

## REPORT

**DATE ISSUED:** November 26, 2025

**REPORT NO:** HDP25-033

**ATTENTION:** Chair and Members of the Board of Directors of  
Housing Development Partners of San Diego  
For the Agenda of December 5, 2025

**SUBJECT:** Knox Glen 2026 Property Budget

**STAFF RECOMMENDATION:**

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

- 1) Approve the 2026 Property Budget for Knox Glen, a 54-unit affordable housing development at 4754 Logan Avenue, San Diego, CA 92113, for families with low income.
- 2) Find that the foregoing action is 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 has financing from the San Diego Housing Commission (Housing Commission) on this project, and these transactions otherwise involve the Housing Commission.*

**SUMMARY**

Knox Glen Townhomes is a 54-unit affordable housing property in the southeastern area of San Diego, developed by HDP in 1996 with low-income housing tax credits (LIHTC).

In 2013, the property was refinanced and rehabilitated in a partnership with Retirement Housing Foundation under a new entity name, Logan Development II, LP.

The Knox Glen Property Budget is prepared annually by the management company, CONAM. The budget is reviewed and refined by HDP staff for accuracy and consistency with HDP's business plan for the asset.

Prior to January 1 of each calendar year, the HDP Board adopts the annual Property Budget and authorizes CONAM to operate the property according to that approved budget. The budget is also provided to the partnership's lenders and financing partners.

Staff is requesting approval of the 2026 Property Budget.

**BUDGET SUMMARY**

The 2026 Property Budget was prepared using historical data from actual property operations combined with the professional experience of CONAM and HDP's asset management team. Below is a summary chart, which compares the proposed 2026 budget to the 2025 budget.

	Knox Glen				
	FY 2025	FY 2026	\$ Variance	% Variance	Notes
Rental Income	964,749	1,028,868	64,119	7%	8.8% rent increase of current rents.
Other Income	4,805	2,330	-2,475	-52%	
<b>Total Revenue</b>	<b>969,554</b>	<b>1,031,198</b>	<b>61,644</b>	<b>6%</b>	
Total Admin	143,385	159,568	16,183	11%	Increased payroll, benefits and legal expenses.
Total Utilities	130,803	110,410	-20,393	-16%	
Total R&M	222,967	326,361	103,394	46%	Increase R&M based on property needs.
Total Protective Services	12,109	15,879	3,769	31%	Increase in security contract for FY26.
Extraordinary Maintenance	0	0	0	0%	
Taxes & Insurance	59,278	61,325	2,047	3%	
Other Expenses	26,278	26,853	575	2%	
<b>Total Operating Expenses</b>	<b>594,820</b>	<b>700,395</b>	<b>105,575</b>	<b>18%</b>	
<b>Net Operating Income</b>	<b>374,734</b>	<b>330,803</b>	<b>-43,931</b>	<b>-12%</b>	Increased operating expenses due to anticipated legal expenses related to 2024 flood event and aging property needs.
Debt Service	233,729	233,729	0	0%	
Total Entity Expenses	25,693	26,014	321	1%	
<b>Net Cash Flow</b>	<b>115,312</b>	<b>71,060</b>	<b>-44,252</b>	<b>-38%</b>	

### **RENTS**

The 2026 Property Budget includes an 8.8% rent increase for current residents in March and April where allowed.

### **MAINTENANCE AND REPAIR**

The budget is based on the needs of the property. Staff will continue to monitor maintenance expenses and implement preventative maintenance measures to extend the useful life of the units.

### **STAFFING**

The property staffing consists of one full-time manager and one full-time maintenance technician.

### **CAPITAL PLAN**

Staff has included a modest amount for unit turnover expenses from the Capital Budget. Total deposits to the replacement reserve account in 2026 will be \$22,037 consistent with regulatory agreements.

### **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,

*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

Attachments:      1) Knox Glen – 2026 Property Operations Budget  
                             2) Knox Glen – 2026 Replacement Reserves

Docket materials are available on HDP's website at [www.hdpartners.org](http://www.hdpartners.org)

Knox Glen - 2026 Operating Summary		
	2025 Budget	2026 Budget
INCOME		
Gross Potential Rent		
Gross Potential Revenue	1,263,857	1,356,570
Gain Loss to Lease	(200,727)	(239,155)
Less: Vacancies	(53,156)	(55,871)
Less: Down Unit	-	-
Less: Manager's Unit	(25,536)	(27,506)
Less: Discounts and Concesss	-	-
Less: Office Community Room Unit	-	-
Less: COVID Hardship	-	-
Add: Vacancy Subsidy	-	-
Rent Subsidy Variances	-	-
Bad Debt - Tenant Rent	(19,689)	(5,170)
Bad Debt - Other Tenant Charges	-	-
Bad Debt - Other - Elim	-	-
Bad Debt - Other	-	-
Bad Debt - Tenant Rent - PMCo Direct	-	-
Bad Debt - Other Tenant Charges - PMCo	-	-
Net Rental Income	964,749	1,028,868
Other Income		
Rental Income Commercial	-	-
Prepaid Income	-	-
Application Fees	180	180
Credit Check Income	-	-
Damages Cleaning Fees	600	600
Carport Garage Gate Income	-	-
Laundry and Vending Revenue	1,425	1,550
NSF Late Charges	-	-
Former Tenant Income	-	-
Tenant Rent Recovery	-	-
Other Tenant Charges Recovery	-	-
Interest Income - Restricted	2,000	-
Interest Income - Replacement Reverse	600	-
Interest Income Investments	-	-
Interest Income Notes Receivable	-	-
Grant Income - Fed - Svc Coord	-	-
Grant Income - Fed - MTW	-	-
Grant Income - Other	-	-
Donations Income	-	-
Commercial Tenant - Reimb	-	-
Miscellaneous Income	-	-
Security Deposit Forfeiture	-	-
Total Other Income	4,805	2,330
Total Income	969,554	1,031,198
EXPENSES		
Admin		
Consultant Asset Mgmt	-	-
Consultant Other Admin	-	-
Broker Fees	-	-
Audit and Tax Prep Fees	13,850	14,251
IT Support Maintenance	-	-
Property Management Fees	38,880	39,852
Bookkeeping Fees	-	1,238
Office Expense	2,500	-

Internet and Telephone	-	-
Office Supplies	2,864	6,564
Parking	-	-
Software Exp Admin	-	-
Copier Printer	-	-
Office Repairs and Maint	-	-
Bank Charges Admin	-	-
Mileage	-	-
Dues Subs and Memberships	-	311
Penalties and Fines	-	-
Other Admin Expense	1,032	1,282
Manager Salaries	49,915	50,752
Office Salaries	-	-
Employee Benefits PM Co - Program Adm	8,757	13,022
Payroll Taxes - Manager and Admin	4,459	4,522
Workman's Comp Mgr and Admin	5,866	4,060
Temp Services - Property Manager	-	-
Temp Services - Admin	-	-
Consultant Other Program Admin	-	3,731
Legal - Program Admin	4,320	7,216
Legal - Development	-	-
Cleaning and Janitorial Contract	622	106
Credit Check Service Fee	336	1,029
Internet and Telephone Prog Admin	3,630	4,007
Advertising	200	389
Bank Charges Program Admin	1,293	1,433
Mileage and Travel Exp Prog Admin	300	2,636
Training - Program Admin	721	353
Postage and Delivery Prog Admin	211	175
Software Exp Program Admin	3,630	1,825
Misc Program Admin	-	814
Lease Up Expenses	-	-
Total Admin	143,385	159,568
<b>Utilities</b>		
Cable Expenses	-	-
Electricity	15,026	10,863
Gas	1,926	1,432
Sewer	42,612	38,190
Water	71,239	59,925
Total Utilities	130,803	110,410
<b>Maintenance and Repair</b>		
Fire Protection and Alarm	11,797	9,676
AC Contracts	-	187
Clubhouse Expense	995	727
Decorating	-	-
Elevator Contracts	-	-
Exterminating Supplies	100	-
Exterminating Contracts	3,270	3,056
Electrical Contracts	-	3,948
Furn and Appl Rplcmnt	-	-
Landscape and Grounds Contract	20,995	25,371
Ground Supplies	361	654
Janitorial Supplies	1,479	1,369
COVID Supplies	-	-
Maint Supplies and Materials	4,020	27,732
Plumbing Contracts	22,514	51,685
Plumbing Supplies	2,311	2,478
Repair and Maint Payroll	52,773	46,342
Payroll Taxes - Rpr and Maint	4,676	4,187

Employee Benefits PM Co - Program	8,757	13,022
Temp Services - Maintenance	-	-
Temp Services - Janitorial	-	-
Unit Turnover Contracts	4,140	8,379
Flooring	-	4,938
Painting Contract	1,082	798
Repair Contracts	7,500	41,962
Repair Supplies	5,670	-
Payroll Taxes - Security	-	-
Workers Compensation Ins-Security	-	-
Trash Removal	64,456	75,881
Workman's Comp-Rpr and Maint	6,074	3,707
Remediation Expense	-	-
Uniforms	-	260
Insurance Claims Expense	-	-
Insurance Proceeds	-	-
RR - Materials Appliances	-	-
RR - Remediation	-	-
Retail Space Expenses	-	-
Total Maintenance and Repair	222,967	326,361
<b>Protective Services</b>		
Security Contract Program	12,109	15,879
Security Payroll	-	-
Total Protective Services	12,109	15,879
<b>Extraordinary Maintenance</b>		
Casualty Losses	-	-
Insurance Proceeds	-	-
Extraordinary Maintenance	-	-
Total Extraordinary Maintenance	-	-
<b>Taxes and Insurance</b>		
Taxes Licenses and Fees	1,728	830
Fidelity Bond Insurance	62	29
Insurance Other	448	416
Property and Liability Ins	53,534	59,756
Property Taxes	3,506	293
Total Taxes and Insurance	59,278	61,325
<b>Other Expenses</b>		
Tenant Services Other	1,080	532
Tenant Services Payroll Benefits	-	-
Grant Expense	-	-
Grant Expense - Elim	-	-
SDHC Compliance Monitoring Fee	3,803	4,284
Relocation Costs	-	-
Relocation due to Maint	-	-
Ground Lease Expense	-	-
Miscellaneous Exp Program	-	-
CY Deposit to Escrow Rplc Reserve	21,395	22,037
CY Deposit to Rplc Reserve	-	-
Total Other Expenses	26,278	26,853
<b>Total Operating Expenses</b>	<b>594,820</b>	<b>700,395</b>
<b>Net Operating Income</b>	<b>374,734</b>	<b>330,803</b>
<b>Debt Service</b>		
CY Mortgage Debt Payments (IS)	79,920	84,562
Interest Expense - Mortgage	149,670	145,028
Mortgage Insurance Expense	-	-

Loan Servicing Fee (Trustee Fee)	-	-
SDHC Bond Admin Fee	4,139	4,139
<b>Total Debt Service</b>	<b>233,729</b>	<b>233,729</b>
Legal Admin	-	-
Asset Management Fees	10,693	11,014
Asset Mgmt Fee - Elim	-	-
Partnership Management Fee	15,000	15,000
Incentive Partnership Mgmt Fee	-	-
Insurance - D and O	-	-
Guaranteed Fees	-	-
Loan Fees	-	-
<b>Total Entity Expenses</b>	<b>25,693</b>	<b>26,014</b>
<b>Net Cash Flow</b>	<b>115,312</b>	<b>71,060</b>

## Attachment 2

### Knox Glen

#### 2026 Replacement Reserves

Beginning Balance of Replacement Reserves	36,010
Deposit to Reserves	22,037
Use of Reserves (Capital Expenditures)	<u>(33,600)</u>
Ending Balance of Replacement Reserves	24,448