

REPORT

DATE ISSUED: June 6, 2024

REPORT NO: HDPM24-002

ATTENTION: Chair and Members of the Board of Directors of
HDP Mason Housing Corporation
For the Agenda of June 13, 2024

SUBJECT: Authorize Signatories for Documents for HDP Mason Housing Corporation

STAFF RECOMMENDATION

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

- 1) Appoint Jeff Davis as Deputy Chief Executive Officer (Deputy CEO) of HDP Mason.
- 2) Authorize Jeff Davis, HDP Mason's Deputy CEO; Josh Hoffman, HDP Mason's Vice President of Real Estate Development; and Julie Conserva, HDP Mason's Vice President of Real Estate Finance, subject to the supervision or direction of the HDP Board of Directors and the President of the Corporation, to execute any and all documents (a) necessary to secure ownership or financing of real property (including, but not limited to Purchase and Sales Contracts, Escrow Instructions, Assignments of Purchase and Sales Contracts, and Amendments and Extensions of said documents); (b) necessary for the operation of the residential properties owned or to be owned by the Corporation in the normal course of business; or (c) welfare exemption application.
- 3) 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

Housing Development Partners (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 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.

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HDP Mason is governed by a five-member Board of Directors pursuant to HDP Mason's bylaws. The membership of the Board of Directors of the HDP Mason Board is identical to the membership of the HDP Board of Directors.

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 approval of action before the HDP Board on June 13, 2024, 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.

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.

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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,


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

Approved by,


Jeff Davis
Deputy Chief Executive Officer
Housing Development Partners

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