

INFORMATIONAL REPORT

DATE ISSUED: December 5, 2024

REPORT NO: HDP24-027

ATTENTION: Chair and Members of the Board of Directors of
Housing Development Partners of San Diego
For the Agenda of December 12, 2024

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, 2024. 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, 2024, was \$15,436,107 with an investment mix as follows:

- \$14,938,879 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 four and 26 weeks.
- \$497,228 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 has been included because HDP is the San Diego Housing Commission's (Housing Commission) 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.

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.

San Diego City Councilmember and Housing Authority member, Councilmember Stephen Whitburn, is also a Director of HDP. Councilmember Whitburn is not compensated for his service on the HDP Board or as an officer of HDP. As it relates to this matter, as a Housing Authority member, Councilmember Whitburn has a noninterest under California Government Code section 1091.5(a)(9). This disclosure shall be incorporated into the record of the Housing Authority, if and when this matter is heard by the Housing Authority.

Further, because of their non-interests, the Commissioners, as members of the Housing Commission Board of Commissioners, and Councilmember Whitburn, as a member of the Housing Authority, are entitled to vote on this matter and may be counted for quorum.

Further, no HDP Director or officer has a financial interest in this matter that would legally preclude their participation under the provisions of California Government Code section 87100 et. seq.

The Commissioners are not compensated for their services on the board of the Housing Commission, a public agency. Councilmember Whitburn's compensation as a member of the Housing Authority, a public agency, is a non-interest under Government Code section 1091.5(a)(9). Further, Ms. Jones' compensation from a public agency, the Housing Commission, is a noninterest under the provisions of Government Code Section 1091.5(a)(9) as well as for the purposes of Government Code Section 87100 et. seq.

Finally, to the extent that HDP is a public agency for local Ethics Ordinance purposes, neither the Commissioners, Ms. Jones, nor Councilmember Whitburn have any conflicts of interest under the local ethics ordinance that would preclude their actions in this matter or from being counted for quorum purposes.

These disclosures shall be and are hereby documented in the official records of the Housing Commission and 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,

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 09/30/2024

| Type | Issuer | Amount | Interest Rate | Market Value | Maturity Date |
|---------------------------------|-----------------|----------------------|---------------|----------------------|---------------|
| Cash - Insured Sweep (FDIC) | ICS - Multiple | \$ 497,228 | 0.005% | \$ 497,228 | N/A |
| Certificates of Deposits (FDIC) | CDARS - 26 Week | 5,261,751 | 3.700% | 5,261,751 | 10/3/2024 |
| Certificates of Deposits (FDIC) | CDARS - 4 Week | 3,970,472 | 3.500% | 3,970,472 | 10/10/2024 |
| Certificates of Deposits (FDIC) | CDARS - 4 Week | 3,620,451 | 3.500% | 3,620,451 | 10/17/2024 |
| Certificates of Deposits (FDIC) | CDARS - 26 Week | 2,086,205 | 3.700% | 2,086,205 | 12/5/2024 |
| Total | | \$ 15,436,107 | | \$ 15,436,107 | |

As of 06/30/2024

| Type | Issuer | Amount | Interest Rate | Market Value | Maturity Date |
|---------------------------------|-----------------|----------------------|---------------|----------------------|---------------|
| Cash - Insured Sweep (FDIC) | ICS - Multiple | \$ 997,210 | 0.005% | \$ 997,210 | N/A |
| Certificates of Deposits (FDIC) | CDARS - 13 Week | 1,595,680 | 3.700% | 1,595,680 | 8/22/2024 |
| Certificates of Deposits (FDIC) | CDARS - 13 Week | 3,934,507 | 3.650% | 3,934,507 | 9/12/2024 |
| Certificates of Deposits (FDIC) | CDARS - 26 Week | 5,261,751 | 3.700% | 5,261,751 | 10/3/2024 |
| Certificates of Deposits (FDIC) | CDARS - 26 Week | 2,086,205 | 3.700% | 2,086,205 | 12/5/2024 |
| Total | | \$ 13,875,353 | | \$ 13,875,353 | |

