

INFORMATIONAL REPORT

DATE ISSUED: June 6, 2024

REPORT NO: HDPM24-003

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

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

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

SUMMARY

The Budget-to-Actual Report provides an overview of the HDP Mason Housing Corporation (HDP Mason) property's 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 budget.

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
Vice President of Asset Management
Housing Development Partners

Approved by,


Jeff Davis
Deputy Chief Executive Officer
Housing Development Partners

Attachment: First Quarter 2024 Property Budget-to-Actual Report

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

MASON HOTEL

1345 5th Avenue
San Diego, CA 92101

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	2024 - Quarter One			2024 - Year to Date			NOTE
	Quarterly Actual	Quarterly Budget	\$over/(under)	YTD Actual	YTD Budget	\$over/(under)	
INCOME							
Gross Potential Income	110,517	112,359	(1,842)	\$ 110,517	\$ 112,359	(1,842)	Note 1
Gain/Loss to Lease	-	369	(369)	\$ -	369	(369)	
Vacancy	-	(5,637)	5,637	\$ -	(5,637)	5,637	
Manager's unit(s)	(6,501)	(6,630)	129	\$ (6,501)	(6,630)	129	
Other deductions	-	-	-	\$ -	-	-	
Other Income	7,973	9,396	(1,423)	\$ 7,973	9,396	(1,423)	Note 2
TOTAL INCOME	111,989	109,857	2,132	111,989	109,857	2,132	
EXPENSES							
Admin	24,515	22,500	2,015	24,515	22,500	2,015	Note 3
Utilities	11,144	11,577	(433)	11,144	11,577	(433)	
Maintenance & Repair	24,085	20,838	3,247	24,085	20,838	3,247	Note 4
Taxes & Insurance	4,479	4,104	375	4,479	4,104	375	
Extraordinary Maintenance	-	-	-	-	-	-	
Bad Debt	-	1,002	(1,002)	-	1,002	(1,002)	
Other expenses	2,125	2,214	(89)	2,125	2,214	(89)	
TOTAL EXPENSES	66,348	62,235	4,113	66,348	62,235	4,113	
NET OPERATING INCOME	45,641	47,622	(1,981)	45,641	47,622	(1,981)	Note 5
Debt Service	-	-	-	-	-	-	
CASH FLOW	\$ 45,641	\$ 47,622	\$ (1,981)	\$ 45,641	\$ 47,622	\$ (1,981)	

Notes:

Note 1: QTD/YTD slightly lower due to the rent increase being cancelled in 2024. Q1 budgeted GPR includes previously anticipated rent increase.

Note 2: QTD/YTD is lower due to less than anticipated collection in damages and laundry income.

Note 3: QTD/YTD is higher due to a basement cleaning cost that rolled over from last 2023 to 2024.

Note 4: QTD/YTD is higher due approximately \$9000 in furniture and flooring cost which is scheduled to be reimbursed through reserves later in 2024.

Note 5: QTD/YTD is slightly decreased, and will most likely continue this trend due to the cancelled rent increase and the commercial space becoming vacant in April 30th, 2024. Staff will continue to look for ways to meet budget expectations.