

## REPORT

**DATE ISSUED:** November 26, 2025

**REPORT NO:** HDP25-039

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

**SUBJECT:** Single-Family Homes/Companion Units 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 Single-Family Homes/Companion Units (SFH/CU) leased as affordable rental housing to households 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**

Five affordable rental single-family homes and corresponding companion units, sometimes also referred to as accessory dwelling units (ADUs), are in the south part of San Diego in the Nestor Neighborhood within the 92154 ZIP Code:

Single Family Homes (SFH)	# Bedrooms
1. Twinning Avenue	5 bedrooms
2. Peterlynn Drive	3 bedrooms
3. Twinning Avenue	5 bedrooms
4. Peterlynn Drive	5 bedrooms
5. Stu Court	5 bedrooms

Companion Units (CU)	# Bedrooms
1. Kimsue Way	2 bedrooms
2. Peterlynn Drive	1 bedroom
3. Enero Street	3 bedrooms
4. Marzo Street	Studio
5. Kostner Drive	1 bedroom

The SFH/CU property budget is prepared annually by the management company, Hyder Property Management Professionals (Hyder). The budget is reviewed and refined by staff for accuracy and consistency with HDP's business plan for the asset.

Prior to January 1 of the next 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. The budget for calendar year 2026 reflects 10 units—the five single-family homes and the five companion units.

	SFH/CU				
	FY 2025	FY 2026	\$ Variance	% Variance	Notes
Rental Income	198,964	232,667	33,703	17%	8.8% increase on SFH units. No anticipated increase on CU units with Housing Choice Vouchers.
Other Income	460	0	-460	-100%	
<b>Total Revenue</b>	<b>199,424</b>	<b>232,667</b>	<b>33,243</b>	<b>17%</b>	
Total Admin	36,351	64,381	28,030	77%	Allocating a portion of Manager's Salary for FY26. This was not included in past budgets.
Total Utilities	9,396	11,453	2,057	22%	
Total R&M	37,473	42,366	4,893	13%	
Total Protective Services	0	0	0	0%	
Extraordinary Maintenance	0	0	0	0%	
Taxes & Insurance	18,914	19,370	455	2%	
Other Expenses	39,330	40,509	1,180	3%	3% annual increase in Replacement Reserve Deposits
<b>Total Operating Expenses</b>	<b>141,464</b>	<b>178,079</b>	<b>36,616</b>	<b>26%</b>	
<b>Net Operating Income</b>	<b>57,961</b>	<b>54,588</b>	<b>-3,373</b>	<b>-6%</b>	
Debt Service	0	0	0	0%	
Total Entity Expenses	0	0	0	0%	
<b>Net Cash Flow</b>	<b>57,961</b>	<b>54,588</b>	<b>-3,373</b>	<b>-6%</b>	

### **RENTS**

Rents for the single-family homes have been budgeted for an 8.8% rent increase. Companion units will be leased using the Housing Commission's Project-Based Housing Voucher (PBV) payment schedule, as reflected in underwriting. The Housing Commission's payment standard for PBVs is not anticipated to increase.

### **MAINTENANCE AND REPAIR**

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 properties consists of one Property Manager overseeing these assets who splits time managing another HDP site. Maintenance technicians from other properties in the real estate portfolio provide maintenance support as needed.

### **CAPITAL PLAN**

Total deposits to the replacement reserve account in 2026 will be \$40,509 consistent with underwriting.

### **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) SFH/CU – 2026 Property Operations Budget  
                             2) SFH/CU – 2026 Replacement Reserves

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

SFH/CU - 2026 Operating Summary		
	2025 Budget	2026 Budget
INCOME		
Gross Potential Rent		
Gross Potential Revenue	340,947	359,763
Gain Loss to Lease	(126,580)	(102,460)
Less: Vacancies	(10,718)	(19,888)
Less: Down Unit	-	-
Less: Manager's Unit	-	-
Less: Discounts and Concesss	-	-
Less: Office Community Room Unit	-	-
Less: COVID Hardship	-	-
Add: Vacancy Subsidy	-	-
Rent Subsidy Variances	-	-
Bad Debt - Tenant Rent	(4,684)	(4,748)
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	198,964	232,667
Other Income		
Rental Income Commercial	-	-
Prepaid Income	-	-
Application Fees	60	-
Credit Check Income	-	-
Damages Cleaning Fees	-	-
Carport Garage Gate Income	-	-
Laundry and Vending Revenue	-	-
NSF Late Charges	-	-
Former Tenant Income	-	-
Tenant Rent Recovery	-	-
Other Tenant Charges Recovery	-	-
Interest Income - Restricted	-	-
Interest Income - Replacement Reverse	400	-
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	460	-
Total Income	199,424	232,667
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	18,180	18,540
Bookkeeping Fees	-	-
Office Expense	-	-

Internet and Telephone	-	-
Office Supplies	500	519
Parking	-	-
Software Exp Admin	-	-
Copier Printer	-	-
Office Repairs and Maint	-	-
Bank Charges Admin	571	615
Mileage	-	-
Dues Subs and Memberships	-	-
Penalties and Fines	-	-
Other Admin Expense	2,785	2,891
Manager Salaries	-	14,040
Office Salaries	-	-
Employee Benefits PM Co - Program Adm	-	2,575
Payroll Taxes - Manager and Admin	-	1,732
Workman's Comp Mgr and Admin	-	1,123
Temp Services - Property Manager	-	-
Temp Services - Admin	-	-
Consultant Other Program Admin	-	7,474
Legal - Program Admin	6,162	6,396
Legal - Development	-	-
Cleaning and Janitorial Contract	323	336
Credit Check Service Fee	124	129
Internet and Telephone Prog Admin	-	-
Advertising	-	-
Bank Charges Program Admin	1,193	1,239
Mileage and Travel Exp Prog Admin	500	519
Training - Program Admin	-	26
Postage and Delivery Prog Admin	99	133
Software Exp Program Admin	1,368	1,419
Misc Program Admin	-	-
Lease Up Expenses	-	-
Total Admin	36,351	64,381
<b>Utilities</b>		
Cable Expenses	-	-
Electricity	7,944	8,897
Gas	672	821
Sewer	302	652
Water	477	1,083
Total Utilities	9,396	11,453
<b>Maintenance and Repair</b>		
Fire Protection and Alarm	1,846	1,916
AC Contracts	-	-
Clubhouse Expense	-	-
Decorating	-	-
Elevator Contracts	-	-
Exterminating Supplies	-	-
Exterminating Contracts	1,000	1,038
Electrical Contracts	500	4,972
Furn and Appl Rplcmnt	-	-
Landscape and Grounds Contract	16,000	16,608
Ground Supplies	-	-
Janitorial Supplies	71	74
COVID Supplies	-	-
Maint Supplies and Materials	89	92
Plumbing Contracts	3,009	3,123
Plumbing Supplies	522	542
Repair and Maint Payroll	7,340	6,946
Payroll Taxes - Rpr and Maint	1,223	1,188

Employee Benefits PM Co - Program	-	-
Temp Services - Maintenance	-	-
Temp Services - Janitorial	-	-
Unit Turnover Contracts	-	-
Flooring	-	-
Painting Contract	423	439
Repair Contracts	3,108	3,226
Repair Supplies	1,656	1,719
Payroll Taxes - Security	-	-
Workers Compensation Ins-Security	-	-
Trash Removal	-	-
Workman's Comp-Rpr and Maint	686	483
Remediation Expense	-	-
Uniforms	-	-
Insurance Claims Expense	-	-
Insurance Proceeds	-	-
RR - Materials Appliances	-	-
RR - Remediation	-	-
Retail Space Expenses	-	-
Total Maintenance and Repair	37,473	42,366
<b>Protective Services</b>		
Security Contract Program	-	-
Security Payroll	-	-
Total Protective Services	-	-
<b>Extraordinary Maintenance</b>		
Casualty Losses	-	-
Insurance Proceeds	-	-
Extraordinary Maintenance	-	-
Total Extraordinary Maintenance	-	-
<b>Taxes and Insurance</b>		
Taxes Licenses and Fees	1,772	1,772
Fidelity Bond Insurance	-	-
Insurance Other	-	-
Property and Liability Ins	12,120	12,576
Property Taxes	5,023	5,022
Total Taxes and Insurance	18,914	19,370
<b>Other Expenses</b>		
Tenant Services Other	-	-
Tenant Services Payroll Benefits	-	-
Grant Expense	-	-
Grant Expense - Elim	-	-
SDHC Compliance Monitoring Fee	-	-
Relocation Costs	-	-
Relocation due to Maint	-	-
Ground Lease Expense	-	-
Miscellaneous Exp Program	-	-
CY Deposit to Escrow Rplc Reserve	-	-
CY Deposit to Rplc Reserve	39,330	40,509
Total Other Expenses	39,330	40,509
<b>Total Operating Expenses</b>	<b>141,464</b>	<b>178,079</b>
<b>Net Operating Income</b>	<b>57,961</b>	<b>54,588</b>
<b>Debt Service</b>		
CY Mortgage Debt Payments (IS)	-	-
Interest Expense - Mortgage	-	-
Mortgage Insurance Expense	-	-

Loan Servicing Fee (Trustee Fee)	-	-
SDHC Bond Admin Fee	-	-
<b>Total Debt Service</b>	-	-
Legal Admin	-	-
Asset Management Fees	-	-
Asset Mgmt Fee - Elim	-	-
Partnership Management Fee	-	-
Incentive Partnership Mgmt Fee	-	-
Insurance - D and O	-	-
Guaranteed Fees	-	-
Loan Fees	-	-
<b>Total Entity Expenses</b>	-	-
<b>Net Cash Flow</b>	<b>57,961</b>	<b>54,588</b>



## Attachment 2

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### 2026 Replacement Reserves

Beginning Balance of Replacement Reserves	156,193
Deposit to Reserves	40,509
Use of Reserves (Capital Expenditures)	<u>(9,000)</u>
Ending Balance of Replacement Reserves	187,702