

## REPORT

**DATE ISSUED:** November 26, 2025

**REPORT NO:** HDP25-041

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

**SUBJECT:** Village North Senior Garden Apartments 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 Village North Senior Garden Apartments (Village North Senior), a 120-unit affordable housing property at 7720 Belden Street, San Diego, CA 92111, for seniors with low income, with 44 units set aside for seniors who experienced 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**

Village North Senior is a 120-unit affordable housing property for seniors age 55 and older with low income, earning up to 80 percent of the San Diego area median income (AMI). Forty-four units are set aside for seniors who experienced homelessness. The Housing Commission acquired Village North Senior on May 1, 2015. HDP acquired the leasehold interest in Village North Senior by entering into a Ground Lease with the Housing Commission. Rehabilitation of the property was completed during the first quarter of 2019.

The Village North Senior 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 the next 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 previous property operations combined with the professional experience of CONAM and HDP's asset management team. Below is a summary chart that compares the proposed 2026 budget to the 2025 budget.

	Village North Seniors				
	FY 2025	FY 2026	\$ Variance	% Variance	Notes
Rental Income	1,954,209	2,037,692	83,484	4%	8.8% rent increase with no increase anticipated for project-based voucher units.
Other Income	7,891	6,166	-1,726	-22%	
<b>Total Revenue</b>	<b>1,962,100</b>	<b>2,043,858</b>	<b>81,758</b>	<b>4%</b>	
Total Admin	236,471	246,302	9,832	4%	
Total Utilities	97,141	122,124	24,983	26%	Increase based on FY25 actual annualized utilities expenses.
Total R&M	188,960	196,049	7,089	4%	
Total Protective Services	27,350	24,710	-2,641	-10%	New security contract and vendor for FY26.
Extraordinary Maintenance	0	0	0	0%	
Taxes & Insurance	98,467	103,165	4,698	5%	
Other Expenses	162,469	171,814	9,345	6%	
<b>Total Operating Expenses</b>	<b>810,859</b>	<b>864,165</b>	<b>53,306</b>	<b>7%</b>	
<b>Net Operating Income</b>	<b>1,151,242</b>	<b>1,179,694</b>	<b>28,452</b>	<b>2%</b>	
Debt Service	519,505	519,505	0	0%	
Total Entity Expenses	0	0	0	0%	
<b>Net Cash Flow</b>	<b>631,737</b>	<b>660,189</b>	<b>28,452</b>	<b>5%</b>	

### **RENTS**

The 2026 Property Budget includes an 8.8% rent increase for current residents in units that do not have a project-based voucher (PBV) from the Housing Commission. PBVs help pay rent for residents of the 44 units for seniors who experienced homelessness. There is no anticipated increase for the PBV units.

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

### **CAPITAL PLAN**

Total deposits to the replacement reserve account in 2026 will be \$37,451, 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) Village North Senior – 2026 Property Operations Budget  
                          2) Village North Seniors – 2026 Replacement Reserves

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

Village North Seniors - 2026 Operating Summary		
	2025 Budget	2026 Budget
INCOME		
Gross Potential Rent		
Gross Potential Revenue	2,928,323	2,411,460
Gain Loss to Lease	(830,730)	(230,504)
Less: Vacancies	(104,880)	(109,048)
Less: Down Unit	-	-
Less: Manager's Unit	(28,092)	(23,976)
Less: Discounts and Concesss	-	-
Less: Office Community Room Unit	-	-
Less: COVID Hardship	-	-
Add: Vacancy Subsidy	-	-
Rent Subsidy Variances	-	-
Bad Debt - Tenant Rent	(10,412)	(10,240)
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	1,954,209	2,037,692
Other Income		
Rental Income Commercial	-	-
Prepaid Income	-	-
Application Fees	-	-
Credit Check Income	-	-
Damages Cleaning Fees	2,486	-
Carport Garage Gate Income	-	-
Laundry and Vending Revenue	5,209	6,142
NSF Late Charges	-	-
Former Tenant Income	-	-
Tenant Rent Recovery	-	-
Other Tenant Charges Recovery	-	-
Interest Income - Restricted	72	-
Interest Income - Replacement Reverse	100	-
Interest Income Investments	24	24
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	7,891	6,166
Total Income	1,962,100	2,043,858
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	86,400	88,560
Bookkeeping Fees	3,187	3,582
Office Expense	83	28

Internet and Telephone	-	-
Office Supplies	5,445	6,965
Parking	-	-
Software Exp Admin	-	-
Copier Printer	3,730	-
Office Repairs and Maint	-	-
Bank Charges Admin	42	505
Mileage	-	-
Dues Subs and Memberships	-	-
Penalties and Fines	-	-
Other Admin Expense	2,685	2,018
Manager Salaries	62,060	61,797
Office Salaries	-	-
Employee Benefits PM Co - Program Adm	10,990	13,022
Payroll Taxes - Manager and Admin	5,382	5,362
Workman's Comp Mgr and Admin	7,046	4,944
Temp Services - Property Manager	-	-
Temp Services - Admin	-	-
Consultant Other Program Admin	2,076	7,268
Legal - Program Admin	16,256	20,360
Legal - Development	-	-
Cleaning and Janitorial Contract	-	-
Credit Check Service Fee	274	110
Internet and Telephone Prog Admin	9,871	10,028
Advertising	2,176	3,800
Bank Charges Program Admin	1,243	159
Mileage and Travel Exp Prog Admin	932	776
Training - Program Admin	534	555
Postage and Delivery Prog Admin	2,005	2,042
Software Exp Program Admin	8,578	8,444
Misc Program Admin	932	1,303
Lease Up Expenses	-	-
Total Admin	236,471	246,302
<b>Utilities</b>		
Cable Expenses	-	-
Electricity	16,187	18,383
Gas	22,361	20,557
Sewer	22,152	26,031
Water	36,442	57,154
Total Utilities	97,141	122,124
<b>Maintenance and Repair</b>		
Fire Protection and Alarm	7,190	7,293
AC Contracts	3,000	1,760
Clubhouse Expense	-	-
Decorating	-	-
Elevator Contracts	-	-
Exterminating Supplies	-	-
Exterminating Contracts	12,892	7,301
Electrical Contracts	833	1,388
Furn and Appl Rplcmnt	-	-
Landscape and Grounds Contract	14,450	13,572
Ground Supplies	856	858
Janitorial Supplies	2,400	2,995
COVID Supplies	-	-
Maint Supplies and Materials	3,974	10,164
Plumbing Contracts	4,680	4,723
Plumbing Supplies	1,036	666
Repair and Maint Payroll	55,012	52,458
Payroll Taxes - Rpr and Maint	4,846	4,652

Employee Benefits PM Co - Program	9,700	13,022
Temp Services - Maintenance	-	-
Temp Services - Janitorial	-	-
Unit Turnover Contracts	28,712	40,377
Flooring	-	-
Painting Contract	-	-
Repair Contracts	11,554	10,386
Repair Supplies	-	-
Payroll Taxes - Security	-	-
Workers Compensation Ins-Security	-	-
Trash Removal	20,873	19,900
Workman's Comp-Rpr and Maint	6,330	4,197
Remediation Expense	-	-
Uniforms	622	339
Insurance Claims Expense	-	-
Insurance Proceeds	-	-
RR - Materials Appliances	-	-
RR - Remediation	-	-
Retail Space Expenses	-	-
Total Maintenance and Repair	188,960	196,049
<b>Protective Services</b>		
Security Contract Program	27,350	24,710
Security Payroll	-	-
Total Protective Services	27,350	24,710
<b>Extraordinary Maintenance</b>		
Casualty Losses	-	-
Insurance Proceeds	-	-
Extraordinary Maintenance	-	-
Total Extraordinary Maintenance	-	-
<b>Taxes and Insurance</b>		
Taxes Licenses and Fees	7,045	7,058
Fidelity Bond Insurance	-	-
Insurance Other	-	-
Property and Liability Ins	89,945	94,284
Property Taxes	1,477	1,822
Total Taxes and Insurance	98,467	103,165
<b>Other Expenses</b>		
Tenant Services Other	30,000	30,000
Tenant Services Payroll Benefits	-	-
Grant Expense	-	-
Grant Expense - Elim	-	-
SDHC Compliance Monitoring Fee	11,970	12,391
Relocation Costs	-	-
Relocation due to Maint	-	-
Ground Lease Expense	84,139	91,973
Miscellaneous Exp Program	-	-
CY Deposit to Escrow Rplc Reserve	36,360	37,451
CY Deposit to Rplc Reserve	-	-
Total Other Expenses	162,469	171,814
<b>Total Operating Expenses</b>	<b>810,859</b>	<b>864,165</b>
<b>Net Operating Income</b>	<b>1,151,242</b>	<b>1,179,694</b>
<b>Debt Service</b>		
CY Mortgage Debt Payments (IS)	141,168	147,805
Interest Expense - Mortgage	378,337	371,700
Mortgage Insurance Expense	-	-

Loan Servicing Fee (Trustee Fee)	-	-
SDHC Bond Admin Fee	-	-
<b>Total Debt Service</b>	<b>519,505</b>	<b>519,505</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>-</b>	<b>-</b>
<b>Net Cash Flow</b>	<b>631,737</b>	<b>660,189</b>



**Attachment 2**

Village North Senior  
2026 Replacement Reserves

Beginning Balance of Replacement Reserves	257,931
Deposit to Reserves	37,451
Use of Reserves (Capital Expenditures)	<u>(14,800)</u>
Ending Balance of Replacement Reserves	280,582