

## REPORT

**DATE ISSUED:** November 26, 2025

**REPORT NO:** HDP25-038

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

**SUBJECT:** San Diego Square 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 San Diego Square, a 156-unit affordable housing property at 1055 9th Avenue, San Diego, CA 92101, for seniors 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**

San Diego Square is a 156-unit affordable housing property for seniors with low income, earning between 50 percent and 60 percent of the San Diego area median income. The property was acquired on November 25, 2014, by HDP Broadway LP. Rehabilitation started on December 1, 2014, and was completed on December 17, 2015.

The San Diego Square 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 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.

	San Diego Square				
	FY 2025	FY 2026	\$ Variance	% Variance	Notes
Rental Income	3,807,397	3,964,587	157,190	4%	Rent increases will not impact resident's contribution toward the contract rent.
Other Income	102,350	105,125	2,774	3%	
<b>Total Revenue</b>	<b>3,909,747</b>	<b>4,069,712</b>	<b>159,965</b>	<b>4%</b>	
Total Admin	369,563	393,831	24,268	7%	
Total Utilities	354,454	384,635	30,181	9%	
Total R&M	349,125	374,795	25,671	7%	
Total Protective Services	125,915	130,700	4,785	4%	
Extraordinary Maintenance	0	0	0	0%	
Taxes & Insurance	191,203	206,245	15,042	8%	
Other Expenses	330,960	413,274	82,315	25%	Increase in budgeted Replacement Reserve Deposits for FY26.
<b>Total Operating Expenses</b>	<b>1,721,220</b>	<b>1,903,481</b>	<b>182,261</b>	<b>11%</b>	
<b>Net Operating Income</b>	<b>2,188,528</b>	<b>2,166,231</b>	<b>-22,297</b>	<b>-1%</b>	
Debt Service	1,035,753	1,035,753	0	0%	
Total Entity Expenses	21,720	21,922	202	1%	
<b>Net Cash Flow</b>	<b>1,131,055</b>	<b>1,108,556</b>	<b>-22,499</b>	<b>-2%</b>	

### **RENTS**

The property has a direct contract with the U.S. Department of Housing and Urban Development (HUD) that assists residents with their rent. The Housing Commission does not administer the HUD contract. The 2026 budget reflects an increase in revenue due to an approved increase in the payment standard for HUD PBVs, effective in December 2026. The increase to the HUD PBV payment standard does not impact the resident's contribution toward the contract rent.

### **MAINTENANCE AND REPAIRS**

The 2026 budget reflects an increase in overall maintenance. 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 staff for the property consists of one full-time property manager, one full-time assistant manager, one full-time maintenance technician and one full-time porter.

### **CAPITAL PLAN**

Total deposits to the replacement reserve account in 2026 will be \$125,850, consistent with the 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*

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) San Diego Square – 2026 Property Operations  
                             2) San Diego Square – 2026 Replacement Reserves

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

San Diego Square - 2026 Operating Summary		
	2025 Budget	2026 Budget
INCOME		
Gross Potential Rent		
Gross Potential Revenue	4,083,425	4,274,793
Gain Loss to Lease	(9,226)	-
Less: Vacancies	(203,710)	(213,740)
Less: Down Unit	-	-
Less: Manager's Unit	(63,092)	(76,543)
Less: Discounts and Concesss	-	-
Less: Office Community Room Unit	-	-
Less: COVID Hardship	-	-
Add: Vacancy Subsidy	-	-
Rent Subsidy Variances	-	-
Bad Debt - Tenant Rent	-	(19,923)
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	3,807,397	3,964,587
Other Income		
Rental Income Commercial	87,885	91,225
Prepaid Income	-	-
Application Fees	-	-
Credit Check Income	-	-
Damages Cleaning Fees	806	800
Carport Garage Gate Income	-	-
Laundry and Vending Revenue	7,459	8,000
NSF Late Charges	-	-
Former Tenant Income	-	-
Tenant Rent Recovery	-	-
Other Tenant Charges Recovery	-	-
Interest Income - Restricted	1,000	-
Interest Income - Replacement Reverse	100	-
Interest Income Investments	100	100
Interest Income Notes Receivable	-	-
Grant Income - Fed - Svc Coord	-	-
Grant Income - Fed - MTW	-	-
Grant Income - Other	-	-
Donations Income	-	-
Commercial Tenant - Reimb	5,000	5,000
Miscellaneous Income	-	-
Security Deposit Forfeiture	-	-
Total Other Income	102,350	105,125
Total Income	3,909,747	4,069,712
EXPENSES		
Admin		
Consultant Asset Mgmt	7,163	7,163
Consultant Other Admin	-	-
Broker Fees	246	256
Audit and Tax Prep Fees	15,253	15,661
IT Support Maintenance	-	-
Property Management Fees	112,320	115,128
Bookkeeping Fees	15,950	16,556
Office Expense	4,124	4,281

Internet and Telephone	-	-
Office Supplies	-	6,263
Parking	-	-
Software Exp Admin	-	-
Copier Printer	-	-
Office Repairs and Maint	-	-
Bank Charges Admin	-	138
Mileage	-	-
Dues Subs and Memberships	497	516
Penalties and Fines	-	-
Other Admin Expense	-	891
Manager Salaries	106,148	110,074
Office Salaries	3,960	-
Employee Benefits PM Co - Program Adm	25,764	26,044
Payroll Taxes - Manager and Admin	10,074	9,696
Workman's Comp Mgr and Admin	8,575	8,806
Temp Services - Property Manager	-	-
Temp Services - Admin	-	-
Consultant Other Program Admin	21,246	22,054
Legal - Program Admin	2,642	2,742
Legal - Development	-	-
Cleaning and Janitorial Contract	-	978
Credit Check Service Fee	-	220
Internet and Telephone Prog Admin	18,337	19,034
Advertising	1,156	1,200
Bank Charges Program Admin	3,160	3,280
Mileage and Travel Exp Prog Admin	440	916
Training - Program Admin	3,880	4,027
Postage and Delivery Prog Admin	191	198
Software Exp Program Admin	7,504	16,359
Misc Program Admin	932	1,352
Lease Up Expenses	-	-
Total Admin	369,563	393,831
<b>Utilities</b>		
Cable Expenses	-	1,451
Electricity	170,275	190,708
Gas	105,243	108,400
Sewer	26,642	27,441
Water	52,294	56,635
Total Utilities	354,454	384,635
<b>Maintenance and Repair</b>		
Fire Protection and Alarm	31,521	32,719
AC Contracts	30,344	31,497
Clubhouse Expense	-	-
Decorating	3,521	3,654
Elevator Contracts	24,524	25,456
Exterminating Supplies	-	-
Exterminating Contracts	18,255	18,949
Electrical Contracts	6,074	18,285
Furn and Appl Rplcmnt	-	-
Landscape and Grounds Contract	18,265	18,959
Ground Supplies	847	-
Janitorial Supplies	4,646	4,822
COVID Supplies	-	-
Maint Supplies and Materials	8,107	8,415
Plumbing Contracts	14,707	15,266
Plumbing Supplies	-	-
Repair and Maint Payroll	91,428	93,600
Payroll Taxes - Rpr and Maint	8,279	8,444

Employee Benefits PM Co - Program	32,016	26,044
Temp Services - Maintenance	-	-
Temp Services - Janitorial	-	-
Unit Turnover Contracts	-	9,827
Flooring	-	-
Painting Contract	-	-
Repair Contracts	22,502	23,357
Repair Supplies	-	-
Payroll Taxes - Security	-	-
Workers Compensation Ins-Security	-	-
Trash Removal	26,489	27,496
Workman's Comp-Rpr and Maint	7,101	7,488
Remediation Expense	-	-
Uniforms	500	519
Insurance Claims Expense	-	-
Insurance Proceeds	-	-
RR - Materials Appliances	-	-
RR - Remediation	-	-
Retail Space Expenses	-	-
Total Maintenance and Repair	349,125	374,795
<b>Protective Services</b>		
Security Contract Program	125,915	130,700
Security Payroll	-	-
Total Protective Services	125,915	130,700
<b>Extraordinary Maintenance</b>		
Casualty Losses	-	-
Insurance Proceeds	-	-
Extraordinary Maintenance	-	-
Total Extraordinary Maintenance	-	-
<b>Taxes and Insurance</b>		
Taxes Licenses and Fees	4,586	26,342
Fidelity Bond Insurance	-	-
Insurance Other	1,344	-
Property and Liability Ins	161,382	179,903
Property Taxes	23,892	-
Total Taxes and Insurance	191,203	206,245
<b>Other Expenses</b>		
Tenant Services Other	61,084	63,406
Tenant Services Payroll Benefits	-	-
Grant Expense	-	-
Grant Expense - Elim	-	-
SDHC Compliance Monitoring Fee	-	-
Relocation Costs	-	-
Relocation due to Maint	-	-
Ground Lease Expense	215,275	224,019
Miscellaneous Exp Program	-	-
CY Deposit to Escrow Rplc Reserve	54,600	54,600
CY Deposit to Rplc Reserve	-	71,250
Total Other Expenses	330,960	413,274
<b>Total Operating Expenses</b>	<b>1,721,220</b>	<b>1,903,481</b>
<b>Net Operating Income</b>	<b>2,188,528</b>	<b>2,166,231</b>
<b>Debt Service</b>		
CY Mortgage Debt Payments (IS)	336,597	352,025
Interest Expense - Mortgage	674,375	658,947
Mortgage Insurance Expense	-	-

Loan Servicing Fee (Trustee Fee)	2,500	2,500
SDHC Bond Admin Fee	22,281	22,281
<b>Total Debt Service</b>	<b>1,035,753</b>	<b>1,035,753</b>
Legal Admin	-	-
Asset Management Fees	6,720	6,922
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>21,720</b>	<b>21,922</b>
<b>Net Cash Flow</b>	<b>1,131,055</b>	<b>1,108,556</b>



## Attachment 2

### Broadway

#### 2026 Replacement Reserves

Beginning Balance of Replacement Reserves	479,765
Deposit to Reserves	125,850
Use of Reserves (Capital Expenditures)	<u>(181,900)</u>
Ending Balance of Replacement Reserves	423,715