

INFORMATIONAL REPORT

DATE ISSUED: December 8, 2023

REPORT NO: HDP23-027

ATTENTION: Chair and Members of the Board of Directors of
Housing Development Partners of San Diego
For the Agenda of December 14, 2023

SUBJECT: Investment Portfolio Status

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

SUMMARY

The attached Quarterly Investment Report details Housing Development Partners' (HDP) investment portfolio as of September 30, 2023. The report includes both summary and detailed information on all liquid cash and cash equivalents and core investments owned by HDP. These funds, however, are not indicative of funds available for discretionary use as they have been earmarked as indicated in the HDP Reserves Policy.

The market value of the portfolio on September 30, 2023, was \$12,941,932 with an investment mix as follows:

- \$9,789,798 held in the Certificate of Deposit Account Registry Service (CDARS), which places funds in increments of \$250,000, equal to the Federal Deposit Insurance Corporation (FDIC) limit, with varying maturities of 13 and 26 weeks.
- \$3,152,135 held in the Insured Cash Sweep Service (ICS), which places funds into money market deposit accounts, established at other ICS participating institutions, in increments equal to or less than the FDIC amount.

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 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) Investment Portfolio Holdings

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

Housing Development Partners of San Diego
Investment Portfolio Holdings

As of 9/30/2023

| Type | Issuer | Amount | Interest Rate | Market Value | Maturity Date |
|---------------------------------|-----------------|----------------------|---------------|----------------------|---------------|
| Cash - Insured Sweep (FDIC) | ICS - Multiple | \$ 3,152,135 | 0.005% | \$ 3,152,135 | N/A |
| Certificates of Deposits (FDIC) | CDARS - 13 Week | 1,547,282 | 3.860% | 1,547,282 | 10/26/2023 |
| Certificates of Deposits (FDIC) | CDARS - 13 Week | 2,068,171 | 4.000% | 2,068,171 | 11/16/2023 |
| Certificates of Deposits (FDIC) | CDARS - 26 Week | 1,022,920 | 4.500% | 1,022,920 | 12/7/2023 |
| Certificates of Deposits (FDIC) | CDARS - 26 Week | 5,151,425 | 4.250% | 5,151,425 | 3/28/2024 |
| Total | | \$ 12,941,932 | | \$ 12,941,932 | |

As of 6/30/2023

| Type | Issuer | Amount | Interest Rate | Market Value | Maturity Date |
|---------------------------------|-----------------|----------------------|---------------|----------------------|---------------|
| Cash - Insured Sweep (FDIC) | ICS - Multiple | \$ 2,402,103 | 0.005% | \$ 2,402,103 | N/A |
| Certificates of Deposits (FDIC) | CDARS - 13 Week | 1,531,738 | 4.050% | 1,531,738 | 7/27/2023 |
| Certificates of Deposits (FDIC) | CDARS - 13 Week | 2,045,863 | 4.350% | 2,045,863 | 8/17/2023 |
| Certificates of Deposits (FDIC) | CDARS - 13 Week | 5,093,322 | 4.550% | 5,093,322 | 9/28/2023 |
| Certificates of Deposits (FDIC) | CDARS - 26 Week | 1,022,920 | 4.500% | 1,022,920 | 12/7/2023 |
| Total | | \$ 12,095,947 | | \$ 12,095,947 | |

Holdings by Investment Type

