

INFORMATIONAL REPORT

DATE ISSUED: December 6, 2024

REPORT NO: HDPM24-007

ATTENTION: Chair and Members of the Board of Directors of HDP Mason Housing Corporation
For the Agenda of December 12, 2024

SUBJECT: Third 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 third quarter (July through September) 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.

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 HDP Mason Housing Corporation (HDP Mason), 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 Mason 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 Mason's Board of Directors and/or as officers of HDP Mason. 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 Mason. Councilmember Whitburn is not compensated for his service on the HDP Mason Board or as an officer of HDP Mason. 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 Mason 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 Mason 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 Mason, a vote on this matter should incorporate a finding that these transactions are just and reasonable as to HDP Mason.

Respectfully submitted,

Branden Sarkissian

Branden Sarkissian
Director of Asset Management
Housing Development Partners

Approved by,

Emmanuel Arellano

Emmanuel Arellano
Vice President of Asset Management
Housing Development Partners

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

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

HDP Portfolio

2024 Q3 BTA - Mason Hotel

Units 17

Units 17

	2024 Budget	2024 Budget Quarter	2024 Q3 Actual	\$ Var Quarter Actual vs Quarter Budget	% Var Quarter Actual vs Quarter Budget	2024 YTD Budget	2024 YTD Actual	\$ Var YTD Actual vs YTD Budget	% Var YTD Actual vs YTD Budget
INCOME									
Net Rental Income	401,840	100,460	116,766	16,306	16%	301,380	324,112	22,732	7%
Total Other Income	37,573	9,393	(12,099)	(21,492)	-229%	28,180	(1,157)	(29,337)	-2535%
Total Income	439,413	109,853	104,667	(5,186)	-5%	329,559	322,955	(6,605)	-2%
EXPENSES									
Total Admin	89,984	22,496	20,291	(2,206)	-10%	67,488	76,248	8,759	11%
Total Utilities	46,311	11,578	8,795	(2,783)	-24%	34,733	27,403	(7,330)	-27%
Total Maintenance and Repair	83,325	20,831	20,051	(781)	-4%	62,494	68,014	5,520	8%
Total Extraordinary Maintenance	-	-	-	-	0%	-	-	-	0%
Total Taxes and Insurance	16,423	4,106	4,058	(47)	-1%	12,317	11,712	(605)	-5%
Total Bad Debt	4,000	1,000	(3,282)	(4,282)	-428%	3,000	-	(3,000)	0%
Total Other Expenses	8,860	2,215	4,975	2,760	125%	6,645	9,225	2,580	28%
Total Operating Expenses	248,904	62,226	54,887	(7,339)	-12%	186,678	192,602	5,925	3%
Net Operating Income	190,509	47,627	49,780	2,153	5%	142,882	130,352	(12,529)	-10%
Total Debt Service	4,959	1,240	1,240	-	0%	3,719	3,719	-	0%
Total Entity Expenses	1,500	375	-	(375)	-100%	1,125	-	(1,125)	0%
Net Cash Flow	184,050	46,012	48,540	2,528	5%	138,037	126,633	(11,404)	-9%