

INFORMATIONAL REPORT

DATE ISSUED: June 6, 2024

REPORT NO: HDP24-006

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

SUBJECT: First Quarter 2024 Property Budget-to-Actual Reports

NO ACTION IS REQUIRED ON THE PART OF THE HDP 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 2024. Variance notes are provided for line items where actual performance considerably deviates from staff's projections based on the approved 2024 property budgets.

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.

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. 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,

Emmanuel Arellano
Emmanuel Arellano
Vice President of Asset Management
Housing Development Partners

Approved by,

Jeff Davis
Jeff Davis
Deputy Chief Executive Officer
Housing Development Partners

Attachments: 1) First Quarter 2024 Property Budget-to-Actual Report

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

TOWN & COUNTRY

4066 Messina Dr
San Diego, CA 92113

145

	2024 - Quarter One			2024 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/(under)	YTD Actual	YTD Budget	\$over/(under)	
INCOME							
Gross Potential Income	741,728	749,817	(8,089)	741,728	749,817	(8,089)	Note 1
Gain/Loss to Lease	(67,307)	(64,869)	(2,438)	(67,307)	(64,869)	(2,438)	Note 1
Vacancy	(23,057)	(34,248)	11,191	(23,057)	(34,248)	11,191	Note 2
Manager's unit(s)	(11,154)	(10,473)	(681)	(11,154)	(10,473)	(681)	
Other deductions	(10,179)	-	(10,179)	(10,179)	-	(10,179)	Note 1
Other Income	23,423	6,456	16,967	23,423	6,456	16,967	Note 3
TOTAL INCOME	653,454	646,683	6,771	653,454	646,683	6,771	
EXPENSES							
Admin	77,113	76,656	457	77,113	76,656	457	
Utilities	38,206	53,892	(15,686)	38,206	53,892	(15,686)	Note 4
Maintenance & Repair	179,618	121,350	58,268	179,618	121,350	58,268	Note 5
Extraordinary Maintenance	-	-	-	-	-	-	
Taxes & Insurance	24,436	25,824	(1,388)	24,436	25,824	(1,388)	
Bad Debt	50,351	32,475	17,876	50,351	32,475	17,876	Note 6
Other expenses	31,074	27,297	3,777	31,074	27,297	3,777	
TOTAL EXPENSES	400,798	337,494	63,304	400,798	337,494	63,304	
NET OPERATING INCOME							
	252,656	309,189	(56,533)	252,656	309,189	(56,533)	
Debt Service	224,437	228,021	(3,584)	224,437	228,021	(3,584)	Note 7
CASH FLOW	\$ 28,219	\$ 81,168	\$ (52,949)	\$ 28,219	\$ 81,168	\$ (52,949)	

Notes:

Note 1: QTD/YTD Gross Potential Income & Gain/Loss to lease net together resulting in a \$10k loss to lease variance due to former tenant delinquency reconciliation.

Note 2: QTD/YTD Vacancy Loss is under budget due to PMco optimizing occupancy while processing several UD's for non-payment.

Note 3: QTD/YTD Other Income is over budget due to damages charged to tenant's ledgers following UD's.

Note 4: QTD/YTD Utilities is under budget due to bills not being received for a number of meters. Corrected billings anticipated.

Note 5: QTD/YTD R&M is over budget due to unit turnover expenses related to UD's for excessive delinquency. Anticipate \$35,000 of expenses to be reimbursed from RR.

Note 6: QTD/YTD Bad Debt is over budget due to a number of UD's processed in Q1. Bad Debt was budgeted in a straight-line but anticipated to be realized in first 3 quarters

Additionally a significant portion of bad debt accrued in prior years will be reconciled against the doubtful AR allowance at year end.

Note 7: QTD/YTD is under budget due to timing of SDHC bond fee expense versus the straight-line budget for the expense.

MARINER'S VILLAGE

6847 Potomac Street
San Diego, CA 92139

75

	2024 - Quarter One			2024 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/ (under)	YTD Actual	YTD Budget	\$over/ (under)	
INCOME							
Gross Potential Income	782,879	918,888	(136,009)	782,879	918,888	(136,009)	Note 1
Gain/Loss to Lease	81,403	(55,938)	137,341	81,403	(55,938)	137,341	Note 1
Vacancy	(10,632)	(43,146)	32,514	(10,632)	(43,146)	32,514	Note 2
Manager's unit(s)	(10,854)	(10,962)	108	(10,854)	(10,962)	108	
Other deductions	(890)	-	(890)	(890)	-	(890)	
Other Income	64,179	35,808	28,371	64,179	35,808	28,371	Note 3
TOTAL INCOME	906,085	844,650	61,435	906,085	844,650	61,435	
EXPENSES							
Admin	107,296	94,998	12,298	107,296	94,998	12,298	Note 4
Utilities	73,329	77,181	(3,852)	73,329	77,181	(3,852)	Note 5
Maintenance & Repair	75,288	90,540	(15,252)	75,288	90,540	(15,252)	Note 6
Extraordinary Maintenance	8,319	-	8,319	8,319	-	8,319	Note 7
Taxes & Insurance	44,095	44,550	(455)	44,095	44,550	(455)	
Bad Debt	-	3,849	(3,849)	-	3,849	(3,849)	
Other expenses	98,181	95,661	2,520	98,181	95,661	2,520	Note 8
TOTAL EXPENSES	406,508	406,779	(271)	406,508	406,779	(271)	
NET OPERATING INCOME	499,577	437,871	61,706	499,577	437,871	61,706	
Debt Service	251,659	251,661	(2)	251,659	251,661	(2)	
CASH FLOW	\$ 247,918	\$ 186,210	\$ 61,708	\$ 247,918	\$ 186,210	\$ 61,708	

Notes:

Note 1: QTD/YTD Gross Potential Income & Gain/Loss to lease net together resulting in a \$1.3k true gain to lease caused by new move ins at full restricted rent.

Note 2: QTD/YTD Vacancy Loss is under budget due to maintaining high occupancy through Q1.

Note 3: QTD/YTD Other Income is overbudget due interest income on reserve accounts posting in Q1.

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

Note 5: QTD/YTD Utilities is under budget due to low gas usage, anticipated to align with budget when pool is opened.

Note 6: QTD/YTD R&M is under budget due to maintenance benefits recorded to admin & budgeted projects not yet completed. (Projects budgeted as straight-line).

Note 7: QTD/YTD Extraordinary Maintenance is over budget due to repairs related to a water back up below the insurance deductible limit.

Note 8: QTD/YTD Other Expenses is over budget due to Ground Lease expense being tied to revenue. (Revenue is greater than budgeted so PM fee & ground lease are also).

CASA COLINA

5207 52nd Place
San Diego, CA 92105

75

	2024 - Quarter One			2024 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/ (under)	YTD Actual	YTD Budget	\$over/ (under)	
INCOME							
Gross Potential Income	284,650	272,136	12,514	\$ 284,650	\$ 272,136	12,514	See Note 1
Gain/Loss to Lease	-	8,025	(8,025)	-	8,025	(8,025)	See Note 2
Vacancy	-	(14,007)	14,007	-	(14,007)	14,007	See Note 3
Manager's unit(s)	(3,672)	(3,735)	63	(3,672)	(3,735)	63	
Other deductions	-	-	-	-	-	-	
Other Income	24,917	22,578	2,339	24,917	22,578	2,339	
TOTAL INCOME	305,895	284,997	20,898	305,895	284,997	20,898	
EXPENSES							
Admin	51,762	53,874	(2,112)	51,762	53,874	(2,112)	
Utilities	10,691	23,367	(12,676)	10,691	23,367	(12,676)	See Note 4
Maintenance & Repair	34,867	46,041	(11,174)	34,867	46,041	(11,174)	See Note 5
Extraordinary Maintenance	-	-	-	-	-	-	
Taxes & Insurance	10,385	10,125	260	10,385	10,125	260	
Bad Debt	-	-	-	-	-	-	
Other expenses	33,132	41,643	(8,511)	33,132	41,643	(8,511)	See Note 6
TOTAL EXPENSES	140,837	175,050	(34,213)	140,837	175,050	(34,213)	
NET OPERATING INCOME	165,058	109,947	55,111	165,058	109,947	55,111	
Debt Service	61,903	62,343	(440)	61,903	62,343	(440)	See Note 7
CASH FLOW	\$ 103,155	\$ 47,604	\$ 55,551	\$ 103,155	\$ 47,604	\$ 55,551	

Notes:

Note 1: QTD/YTD Gross Potential Income includes the Utility Allowance which was budgeted as a Gain to Lease plus billing December's rent increase in Q1 of 2024.

Note 2: Budgeted Gain to Lease is the utility allowance that is accounted for in the Gross Potential actual for the period.

Note 3: QTD/YTD Vacancy Loss is under budget due to property maintaining 100% occupancy through Q1.

Note 4: QTD/YTD Utilities is under budget due to low water & sewer billing, corrected billings are anticipated.

Note 5: QTD/YTD R&M is under budget due to facilities staff foregoing health benefits and timing of planned maintenance.

Note 6: QTD/YTD Other Expense is under budget due to timing of RR deposit & EEE Inspections.

Note 7: QTD/YTD Debt Service is under budget due to timing of bond admin fee payment - budgeted straight line but not yet due.

QUALITY INN

1840 Fourth Avenue
San Diego, CA 92101

92

	2024 - Quarter One			2024 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/ (under)	YTD Actual	YTD Budget	\$over/ (under)	
INCOME							
Gross Potential Income	508,010	533,124	(25,114)	\$ 508,010	\$ 533,124	(25,114)	Note 1
Gain/Loss to Lease	24,536	(888)	25,424	24,536	(888)	25,424	Note 2
Vacancy	(2,350)	(26,613)	24,263	(2,350)	(26,613)	24,263	Note 3
Manager's unit(s)	(6,501)	(6,516)	15	(6,501)	(6,516)	15	
Other deductions	-	-	-	-	-	-	
Other Income	46,260	1,815	44,445	46,260	1,815	44,445	Note 4
TOTAL INCOME	569,955	500,922	69,033	569,955	500,922	69,033	
EXPENSES							
Admin	64,756	78,291	(13,535)	64,756	78,291	(13,535)	Note 5
Utilities	29,263	23,700	5,563	29,263	23,700	5,563	Note 6
Maintenance & Repair	49,093	49,023	70	49,093	49,023	70	
Extraordinary Maintenance	29,702	-	29,702	29,702	-	29,702	Note 7
Taxes & Insurance	14,523	8,343	6,180	14,523	8,343	6,180	Note 8
Bad Debt	14,664	6,324	8,340	14,664	6,324	8,340	Note 8
Other expenses	36,028	35,334	694	36,028	35,334	694	
TOTAL EXPENSES	238,029	201,015	37,014	238,029	201,015	37,014	
NET OPERATING INCOME							
	331,926	299,907	32,019	331,926	299,907	32,019	
Debt Service	72,100	73,977	(1,877)	72,100	73,977	(1,877)	Note 9
CASH FLOW	\$ 259,826	\$ 225,930	\$ 33,896	\$ 259,826	\$ 225,930	\$ 33,896	

Notes:

Note 1: QTD/YTD Gross Potential Income is over budget due to charges for prior periods being entered in Q1.

Note 2: QTD/YTD Gain to Leases is over budget due to PMco correcting subsidy & tenant ledger charges from prior periods.

Note 3: QTD/YTD Vacancy Loss is under budget due to Pmco & service provider's concerted effort to maintain high occupancy.

Note 4: QTD/YTD Other Income is over budget primarily due to interest income on restricted accounts received in Q1, plus significant damages charged to a tenant.

Note 5: QTD/YTD Admin is under budget due to an open position in Q1, the role is now filled.

Note 6: QTD/YTD Utilities is over budget due to a combination of increased electric use (heat) and the PMco being in process of signing up to the Cares program.

Note 7: QYD/YTD Extraordinary Maintenance is over budget due to remediation of storm flood damage, reimbursement is being sought through the city and FEMA.

Note 8: QTD/YTD Taxes and Insurance is over budget due to estimated LLC fees paid in March and budgeted as a straight line

Note 9: QTD/YTD Debt Service is under budget due to Trustee Fee being budgeted as a straight-line but not yet due.

NEW PALACE

1814 Fifth Avenue
San Diego, CA 92101

80

	2024 - Quarter One			2024 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/(under)	YTD Actual	YTD Budget	\$over/(under)	
INCOME							
Gross Potential Income	467,478	476,844	(9,366)	\$ 467,478	\$ 476,844	(9,366)	Note 1
Gain/Loss to Lease	12,558	(9,048)	21,606	12,558	(9,048)	21,606	Note 2
Vacancy	(5,068)	(23,391)	18,323	(5,068)	(23,391)	18,323	
Manager's unit(s)	(6,165)	(6,150)	(15)	(6,165)	(6,150)	(15)	
Other deductions	(9,315)	-	(9,315)	(9,315)	-	(9,315)	Note 3
Other Income	19,311	1,203	18,108	19,311	1,203	18,108	Note 4
TOTAL INCOME	478,799	439,458	39,341	478,799	439,458	39,341	
EXPENSES							
Admin	60,625	55,911	4,714	60,625	55,911	4,714	Note 5
Utilities	22,343	30,861	(8,518)	22,343	30,861	(8,518)	Note 6
Maintenance & Repair	65,914	49,689	16,225	65,914	49,689	16,225	Note 7
Extraordinary Maintenance	67,492	-	67,492	67,492	-	67,492	Note 8
Taxes & Insurance	11,199	9,180	2,019	11,199	9,180	2,019	Note 9
Bad Debt	-	774	(774)	-	774	(774)	
Other expenses	14,500	18,339	(3,839)	14,500	18,339	(3,839)	Note 10
TOTAL EXPENSES	242,073	164,754	77,319	242,073	164,754	77,319	
NET OPERATING INCOME	236,726	274,704	(37,978)	236,726	274,704	(37,978)	Note 11
Debt Service	69,483	73,857	(4,374)	69,483	73,857	(4,374)	Note 12
CASH FLOW	\$ 167,243	\$ 200,847	\$ (33,604)	\$ 167,243	\$ 200,847	\$ (33,604)	

Note 1: QTD/YTD is decreased due 6 non PBV units not at max rents. The difference should actually reflect in gain/loss to lease. However, GPR is offset by Gain/Loss to lease.

Note 2: QTD/YTD increased due to partial G/L to Lease reflecting in GPR. The additional positive variance is due to a higher payment standard approval, implemented in February 2024.

Note 3: QTD/YTD is decreased due to the PM company placing rent/subsidy variance in this line. It should reflect in G/L to lease.

Note 4: QTD/YTD increased due to higher than anticipated restricted interest income, PBV vacancy reimbursement, and damage charges to the unit.

Note 5: QTD/YTD increased due to legal, software and PM fees. PM fees based off income.

Note 6: QTD/YTD is decreased due to savings in electricity. In late 2023, the property was approved for the CARE Discount.

Note 7: QTD/YTD increased due to numerous plumbing issues at the project in 2024, including relining of the laundry room pipes, and 3-4 separate emergency calls. Fire protection and extermination contracts are also contributing to the negative variance.

Note 8: QTD/YTD increased due to water mitigation caused from 1/22/2024 rain/flooding. All repairs completed and paid for. Insurance is currently unwilling to pay for damages. Discussion ongoing with our legal team on strategy.

Note 9: QTD/YTD is slightly increased due to FTB taxes and property taxes coming out Q1. This line is scheduled to align as FY24 proceeds.

Note 10: QTD/YTD decreased due to Compliance Monitoring Fee expense yet to be paid in FY24.

Note 11: QTD/YTD decreased due to R&M and extraordinary maintenance challenges at the project. Staff will continue to look for areas of savings. HDP will also look to process a RR withdrawal to offset cost where possible.

Note 12: QYTD/YTD decreased due to loan servicing fee and SDHC admin fee not being expensed in Q1.

PARKER KIER

2172 Front Street
San Diego, CA 92101

34

	2024 - Quarter One			2024 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/(under)	YTD Actual	YTD Budget	\$over/(under)	
INCOME							
Gross Potential Income	231,798	233,664	(1,866)	231,798	233,664	(1,866)	Note 1
Gain/Loss to Lease	(1,003)	-	(1,003)	(1,003)	-	(1,003)	
Vacancy	(4,684)	(11,682)	6,998	(4,684)	(11,682)	6,998	
Manager's unit(s)	(7,227)	(7,281)	54	(7,227)	(7,281)	54	
Other deductions	-	-	-	-	-	-	
Other Income	1,390	2,202	(812)	1,390	2,202	(812)	
TOTAL INCOME	220,274	216,903	3,371	220,274	216,903	3,371	
EXPENSES							
Admin	20,387	23,313	(2,926)	20,387	23,313	(2,926)	Note 2
Utilities	23,607	24,330	(723)	23,607	24,330	(723)	
Maintenance & Repair	43,614	44,004	(390)	43,614	44,004	(390)	
Extraordinary Maintenance	-	-	-	-	-	-	
Taxes & Insurance	7,603	5,208	2,395	7,603	5,208	2,395	
Bad Debt	-	1,026	(1,026)	-	1,026	(1,026)	
Other expenses	3,300	13,020	(9,720)	3,300	13,020	(9,720)	
TOTAL EXPENSES	98,511	110,901	(12,390)	98,511	110,901	(12,390)	
NET OPERATING INCOME	121,763	106,002	15,761	121,763	106,002	15,761	Note 4
Debt Service	-	-	-	-	-	-	
CASH FLOW	\$ 121,763	\$ 106,002	\$ 15,761	121,763	106,002	\$ 15,761	

Notes:

Note 1: QTD/YTD is slightly decreased due to straight line budget for GPR. Rent increase scheduled in October 2024.

Note 2: QTD/YTD is slightly increased due to Franchise Tax Board Fee being deducted in Q1.

Note 3: QTD/YTD is lower due to the Ground Lease expense scheduled to come out later in FY24.

Note 4: QTD/YTD is increased, but the property anticipates expenses to catch up to budget as the year proceeds.

VILLAGE NORTH

7720 Belden Street
San Diego, CA 92111

120

2024 - Quarter One

2024 - Year to Date

	Quarterly Actual	Quarterly Budget	\$over/ (under)	YTD Actual	YTD Budget	\$over/ (under)	NOTE
INCOME							
Gross Potential Income	731,795	707,448	24,347	731,795	707,448	24,347	Note 1
Gain/Loss to Lease	(236,516)	(218,748)	(17,768)	(236,516)	(218,748)	(17,768)	Note 2
Vacancy	(22,481)	(24,741)	2,260	(22,481)	(24,741)	2,260	
Manager's unit(s)	(5,994)	(6,321)	327	(5,994)	(6,321)	327	
Other deductions	-	-	-	-	-	-	
Other Income	26,236	2,586	23,650	26,236	2,586	23,650	Note 3
TOTAL INCOME	493,040	460,224	32,816	493,040	460,224	32,816	
EXPENSES							
Admin	65,391	56,193	9,198	65,391	56,193	9,198	Note 4
Utilities	23,227	23,235	(8)	23,227	23,235	(8)	
Maintenance & Repair	55,766	39,906	15,860	55,766	39,906	15,860	Note 5
Extraordinary Maintenance	-	-	-	-	-	-	
Taxes & Insurance	19,738	14,904	4,834	19,738	14,904	4,834	Note 6
Bad Debt	1,413	2,499	(1,086)	1,413	2,499	(1,086)	
Other expenses	43,876	43,332	544	43,876	43,332	544	
TOTAL EXPENSES	209,411	180,069	29,342	209,411	180,069	29,342	Note 7
NET OPERATING INCOME	283,629	280,155	3,474	283,629	280,155	3,474	
Debt Service	129,876	129,879	(3)	129,876	129,879	(3)	
CASH FLOW	\$ 153,753	\$ 150,276	\$ 3,477	153,753	150,276	\$ 3,477	

Notes:

Note 1: QTD/YTD increased due to positive income which should reflect in G/L to lease. The positive variance is offset below by Gain/Loss to Lease.

Note 2: QTD/YTD is increased due to the gain to lease reflecting as a positive variance in GPR.

Note 3: QTD/YTD increased due to higher than anticipated restricted interest income.

Note 4: QTD/YTD is higher due to an increase in legal contracts with multiple UD's pending in Q1.

Note 5: QTD/YTD increased due to unanticipated remediation, security coverage, landscape and repair contracts.

Note 6: QTD/YTD is increased due to Partnership & Franchise taxes being paid in the early part of FY24. These expenses should align closer to budget as FY24 continues.

Note 7: QTD/YTD increased due to increased expenses in R&M. Staff will look to process RR withdrawal to offset eligible expenses.

WEST PARK

1830 4th Avenue
San Diego, CA 92101

47

	2024 - Quarter One			2024 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/(under)	YTD Actual	YTD Budget	\$over/(under)	
INCOME							
Gross Potential Income	237,291	239,709	(2,418)	\$ 237,291	\$ 239,709	(2,418)	Note 1
Gain/Loss to Lease	7,506	(471)	7,977	7,506	(471)	7,977	Note 2
Vacancy	(3,005)	(11,961)	8,956	(3,005)	(11,961)	8,956	Note 3
Manager's unit(s)	-	(6,582)	6,582	-	(6,582)	6,582	
Other deductions	(20,334)	-	(20,334)	(20,334)	-	(20,334)	Note 1
Other Income	1,044	831	213	1,044	831	213	
TOTAL INCOME	222,502	221,526	976	222,502	221,526	976	
EXPENSES							
Admin	40,332	40,677	(345)	40,332	40,677	(345)	
Utilities	19,006	13,905	5,101	19,006	13,905	5,101	Note 4
Maintenance & Repair	34,309	38,577	(4,268)	34,309	38,577	(4,268)	Note 5
Extraordinary Maintenance	-	-	-	-	-	-	
Taxes & Insurance	4,797	4,251	546	4,797	4,251	546	
Bad Debt	-	12,123	(12,123)	-	12,123	(12,123)	Note 6
Other expenses	4,363	6,966	(2,603)	4,363	6,966	(2,603)	Note 7
TOTAL EXPENSES	102,807	116,499	(13,692)	102,807	116,499	(13,692)	
NET OPERATING INCOME							
	119,695	105,027	14,668	119,695	105,027	14,668	
Debt Service	32,918	23,634	9,284	32,918	23,634	9,284	Note 8
CASH FLOW	\$ 86,777	\$ 81,393	\$ 5,384	\$ 86,777	\$ 81,393	\$ 5,384	

Notes:

Note 1: QTD/YTD Gross Potential Income is over budget due to charges for prior periods being entered in Q1.

Note 2: QTD/YTD Gain to Leases is over budget due to PMco correcting subsidy & tenant ledger charges from prior periods.

Note 3: QTD/YTD Vacancy Loss is under budget due to Pmco & service provider's concerted effort to maintain high occupancy.

Note 4: QTD/YTD Utilities is over budget due to a combination of increased electric use (heat) and the PMco being in process of signing up to the Cares program (a 30% cost reduction).

Note 5: QTD/YTD R&M is under budget due to an open position. PMco working on filling the role.

Note 6: QTD/YTD is under budget due to anticipated bad debt due to tenants with delinquency vacating has not yet materialized.

Note 7: QTD/YTD Other Expense is under budget due to timing of SDHC monitoring payment (budgeted as straight line but not yet due)

ADU's

San Diego, CA 92154

5

	2024 - Quarter One			2024 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/ (under)	YTD Actual	YTD Budget	\$over/ (under)	
INCOME							
Gross Potential Income	25,086	23,121	1,965	25,086	23,121	1,965	Note 1
Gain/Loss to Lease	-	1,080	(1,080)	-	1,080	(1,080)	Note 2
Vacancy	(3,762)	(1,209)	(2,553)	(3,762)	(1,209)	(2,553)	Note 3
Manager's unit(s)	-	-	-	-	-	-	
Other deductions	-	-	-	-	-	-	
Other Income	1,078	24	1,054	1,078	24	1,054	
TOTAL INCOME	22,402	23,016	(614)	22,402	23,016	(614)	
EXPENSES							
Admin	6,418	3,165	3,253	6,418	3,165	3,253	Note 4
Utilities	(121)	1,347	(1,468)	(121)	1,347	(1,468)	Note 5
Maintenance & Repair	2,301	2,862	(561)	2,301	2,862	(561)	
Extraordinary Expense	-	-	-	-	-	-	
Taxes & Insurance	1,055	1,758	(703)	1,055	1,758	(703)	
Bad Debt	-	207	(207)	-	207	(207)	
Other expenses	4,774	4,773	1	4,774	4,773	1	
TOTAL EXPENSES	14,427	14,112	315	14,427	14,112	315	
NET OPERATING INCOME	7,975	8,904	(929)	7,975	8,904	(929)	
Debt Service	-	-	-	-	-	-	
CASH FLOW	\$ 7,975	\$ 8,904	\$ (929)	\$ 7,975	\$ 8,904	\$ (929)	

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 1 vacant unit in the Q1. The project is currently 100% occupied.

Note 4: QTD/YTD is increased due to legal cost associated with welfare exemption filings.

Note 5: 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.

SFH

San Diego, CA 92154

5

	2024 - Quarter One			2024 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/ (under)	YTD Actual	YTD Budget	\$over/ (under)	
INCOME							
Gross Potential Income	26,427	45,039	(18,612)	26,427	45,039	(18,612)	Note 1
Gain/Loss to Lease	(364)	(18,018)	17,654	(364)	(18,018)	17,654	Note 2
Vacancy	-	(1,350)	1,350	-	(1,350)	1,350	
Manager's unit(s)	-	-	-	-	-	-	
Other deductions	-	-	-	-	-	-	
Other Income	59	24	35	59	24	35	
TOTAL INCOME	26,122	25,695	427	26,122	25,695	427	
EXPENSES							
Admin	6,177	3,165	3,012	6,177	3,165	3,012	Note 3
Utilities	3,138	1,347	1,791	3,138	1,347	1,791	Note 4
Maintenance & Repair	14,856	2,862	11,994	14,856	2,862	11,994	Note 5
Extraordinary Expense	-	-	-	-	-	-	
Taxes & Insurance	19,691	1,758	17,933	19,691	1,758	17,933	Note 6
Bad Debt	-	468	(468)	-	468	(468)	
Other expenses	4,774	4,773	1	4,774	4,773	1	
TOTAL EXPENSES	48,636	14,373	34,263	48,636	14,373	34,263	
NET OPERATING INCOME	(22,514)	11,322	(33,836)	(22,514)	11,322	(33,836)	Note 7
Debt Service	-	-	-	-	-	-	
CASH FLOW	\$ (22,514)	\$ 11,322	\$ (33,836)	\$ (22,514)	\$ 11,322	\$ (33,836)	

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 increased due to legal cost associated with welfare exemption filings.

Note 4: 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. When you combine both budgets utilities are slightly over.

Note 5: QTD/YTD increased due to landscape and microbial growth issues stemming from landscape grade.

Note 6: QTD/YTD is increased due to the welfare exemptions pending status. Most of the tax expense will be reimbursed once the exemption is approved. Balance to sit in AR until reimbursed.

Note 7: QTD/YTD NOI is decreased due to \$27,000 in expenses related to Taxes, Mitigation, and Legal.

BROADWAY

1055 9th Avenue
San Diego, CA 92101

156

2024 - Quarter One

Quarterly
Actual Quarterly
Budget \$over/
(under)

2024 - Year to Date

YTD
Actual YTD
Budget \$over/
(under)

NOTE

INCOME

Gross Potential Income	977,836	980,292	(2,456)	\$ 977,836	\$ 980,292	(2,456)
Gain/Loss to Lease	-	(750)	750	-	(750)	750
Vacancy	(7,091)	(48,978)	41,887	(7,091)	(48,978)	41,887
Manager's unit(s)	(15,996)	(10,059)	(5,937)	(15,996)	(10,059)	(5,937)
Other deductions	-	-	-	-	-	-
Other Income	54,411	24,852	29,559	54,411	24,852	29,559
TOTAL INCOME	1,009,160	945,357	63,803	1,009,160	945,357	63,803

Note 1

Note 2

Note 3

EXPENSES

Admin	96,011	98,256	(2,245)	96,011	98,256	(2,245)
Utilities	94,471	95,340	(869)	94,471	95,340	(869)
Maintenance & Repair	87,685	107,187	(19,502)	87,685	107,187	(19,502)
Extraordinary Maintenance	-	-	-	-	-	-
Taxes & Insurance	40,454	39,435	1,019	40,454	39,435	1,019
Bad Debt	-	300	(300)	-	300	(300)
Other expenses	108,890	103,713	5,177	108,890	103,713	5,177
TOTAL EXPENSES	427,511	444,231	(16,720)	427,511	444,231	(16,720)

Note 4

Note 5

NET OPERATING INCOME

	581,649	501,126	80,523	581,649	501,126	80,523
Debt Service	261,113	258,936	2,177	261,113	258,936	2,177
CASH FLOW	\$ 320,536	\$ 242,190	\$ 78,346	\$ 320,536	\$ 242,190	\$ 78,346

Note 6

Notes:

Note 1: QTD/YTD decreased due to straight line budget including the properties 2024 rent increase which is scheduled later in the year.

Note 2: QTD/YTD increased due one of the two staff units not pulling into 2024 budget. 2025 budget to reflect concession accurately.

Note 3: QTD/YTD increased due to higher than anticipated restricted interest income.

Note 4: QTD/YTD total utility cost in line with budget. However, electricity reflects savings and gas reflects high negative variance.

HVAC modernization scheduled in 2024 will provide gas cost relief.

Note 5: QTD/YTD increased due to resident services and increased ground lease stemming from increased income collection.

Note 6: QTD/YTD increased due to savings in vacancy, increased interest income and less anticipated expenses in Q1.

HOTEL CHURCHILL

827 C Street
San Diego, CA 92101

73

	2024 - Quarter One			2024 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/(under)	YTD Actual	YTD Budget	\$over/(under)	
INCOME							
Gross Potential Income	474,239	480,504	(6,265)	474,239	\$ 480,504	(6,265)	Note 1
Gain/Loss to Lease	1,278	-	1,278	1,278	-	1,278	
Vacancy	(11,690)	(24,024)	12,334	(11,690)	(24,024)	12,334	
Manager's unit(s)	(6,501)	(6,582)	81	(6,501)	(6,582)	81	
Other deductions	(2,750)	-	(2,750)	(2,750)	-	(2,750)	Note 2
Other Income	10,539	9,711	828	10,539	9,711	828	
TOTAL INCOME	465,115	459,609	5,506	465,115	459,609	5,506	
EXPENSES							
Admin	50,483	63,753	(13,270)	50,483	63,753	(13,270)	Note 3
Utilities	20,174	31,218	(11,044)	20,174	31,218	(11,044)	Note 4
Maintenance & Repair	71,472	71,727	(255)	71,472	71,727	(255)	
Extraordinary Expense	-	-	-	-	-	-	
Taxes & Insurance	8,435	8,913	(478)	8,435	8,913	(478)	
Bad Debt	9,963	4,599	5,364	9,963	4,599	5,364	
Other expenses	12,016	34,539	(22,523)	12,016	34,539	(22,523)	Note 5
TOTAL EXPENSES	172,543	214,749	(42,206)	172,543	214,749	(42,206)	
NET OPERATING INCOME	292,572	244,860	47,712	292,572	244,860	47,712	Note 6
Debt Service	1,890	1,890	-	1,890	1,890	-	
CASH FLOW	\$ 290,682	\$ 242,970	\$ 47,712	290,682	\$ 242,970	\$ 47,712	

Notes:

Note 1: QTD/YTD is decreased due to straight line budget for GPR. Rent increase scheduled in August 2024.

Note 2: QTD/YTD is decreased due to commercial lease concession. No further concessions required through lease.

Note 3: QTD/YTD is decreased due to less anticipated expenses in admin salary and benefits. Assistant Manager role currently vacant.

Note 4: QTD/YTD is decreased due to lower expenses in electricity. Electricity usage/cost tends to fluctuate, and is expected to increase throughout 2024.

Note 5: QTD/YTD is lower due to the ground lease and compliance monitoring expenses being scheduled for later in FY24.

Note 6: QTD/YTD is increased which is typical in Q1. Expenses scheduled to increase, but the property is benefiting from savings in vacancy.

LOGAN DEV/KNOX GLEN

4754 Logan Avenue
San Diego, CA, 92113

54

	2024 - Quarter One			2024 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/(under)	YTD Actual	YTD Budget	\$over/(under)	
INCOME							
Gross Potential Income	273,913	297,210	(23,297)	273,913	297,210	(23,297)	Note 1
Gain/Loss to Lease	(27,196)	(48,816)	21,620	(27,196)	(48,816)	21,620	Note 2
Vacancy	(6,614)	(12,420)	5,806	(6,614)	(12,420)	5,806	
Manager's unit(s)	(5,869)	(5,517)	(352)	(5,869)	(5,517)	(352)	
Other deductions	(1,719)	-	(1,719)	(1,719)	-	(1,719)	Note 3
Other Income	1,963	2,034	(71)	1,963.00	2,034.00	(71)	
TOTAL INCOME	234,478	232,491	1,987	234,478	232,491	1,987	
EXPENSES							
Admin	32,015	33,381	(1,366)	32,015	33,381	(1,366)	
Utilities	19,368	26,676	(7,308)	19,368	26,676	(7,308)	Note 4
Maintenance & Repair	65,234	47,835	17,399	65,234	47,835	17,399	Note 5
Extraordinary Maintenance	518,408	-	518,408	518,408	-	518,408	Note 6
Taxes & Insurance	11,327	12,264	(937)	11,327	12,264	(937)	
Bad Debt	-	6,624	(6,624)	-	6,624	(6,624)	
Other expenses	6,087	7,059	(972)	6,087	7,059	(972)	
TOTAL EXPENSES	652,439	133,839	518,600	652,439	133,839	518,600	
NET OPERATING INCOME	(417,961)	98,652	(516,613)	(417,961)	98,652	(516,613)	
Debt Service	58,432	58,434	(2)	58,432	58,434	(2)	
CASH FLOW	\$ (476,393)	\$ 40,218	\$ (516,611)	\$ (476,393)	\$ 40,218	\$ (516,611)	

Notes:

Note 1: QTD/YTD decreased due to units not being at max rents. As units turnover max rents are implemented.

Note 2: QTD/YTD increased due to less anticipated G/L to lease. G/L variance is offset in GPR.

Note 3: QTD/YTD decreased due to concessions relating to 1/22/2024 water intrusion events.

Note 4: QTD/YTD decreased due to savings in water cost.

Note 5: QTD/YTD increased due to trash collection, mitigation, plumbing, landscape and flooring expenses.

Note 6: QTD/YTD is significantly increased due to water intrusion resulting in 18 units with damages. Estimated water intrusion cost at \$550,000. Currently working with legal and insurance to dispute findings related to the water intrusion.