

REPORT

DATE ISSUED: December 8, 2023

REPORT NO: HDP23-024

ATTENTION: Chair and Members of the Board of Directors of
Housing Development Partners of San Diego
For the Agenda of December 21, 2023

SUBJECT: 2024 Operating Budget for Housing Development Partners

STAFF RECOMMENDATION

That the Housing Development Partners (HDP) Board of Directors (Board) take the following actions:

- 1) Approve the 2024 Operating Budget for HDP, as presented.
- 2) Find that the foregoing action just and reasonable as to HDP for purposes of California Corporations Code Section 5234.

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

SUMMARY

The HDP Operating Budget is prepared annually by staff consistent with planned activities and reviewed against prior period activities. Prior to January 1 of each calendar year, the HDP Board adopts the annual Operating Budget and authorizes staff to operate the corporation according to that approved budget. Staff is requesting approval of the 2024 Operating Budget for HDP (Attachment 1) as presented.

ENVIRONMENTAL REVIEW

Approval of the 2024 Operating Budget for HDP is not a project as defined by the California Environmental Quality Act (CEQA) Section 21065 and State CEQA Guidelines Section 15378(b)(4), as it is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on 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. 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. No contracts will be signed nor any action taken nor work performed until such time as the appropriate NEPA clearances have been obtained.

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 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
Vice President of Finance – Real Estate
Housing Development Partners

Approved by,



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

Attachments: 1) HDP Proposed 2024 HDP Operating Budget

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

2024 HDP Operating Budget Budget Summary

	2023* Projected	2023 Budget	2024 Budget
Revenue (Sources)	\$ 3,304,914	\$ 2,962,977	\$ 5,125,037
Salaries & Benefits	953,442	1,253,906	1,286,277
Professional Fees	58,697	79,772	193,779
Office Expense and Other Admin	434,295	518,619	561,878
Travel & Training	4,605	14,000	14,420
Contingency & Project Costs	55,130	79,630	127,000
Transfer In/(Out) of Unrestricted Reserves	1,798,745	1,017,050	2,941,682
Total Uses	\$ 3,304,914	\$ 2,962,977	\$ 5,125,037
Total Staff Positions	6.91	6.91	6.91

**Jan - Sept 2023 Actuals; Oct - Dec 2023 Projected*

Housing Development Partners
 2024 Budgeted Sources and Uses

SOURCES	
<i>Beginning Fund Balance (1/1/2024)</i>	
Reserves & Commitments	\$ 6,191,965
Working Capital	<u>6,566,258</u>
Total Beginning Fund Balance	12,758,223
Transfers In/(Out)	-
New Revenue	5,125,037
Total Sources	<u>\$ 17,883,260</u>
USES	
Operating Expenses	\$ 2,157,605
Program Expenditures	25,750
<i>Ending Fund Balance (12/31/2024)</i>	
Reserves & Commitments	6,268,301
Working Capital	<u>9,431,604</u>
Total Ending Fund Balance	15,699,905
Total Uses	<u>\$ 17,883,260</u>