

REPORT

DATE ISSUED: January 16, 2025

REPORT NO: HDP25-004

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

SUBJECT: 2025 Budget for Housing Development Partners

STAFF RECOMMENDATION

That the Housing Development Partners (HDP) Board of Directors (Board) take the following actions:

- 1) Approve the 2025 Budget for HDP, as presented.
- 2) 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.

SUMMARY

The HDP Budget is prepared annually by staff consistent with planned activities and reviewed against prior period activities. Each year, the HDP Board adopts the annual Budget and authorizes staff to operate the corporation according to that approved budget. Staff is requesting approval of the 2025 Budget for HDP (Attachment 1) as presented.

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

Finally, to the extent that HDP 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.

Respectfully submitted,



Julie Conserva
Vice President of Finance – Real Estate
Housing Development Partners

Approved by,



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

Attachments: 1) Proposed 2025 HDP Budget

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

2025 Housing Development Partners Budget Budget Summary

	2024* Projected	2024 Budget	2025 Budget
Revenue (Sources)	\$ 6,283,713	\$ 5,125,037	\$ 4,524,749
Salaries & Benefits	1,254,058	1,286,277	1,838,987
Professional Fees	183,779	193,779	169,916
Office Expense and Other Admin	498,874	576,298	712,409
Contingency & Project Costs	76,750	127,000	134,325
Capital Expenditures (Acquisition)	-	-	10,000,000
Transfer In/(Out) of Unrestricted Reserves	4,270,252	2,941,683	(8,330,889)
Total Uses	\$ 6,283,713	\$ 5,125,037	\$ 4,524,748
Total Staff Positions	6.9	6.9	8.9

**Jan - Sept 2024 Actuals; Oct - Dec 2024 Projected*

Housing Development Partners
2025 Budgeted Sources and Uses

SOURCES

Beginning Fund Balance (1/1/2025)

Reserves & Commitments	\$ 6,451,014
Working Capital	<u>11,039,695</u>
Total Beginning Fund Balance	17,490,709
New Revenue	4,524,749

Total Sources \$ 22,015,458

USES

Operating Expenses	\$ 2,855,637
Acquisition	10,000,000

Ending Fund Balance (12/31/2025)

Reserves & Commitments	6,722,721
Working Capital	<u>2,437,099</u>
Total Ending Fund Balance	9,159,820

Total Uses \$ 22,015,458