

REPORT

DATE ISSUED: June 6, 2024

REPORT NO: HDP24-001

ATTENTION: Chair and Members of the Board of Directors of
Housing Development Partners of San Diego
For the Agenda of June 13, 2024

SUBJECT: Approve the Appointment of a Member of the Board of Directors of Housing
Development Partners of San Diego

STAFF RECOMMENDATION

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

- 1) Approve the appointment of City of San Diego Councilmember and Housing Authority of the City of San Diego Member (Councilmember/Housing Authority Member) Stephen Whitburn as a member of the HDP Board of Directors.
- 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 has been included because HDP is the Housing Commission's nonprofit affiliate, and these transactions otherwise involve the Housing Commission.

SUMMARY

HDP was established in 1990 as a nonprofit affiliate of the San Diego Housing Commission (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 is governed by a five-member Board of Directors pursuant to HDP's bylaws.

On November 14, 2022, the San Diego City Council's Select Committee on San Diego Housing Commission Oversight and Reform voted unanimously, 4-0, to request that the Housing Commission President & Chief Executive Officer (President & CEO) draft an amendment to HDP's bylaws that would replace one of the two "at-large" seats on HDP's Board with a member of the Housing Authority of the City of San Diego, who would be appointed by the San Diego City Council. The Committee further requested that the Housing Commission President & CEO present the HDP bylaws amendment to the Housing Commission Board of Commissioners and the HDP Board for approval.

On July 12, 2023, the HDP Board of Directors voted 4-0 to approve an amendment to Section 5.02(b)(3) of HDP's bylaws to require that one of the "at large" seats on HDP's Board of Directors be filled by a member of the Housing Authority of the City of San Diego, who will be appointed by the San Diego

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City Council President and Confirmed by the San Diego City Council. Approval of the amendment to the bylaws was subject to and contingent upon approval by the Housing Commission Board of Commissioners. On July 21, 2023, the Housing Commission Board of Commissioners voted 4-0 to approve the amendment to Section 5.02(b)(3) of HDP's bylaws.

On December 13, 2023, the San Diego City Council voted 8-0, with District 4 vacant, to confirm the appointment of Councilmember Whitburn to serve on HDP's Board of Directors.

Councilmember Whitburn has represented San Diego City Council District 3 since assuming office in December 2020. He is Chair of the City's Active Transportation and Infrastructure Committee, and a member of the Land Use and Housing Committee, the Audit Committee, and the Public Safety Committee. He also serves as Chair of the Metropolitan Transit System (MTS) Board of Directors and as Vice Chair of the San Diego County Local Agency Formation Commission (LAFCO). He is also a member of the San Diego County Water Authority and the Regional Task Force on Homelessness Continuum of Care Advisory Board.

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 HDP Board of Directors, the Board of Directors of HDP Mason Housing Corporation, the ownership partners and residents of HDP affordable housing developments, participants in Housing Commission collaborative programs and developments, and the individuals Housing Commission collaborative developments and programs assist.

CONFLICT DISCLOSURE STATEMENT:

Two San Diego Housing Commissioners (Commissioners), Eugene "Mitch" Mitchell and Ryan Clumpner, and the San Diego Housing Commission's (Housing Commission) President and Chief Executive Officer (President and CEO), Lisa Jones, 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 President and CEO Jones have no conflict of interest as discussed below. After the approval of this action, Councilmember/Housing Authority Member Stephen Whitburn will become a Director of HDP. As a member of the Housing Authority, he has responsibilities for oversight of the Housing Commission. The Councilmember/Housing Authority Member receives no compensation for his service on the HDP Board and/or as an officer of HDP. Pursuant to the provisions of 1091.5(a)(9), the City Councilmember/Housing Authority Member has a non-interest as described in Government Code Section 1091.5 for purposes of his action on Housing Authority matters associated with this matter, if any. This disclosure shall be incorporated into the record of the Housing Authority, if and when this matter is heard by the Housing Authority, if ever.

The Commissioners and President and CEO Jones 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 President and CEO Jones 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.

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Further, as members of the Housing Commission Board of Commissioners or the Housing Authority, the Commissioners and the Councilmember/Housing Authority Member are legally entitled to vote and be counted for quorum purposes in this HDP matter. Further, Ms. Jones is not compensated by HDP, and she sits on the HDP Board of Directors. She 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, the Housing Authority, which are both public agencies, and their respective Commissioners are not compensated for their service as Commissioners of the Housing Commission or the Housing Authority. Further, Ms. Jones' 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. Ms. Jones' 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 Jones has 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 his heard by the Housing Commission and/or the Housing Authority.

MUTUAL DIRECTORS STATEMENT:

To the extent that Commissioners may be considered to be "directors" of the Housing Commission or Housing Authority Members may be considered "directors of the Housing Authority 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,



Jeff Davis
Deputy Chief Executive Officer
Housing Development Partners

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