b>	<b>\$ 230,581</b>	<b>\$ 460,002</b>	<b>\$ 229,421</b>	<b>\$ 230,581</b>	See Note 11

### Notes:

Note 1: The budget reflects 100% of units to receive the maximum payment standard, however units occupied less than a year were not eligible to be increased to the maximum payment standard, creating this loss to lease variance.

Note 2: QTD/YTD Leasing vacant units is taking longer than anticipated partially due to revisions to the referral process.

Higher vacancy is anticipated through Q2, and to improve in Q3 & 4 as processes and work flows are refined.

Note 3: QTD/YTD is under budget primarily due to employees selecting less expensive benefits packages.

Note 4: QTD/YTD is higher due to electric rate increases higher than budgeted, and increased usage related to untypical weather.

Note 5: QTD/YTD is higher due to water intrusion remediation and associated repairs. Expense to be offset by replacement reserve.

Note 6: QYD/YTD is higher due to fire department false alarm fees included in this expense line item.

Note 7: QTD/YTD budgeted bad debt expense due to tenants with delinquency vacating has not yet materialized.

Note 8: QTD/YTD a \$283,683 construction loan draw for development expenses was miscoded by PMco as a Replacement Reserve (RR) withdrawal entry, this reflects as a credit to Other Expenses and was reversed in April's financials.

The transaction was correctly recorded in HDP's cash account. The corrected QTD/YTD actual for other expenses is \$11,676 (\$19,768 under budget).

The corrected NOI QTD/YTD actual is \$255,920 (\$47,476 or 15.6% below budgeted)

The corrected QTD/YTD actual for Net Cash Flow is \$176,320 (\$43,101 or 23% below budget). The primary drivers of being under the budgeted NOI's are the high vacancy and increased R&M due to water intrusion.

Note 9: See Note 8

Note 10: QTD/YTD is over budget due to an unbudgeted bond admin fee.

Note 11: See Note 8

## TOWN & COUNTRY

4079 Messina Dr  
San Diego, CA 921113

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	2023 - Quarter One			2023 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/ (under)	YTD Actual	YTD Budget	\$over/ (under)	
<b>INCOME</b>							
Gross Potential Income	715,620	715,620	-	715,620.00	715,620.00	-	
Gain/Loss to Lease	(79,403)	(67,718)	(11,685)	(79,403.00)	(67,718.00)	(11,685)	See Note 1
Vacancy	(21,302)	(32,395)	11,093	(21,302.00)	(32,395.00)	11,093	
Manager's unit(s)	(10,782)	(10,584)	(198)	(10,782.00)	(10,584.00)	(198)	
Other deductions	-	-	-	-	-	-	
Other Income	26,913	3,859	23,054	26,913.00	3,859.00	23,054	See Note 2
<b>TOTAL INCOME</b>	<b>631,046</b>	<b>608,782</b>	<b>22,264</b>	<b>631,046</b>	<b>608,782</b>	<b>22,264</b>	
<b>EXPENSES</b>							
Admin	73,604	68,456	5,148	73,604	68,456	5,148	See Note 3
Utilities	46,649	48,824	(2,175)	46,649	48,824	(2,175)	
Maintenance & Repair	129,042	112,092	16,950	129,042	112,092	16,950	See Note 4
Extraordinary Maintenance	6,855	-	6,855	6,855	-	6,855	See Note 5
Taxes & Insurance	22,401	22,015	386	22,401	22,015	386	
Bad Debt	-	39,476	(39,476)	-	39,476	(39,476)	See Note 6
Other expenses	24,384	30,626	(6,242)	24,384	30,626	(6,242)	See Note 7
<b>TOTAL EXPENSES</b>	<b>302,935</b>	<b>321,489</b>	<b>(18,554)</b>	<b>302,935</b>	<b>321,489</b>	<b>(18,554)</b>	
<b>NET OPERATING INCOME</b>							
	<b>328,111</b>	<b>287,293</b>	<b>40,818</b>	<b>328,111</b>	<b>287,293</b>	<b>40,818</b>	
Debt Service	232,520	228,520	4,000	232,520	228,520	4,000	
<b>CASH FLOW</b>	<b>\$ 95,591</b>	<b>\$ 58,773</b>	<b>\$ 36,818</b>	<b>\$ 95,591</b>	<b>\$ 58,773</b>	<b>\$ 36,818</b>	

### Notes:

Note 1: QTD/YTD loss to lease is due to setting rents below the maximum restricted rent limit.

Note 2: QTD/YTD other income is over budget due to recovery of rent delinquency from current tenants.

Note 3: QTD/YTD admin is overbudget due to a temp in the Astnt. Mgr role. The role is now filled.

Note 4: QTD/YTD R&M is over budget due to remediation following water damage due to a tenant's toilet back up.

Note 5: 2022 Unit Water Leak Remediation expense paid in Feb '23. Extraordinary Maintenance was not budgeted.

Note 6: QTD/YTD budgeted bad debt expense due to tenants with delinquency vacating has not yet materialized.

Note 7: QTD/YTD is under budget due to replacement reserve draws offsetting a portion of the deposit (expense).

The correct amount is being deposited, but the budget does not in an amount for reserve draws.

## VILLAGE NORTH

7720 Belden Street  
San Diego, CA 92111  
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	2023 - Quarter One			2023 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/ (under)	YTD Actual	YTD Budget	\$over/ (under)	
<b>INCOME</b>							
Gross Potential Income	668,330	676,711	(8,381)	668,330	676,711	(8,381)	See Note 1
Gain/Loss to Lease	(207,837)	(246,857)	39,020	(207,837)	(246,857)	39,020	See Note 2
Vacancy	(6,096)	(21,493)	15,397	(6,096)	(21,493)	15,397	
Manager's unit(s)	(5,994)	(5,994)	-	(5,994)	(5,994)	-	
Other deductions	-	-	-	-	-	-	
Other Income	2,796	1,973	823	2,796	1,973	823	
<b>TOTAL INCOME</b>	<b>451,199</b>	<b>404,340</b>	<b>46,859</b>	<b>451,199</b>	<b>404,340</b>	<b>46,859</b>	
<b>EXPENSES</b>							
Admin	60,580	54,173	6,407	60,580	54,173	6,407	See Note 3
Utilities	21,579	17,345	4,234	21,579	17,345	4,234	See Note 4
Maintenance & Repair	31,389	31,701	(312)	31,389	31,701	(312)	
Extraordinary Maintenance	-	-	-	-	-	-	
Taxes & Insurance	20,200	15,589	4,611	20,200	15,589	4,611	See Note 5
Bad Debt	243	1,217	(974)	243	1,217	(974)	
Other expenses	28,965	38,176	(9,211)	28,965	38,176	(9,211)	See Note 6
<b>TOTAL EXPENSES</b>	<b>162,956</b>	<b>158,201</b>	<b>4,755</b>	<b>162,956</b>	<b>158,201</b>	<b>4,755</b>	
<b>NET OPERATING INCOME</b>	<b>288,243</b>	<b>246,139</b>	<b>42,104</b>	<b>288,243</b>	<b>246,139</b>	<b>42,104</b>	
Debt Service	129,876	129,876	-	129,876	129,876	-	
<b>CASH FLOW</b>	<b>\$ 158,367</b>	<b>\$ 116,263</b>	<b>\$ 42,104</b>	<b>158,367</b>	<b>116,263</b>	<b>\$ 42,104</b>	

### Notes:

Note 1: QTD/YTD is lower due to the rent increase not being effective until February. The negative variance is offset by Gain/Loss to Lease.

Note 2: QTD/YTD is increased due to the project receiving a higher than anticipated subsidy increase in February.

Note 3: QTD/YTD is higher due to property management fee (%), and an increase in legal contracts.

Note 4: QTD/YTD increased due to higher than anticipated cost in gas, water and sewer.

Note 5: QTD/YTD is increased due to Partnership & Franchise taxes being paid in the early part of FY23. These expenses should align closer to budget as FY23 continues.

Note 6: QTD/YTD are decreased due to a replacement reserve withdrawal of \$11,198.

## WEST PARK

1830 4th Avenue

San Diego, CA 92101

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	2023 - Quarter One			2023 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/ (under)	YTD Actual	YTD Budget	\$over/ (under)	
<b>INCOME</b>							
Gross Potential Income	230,388	231,984	(1,596)	\$ 230,388	\$ 231,984	(1,596)	
Gain/Loss to Lease	8,763	10	8,753	8,763	10	8,753	See Note 1
Vacancy	(52,446)	(11,600)	(40,846)	(52,446)	(11,600)	(40,846)	See Note 2
Manager's unit(s)	(6,312)	(6,364)	52	(6,312)	(6,364)	52	
Other deductions	-	-	-	-	-	-	
Other Income	2,625	827	1,798	2,625	827	1,798	
<b>TOTAL INCOME</b>	<b>183,018</b>	<b>214,857</b>	<b>(31,839)</b>	<b>183,018</b>	<b>214,857</b>	<b>(31,839)</b>	
<b>EXPENSES</b>							
Admin	30,476	38,877	(8,401)	30,476	38,877	(8,401)	Note 3
Utilities	14,031	12,496	1,535	14,031	12,496	1,535	
Maintenance & Repair	36,479	34,373	2,106	36,479	34,373	2,106	
Extraordinary Maintenance	-	-	-	-	-	-	
Taxes & Insurance	3,914	3,506	408	3,914	3,506	408	
Bad Debt	260	18,656	(18,396)	260	18,656	(18,396)	Note 4
Other expenses	7,236	9,262	(2,026)	7,236	9,262	(2,026)	
<b>TOTAL EXPENSES</b>	<b>92,396</b>	<b>117,170</b>	<b>(24,774)</b>	<b>92,396</b>	<b>117,170</b>	<b>(24,774)</b>	
<b>NET OPERATING INCOME</b>	<b>90,622</b>	<b>97,687</b>	<b>(7,065)</b>	<b>90,622</b>	<b>97,687</b>	<b>(7,065)</b>	
Debt Service	32,918	24,012	8,906	32,918	24,012	8,906	Note 5
<b>CASH FLOW</b>	<b>\$ 57,704</b>	<b>\$ 73,675</b>	<b>\$ (15,971)</b>	<b>\$ 57,704</b>	<b>\$ 73,675</b>	<b>\$ (15,971)</b>	

### Notes:

Note 1: QTD/YTD reflects a Gain to lease, i.e. receiving more rent than anticipated. PMCO was delayed increasing rents in software.

PMCO company is adjusting the lease rents in their software so next Qtr. will reflect true Gain/Loss to lease amount.

Note 2: QTD/YTD Leasing vacant units is taking longer than anticipated partially due to revisions to the referral process.

Higher vacancy is anticipated through Q2, and to improve in Q3 & 4 as processes and work flows are refined.

Note 3: Assistant manager role was open in Q1, role is now filled.

Note 4: QTD/YTD budgeted bad debt expense due to tenants with delinquency vacating has not yet materialized.

Note 5: QTD/YTD Debt service is over budget due to an unbudgeted Trustee Loan Servicing Fee paid in March.