

REPORT

DATE ISSUED: November 26, 2025

REPORT NO: HDP25-036

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

SUBJECT: Parker Kier 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 Parker Kier, a 34-unit affordable housing property at 2172 Front Street, San Diego, CA 92101, for individuals with low income who experienced homelessness or are at risk of homelessness.
- 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

Parker Kier is a 34-unit affordable housing property in downtown San Diego, in which 22 units are for individuals with low income who experienced homelessness, and 11 units are for individuals with low income at risk of homelessness. HDP developed the property in 2012, utilizing a Ground Lease with the Housing Commission.

The Parker Kier Property Budget is prepared annually by the management company, Hyder Property Management Professionals (Hyder). 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 Hyder to operate the property according to that approved budget.

Staff is requesting approval of the 2026 Property Budget.

BUDGET SUMMARY

The 2026 Property Budget was prepared using industry data combined with the professional experience of Hyder and HDP's asset management team. Below is a summary chart of the 2026 Operating Budget compared to the 2025 Budget.

	Parker Kier				
	FY 2025	FY 2026	\$ Variance	% Variance	Notes
Rental Income	907,413	836,527	-70,886	-8%	Rent increase anticipated for FY25 was not approved. No anticipated rent increase for FY26.
Other Income	1,496	2,540	1,043	70%	
Total Revenue	908,910	839,067	-69,843	-8%	
Total Admin	117,827	144,126	26,298	22%	Increase in budgeted manager's salary and benefits for FY26.
Total Utilities	101,557	83,893	-17,664	-17%	
Total R&M	128,830	152,856	24,026	19%	Aging property with high level of maintenance needs anticipated for FY26
Total Protective Services	60,619	61,285	667	1%	
Extraordinary Maintenance	0	0	0	0%	
Taxes & Insurance	26,383	27,640	1,257	5%	
Other Expenses	55,168	52,652	-2,516	-5%	
Total Operating Expenses	490,384	522,451	32,067	7%	
Net Operating Income	418,526	316,615	-101,910	-24%	No rent increase anticipated for FY26
Debt Service	0	0	0	0%	
Total Entity Expenses	10,000	10,000	0	0%	
Net Cash Flow	408,526	306,615	-101,910	-25%	No rent increase anticipated for FY26

RENTS

The 2026 Property Budget does not reflect a change in rental revenue.

MAINTENANCE AND REPAIR

The budget reflects increased maintenance and repair expenses based on the 2025 actuals. The budget is based on the needs of the property and consistent with other similar assets. 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, one full-time assistant and one maintenance technician who splits time at Parker Kier and Mason Hotel.

CAPITAL PLAN

Total deposits to the replacement reserve account in 2026 will be \$13,200, consistent with regulating 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

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Director of Asset Management
Housing Development Partners

Approved by,

Emmanuel Arellano

Emmanuel Arellano
Vice President of Asset Management
Housing Development Partners

Attachments: 1) Parker Kier – 2026 Property Operations Budget
 2) Parker Kier – 2026 Replacement Reserves

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

Parker Kier - 2026 Operating Summary		
	2025 Budget	2026 Budget
INCOME		
Gross Potential Rent		
Gross Potential Revenue	1,103,196	955,476
Gain Loss to Lease	(112,503)	-
Less: Vacancies	(49,535)	(76,438)
Less: Down Unit	-	-
Less: Manager's Unit	(30,558)	(29,772)
Less: Discounts and Concesss	-	-
Less: Office Community Room Unit	-	-
Less: COVID Hardship	-	-
Add: Vacancy Subsidy	-	-
Rent Subsidy Variances	-	-
Bad Debt - Tenant Rent	(3,187)	(12,739)
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	907,413	836,527
Other Income		
Rental Income Commercial	-	-
Prepaid Income	-	-
Application Fees	120	120
Credit Check Income	-	-
Damages Cleaning Fees	-	-
Carport Garage Gate Income	-	-
Laundry and Vending Revenue	1,088	2,110
NSF Late Charges	-	310
Former Tenant Income	-	-
Tenant Rent Recovery	-	-
Other Tenant Charges Recovery	-	-
Interest Income - Restricted	-	-
Interest Income - Replacement Reverse	288	-
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	1,496	2,540
Total Income	908,910	839,067
EXPENSES		
Admin		
Consultant Asset Mgmt	-	-
Consultant Other Admin	-	-
Broker Fees	-	-
Audit and Tax Prep Fees	4,545	4,676
IT Support Maintenance	-	-
Property Management Fees	42,024	42,024
Bookkeeping Fees	-	-
Office Expense	-	-

Internet and Telephone	-	-
Office Supplies	3,779	3,123
Parking	-	-
Software Exp Admin	-	-
Copier Printer	-	646
Office Repairs and Maint	-	-
Bank Charges Admin	-	-
Mileage	-	-
Dues Subs and Memberships	-	-
Penalties and Fines	-	-
Other Admin Expense	1,032	926
Manager Salaries	35,886	59,800
Office Salaries	-	-
Employee Benefits PM Co - Program Adm	5,678	10,298
Payroll Taxes - Manager and Admin	4,057	5,210
Workman's Comp Mgr and Admin	4,155	4,160
Temp Services - Property Manager	-	-
Temp Services - Admin	-	-
Consultant Other Program Admin	-	-
Legal - Program Admin	3,730	4,355
Legal - Development	-	-
Cleaning and Janitorial Contract	993	1,219
Credit Check Service Fee	198	88
Internet and Telephone Prog Admin	3,369	2,736
Advertising	-	145
Bank Charges Program Admin	1,600	868
Mileage and Travel Exp Prog Admin	150	-
Training - Program Admin	1,000	357
Postage and Delivery Prog Admin	-	398
Software Exp Program Admin	5,631	3,096
Misc Program Admin	-	-
Lease Up Expenses	-	-
Total Admin	117,827	144,126
Utilities		
Cable Expenses	-	-
Electricity	63,498	55,087
Gas	15,919	7,184
Sewer	9,110	8,028
Water	13,029	13,594
Total Utilities	101,557	83,893
Maintenance and Repair		
Fire Protection and Alarm	6,912	14,634
AC Contracts	500	185
Clubhouse Expense	2,076	1,879
Decorating	-	-
Elevator Contracts	4,708	9,794
Exterminating Supplies	44	27
Exterminating Contracts	5,383	5,077
Electrical Contracts	1,750	1,246
Furn and Appl Rplcmnt	-	-
Landscape and Grounds Contract	1,500	1,549
Ground Supplies	200	1,256
Janitorial Supplies	1,500	1,330
COVID Supplies	50	-
Maint Supplies and Materials	2,773	2,614
Plumbing Contracts	4,973	8,407
Plumbing Supplies	1,200	733
Repair and Maint Payroll	52,424	53,196
Payroll Taxes - Rpr and Maint	5,314	5,373

Employee Benefits PM Co - Program	8,136	9,268
Temp Services - Maintenance	-	-
Temp Services - Janitorial	-	-
Unit Turnover Contracts	4,227	469
Flooring	2,000	9,011
Painting Contract	750	687
Repair Contracts	1,841	9,044
Repair Supplies	3,830	3,710
Payroll Taxes - Security	-	-
Workers Compensation Ins-Security	-	-
Trash Removal	10,393	8,853
Workman's Comp-Rpr and Maint	6,096	3,944
Remediation Expense	-	-
Uniforms	250	570
Insurance Claims Expense	-	-
Insurance Proceeds	-	-
RR - Materials Appliances	-	-
RR - Remediation	-	-
Retail Space Expenses	-	-
Total Maintenance and Repair	128,830	152,856
Protective Services		
Security Contract Program	60,619	61,285
Security Payroll	-	-
Total Protective Services	60,619	61,285
Extraordinary Maintenance		
Casualty Losses	-	-
Insurance Proceeds	-	-
Extraordinary Maintenance	-	-
Total Extraordinary Maintenance	-	-
Taxes and Insurance		
Taxes Licenses and Fees	5,072	4,557
Fidelity Bond Insurance	54	86
Insurance Other	676	1,370
Property and Liability Ins	20,580	21,627
Property Taxes	-	-
Total Taxes and Insurance	26,383	27,640
Other Expenses		
Tenant Services Other	850	850
Tenant Services Payroll Benefits	-	-
Grant Expense	-	-
Grant Expense - Elim	-	-
SDHC Compliance Monitoring Fee	939	939
Relocation Costs	-	-
Relocation due to Maint	-	-
Ground Lease Expense	40,179	37,663
Miscellaneous Exp Program	-	-
CY Deposit to Escrow Rplc Reserve	-	-
CY Deposit to Rplc Reserve	13,200	13,200
Total Other Expenses	55,168	52,652
Total Operating Expenses	490,384	522,451
Net Operating Income	418,526	316,615
Debt Service		
CY Mortgage Debt Payments (IS)	-	-
Interest Expense - Mortgage	-	-
Mortgage Insurance Expense	-	-

Loan Servicing Fee (Trustee Fee)	-	-
SDHC Bond Admin Fee	-	-
Total Debt Service	-	-
Legal Admin	-	-
Asset Management Fees	-	-
Asset Mgmt Fee - Elim	10,000	10,000
Partnership Management Fee	-	-
Incentive Partnership Mgmt Fee	-	-
Insurance - D and O	-	-
Guaranteed Fees	-	-
Loan Fees	-	-
Total Entity Expenses	10,000	10,000
Net Cash Flow	408,526	306,615

Attachment 2

Parker Kier

2026 Replacement Reserves

Beginning Balance of Replacement Reserves	46,476
Deposit to Reserves	13,200
Use of Reserves (Capital Expenditures)	<u>(25,250)</u>
Ending Balance of Replacement Reserves	34,426