

REPORT

DATE ISSUED: November 26, 2025

REPORT NO: HDP25-042

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

SUBJECT: West Park 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 West Park, a 47-unit affordable housing property with supportive services at 1840 4th Avenue, San Diego, CA 92101, for individuals 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

West Park is a 47-unit affordable housing property in Bankers Hill for individuals with low income who experienced homelessness. HDP acquired the leasehold interest in the property by entering into a Ground Lease with the Housing Commission. Rehabilitation of the property was completed in early 2021.

The West Park 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. The budget is also provided to 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 similar assets combined with the professional experience of Hyder and HDP's asset management team. Below is a summary chart, which shows the proposed 2026 budget, with comparisons to the 2025 budget.

	West Park				
	FY 2025	FY 2026	\$ Variance	% Variance	Notes
Rental Income	895,551	954,077	58,526	7%	2026 budget includes 2025 SRO rent increase.
Other Income	1,448	2,751	1,304	90%	Laundry revenue not budgeted in 2025
Total Revenue	896,999	956,829	59,830	7%	
Total Admin	167,727	179,003	11,277	7%	Enhanced staffing plan to include a full-time manager
Total Utilities	76,547	64,391	-12,157	-16%	Electric budget based on 2025 actuals. 2025 expenses significantly reduced due to SDG&E's CARES program.
Total R&M	120,321	121,081	759	1%	
Total Protective Services	59,315	80,600	21,285	36%	Enhanced security program to include monitored surveillance cameras.
Extraordinary Maintenance	0	0	0	0%	
Taxes & Insurance	23,084	20,768	-2,316	-10%	
Other Expenses	25,665	29,312	3,648	14%	Includes monitoring fee.
Total Operating Expenses	472,659	495,155	22,496	5%	
Net Operating Income	424,340	461,674	37,334	9%	
Debt Service	94,548	94,548	0	0%	
Total Entity Expenses	14,752	15,194	442	3%	
Net Cash Flow	315,040	351,931	36,892	12%	

RENTS

The property's rents are consistent with current Housing Commission payment standards for single-room occupancy (SROs) units and studios. The Housing Commission's payment standards for project-based housing vouchers (PBVs) are not anticipated to increase in 2026. A rent increase does not impact the resident's contribution toward the contract rent.

MAINTENANCE AND REPAIR

The budget is based on the needs of the property and is 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 maintenance technician and one porter. The maintenance technician and porter split time with Quality Inn.

CAPITAL PLAN

Total deposits to the replacement reserve account in 2026 will be \$18,381, 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

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) West Park – 2026 Property Operations Budget
 2) West Park – 2026 Replacement Reserves

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

West Park - 2026 Operating Summary		
	2025 Budget	2026 Budget
INCOME		
Gross Potential Rent		
Gross Potential Revenue	1,225,919	1,198,908
Gain Loss to Lease	(220,947)	-
Less: Vacancies	(50,249)	(95,913)
Less: Down Unit	-	-
Less: Manager's Unit	(27,652)	(27,900)
Less: Discounts and Concesss	-	-
Less: Office Community Room Unit	-	-
Less: COVID Hardship	-	-
Add: Vacancy Subsidy	-	-
Rent Subsidy Variances	-	-
Bad Debt - Tenant Rent	(31,520)	(107,510)
Bad Debt - Other Tenant Charges	-	(77)
Bad Debt - Other - Elim	-	-
Bad Debt - Other	-	-
Bad Debt - Tenant Rent - PMCo Direct	-	(13,432)
Bad Debt - Other Tenant Charges - PMCo	-	-
Net Rental Income	895,551	954,077
Other Income		
Rental Income Commercial	-	-
Prepaid Income	-	-
Application Fees	-	-
Credit Check Income	-	-
Damages Cleaning Fees	500	-
Carport Garage Gate Income	-	-
Laundry and Vending Revenue	-	2,651
NSF Late Charges	-	-
Former Tenant Income	-	-
Tenant Rent Recovery	-	-
Other Tenant Charges Recovery	-	-
Interest Income - Restricted	383	-
Interest Income - Replacement Reverse	12	-
Interest Income Investments	552	100
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	1,448	2,751
Total Income	896,999	956,829
EXPENSES		
Admin		
Consultant Asset Mgmt	2,158	-
Consultant Other Admin	-	-
Broker Fees	-	-
Audit and Tax Prep Fees	12,196	12,548
IT Support Maintenance	-	-
Property Management Fees	44,160	46,474
Bookkeeping Fees	-	-
Office Expense	-	-

Internet and Telephone	-	-
Office Supplies	-	1,642
Parking	-	-
Software Exp Admin	-	-
Copier Printer	-	-
Office Repairs and Maint	-	-
Bank Charges Admin	526	369
Mileage	-	-
Dues Subs and Memberships	31	-
Penalties and Fines	-	-
Other Admin Expense	-	260
Manager Salaries	63,266	60,989
Office Salaries	1,403	10,347
Employee Benefits PM Co - Program Adm	7,943	5,812
Payroll Taxes - Manager and Admin	6,378	6,885
Workman's Comp Mgr and Admin	4,923	5,575
Temp Services - Property Manager	-	-
Temp Services - Admin	-	-
Consultant Other Program Admin	703	-
Legal - Program Admin	5,367	10,000
Legal - Development	-	-
Cleaning and Janitorial Contract	1,500	1,765
Credit Check Service Fee	-	108
Internet and Telephone Prog Admin	5,546	7,200
Advertising	564	506
Bank Charges Program Admin	470	596
Mileage and Travel Exp Prog Admin	2,572	75
Training - Program Admin	598	549
Postage and Delivery Prog Admin	135	46
Software Exp Program Admin	7,011	7,261
Misc Program Admin	276	-
Lease Up Expenses	-	-
Total Admin	167,727	179,003
Utilities		
Cable Expenses	-	-
Electricity	47,399	37,073
Gas	4,225	2,901
Sewer	9,597	8,494
Water	15,325	15,923
Total Utilities	76,547	64,391
Maintenance and Repair		
Fire Protection and Alarm	4,166	5,445
AC Contracts	3,525	-
Clubhouse Expense	-	-
Decorating	490	-
Elevator Contracts	7,519	2,930
Exterminating Supplies	-	-
Exterminating Contracts	4,967	6,760
Electrical Contracts	1,024	2,282
Furn and Appl Rplcmnt	-	-
Landscape and Grounds Contract	2,004	2,000
Ground Supplies	-	533
Janitorial Supplies	1,115	640
COVID Supplies	-	-
Maint Supplies and Materials	9,791	4,788
Plumbing Contracts	7,596	7,721
Plumbing Supplies	-	123
Repair and Maint Payroll	35,868	36,836
Payroll Taxes - Rpr and Maint	4,056	4,130

Employee Benefits PM Co - Program	4,603	4,603
Temp Services - Maintenance	-	-
Temp Services - Janitorial	-	-
Unit Turnover Contracts	-	-
Flooring	-	-
Painting Contract	-	1,108
Repair Contracts	14,649	15,206
Repair Supplies	-	4,823
Payroll Taxes - Security	-	-
Workers Compensation Ins-Security	-	-
Trash Removal	15,851	17,812
Workman's Comp-Rpr and Maint	2,597	2,830
Remediation Expense	-	-
Uniforms	500	512
Insurance Claims Expense	-	-
Insurance Proceeds	-	-
RR - Materials Appliances	-	-
RR - Remediation	-	-
Retail Space Expenses	-	-
Total Maintenance and Repair	120,321	121,081
Protective Services		
Security Contract Program	59,315	80,600
Security Payroll	-	-
Total Protective Services	59,315	80,600
Extraordinary Maintenance		
Casualty Losses	-	-
Insurance Proceeds	-	-
Extraordinary Maintenance	-	-
Total Extraordinary Maintenance	-	-
Taxes and Insurance		
Taxes Licenses and Fees	3,452	1,380
Fidelity Bond Insurance	-	24
Insurance Other	31	344
Property and Liability Ins	19,601	19,021
Property Taxes	-	-
Total Taxes and Insurance	23,084	20,768
Other Expenses		
Tenant Services Other	-	3,385
Tenant Services Payroll Benefits	-	-
Grant Expense	-	-
Grant Expense - Elim	-	-
SDHC Compliance Monitoring Fee	7,462	7,520
Relocation Costs	-	-
Relocation due to Maint	-	-
Ground Lease Expense	-	1
Miscellaneous Exp Program	-	25
CY Deposit to Escrow Rplc Reserve	18,202	18,381
CY Deposit to Rplc Reserve	-	-
Total Other Expenses	25,665	29,312
Total Operating Expenses	472,659	495,155
Net Operating Income	424,340	461,674
Debt Service		
CY Mortgage Debt Payments (IS)	20,585	21,526
Interest Expense - Mortgage	61,588	60,647
Mortgage Insurance Expense	-	-

Loan Servicing Fee (Trustee Fee)	1,750	1,750
SDHC Bond Admin Fee	10,625	10,625
Total Debt Service	94,548	94,548
Legal Admin	-	-
Asset Management Fees	5,797	5,970
Asset Mgmt Fee - Elim	-	-
Partnership Management Fee	8,955	9,224
Incentive Partnership Mgmt Fee	-	-
Insurance - D and O	-	-
Guaranteed Fees	-	-
Loan Fees	-	-
Total Entity Expenses	14,752	15,194
Net Cash Flow	315,040	351,931

Attachment 2

West Park

2026 Replacement Reserves

Beginning Balance of Replacement Reserves	47,000
Deposit to Reserves	18,381
Use of Reserves (Capital Expenditures)	<u>(18,000)</u>
Ending Balance of Replacement Reserves	47,381