

REPORT

DATE ISSUED: January 16, 2025

REPORT NO: HDPM25-002

ATTENTION: Chair and Members of the Board of Directors of
HDP Mason Housing Corporation
For the Agenda of January 23, 2025

SUBJECT: Authorize a Signatory 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) Authorize Colin Miller, HDP Mason's Senior Vice President, 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.
- 2) Rescind the authorization for Deputy CEO Jeff Davis to execute 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 San Diego Housing Commission's (Housing Commission) 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.

The authorization for Senior Vice President Miller to execute documents for HDP Mason makes the authorization for Deputy CEO Davis to execute documents unnecessary for HDP Mason operations.

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 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 Sean Elo-Rivera, is also a Director of HDP Mason. Councilmember Elo-Rivera 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 Elo-Rivera 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 Elo-Rivera, 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 Elo-Rivera'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.

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Finally, to the extent that HDP Mason is a public agency for local Ethics Ordinance purposes, neither the Commissioners, Ms. Jones, nor Councilmember Elo-Rivera 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 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 Mason.

Respectfully submitted,



Suket Dayal

Executive Vice President and Treasurer/Chief Financial Officer
Housing Development Partners

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