

HDP EXIT FROM THE STUDIO 15 PARTNERSHIP

Housing Development Partners (HDP)
Board Meeting
April 16, 2026

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Vice President of Asset Management

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Director of Asset Management

Studio 15 Partnership Exit Summary

- Studio 15 is an affordable rental housing development at 1475 Imperial Ave., San Diego, CA 92101, for households with low income.
 - 275 residential units with rents restricted to remain affordable for households earning 50% and 60% of the Area Median Income
- Studio 15 was developed in 2009 with tax-exempt bonds, low-income housing tax credits and loans from various governmental entities, including the San Diego Housing Commission (SDHC).
- HDP serves as the Supervisory General Partner and receives an annual partnership administration fee, which is shared 70/30 with the Administrative General Partner, Affirmed Housing Group.

Studio 15 Partnership Exit Summary (Continued)

- Affirmed Housing has been awarded financing from the California Tax Credit Allocation Committee (CTCAC) and is scheduled to close on the resyndication of the project in June 2026.
- Discussions regarding joining the new partnership were determined to be not financially advantageous to HDP.
- Subject to Board approval, HDP would withdraw from the partnership before the sale of the property and assign its interest to a qualified replacement nonprofit partner.
- HDP's exit from the partnership will not affect the affordability of the housing units at Studio 15, currently in place through 2064.

Studio 15 Partnership Exit

Fiscal Considerations

- The outstanding accrued balance from the partnership administration fee due to HDP is currently \$52,676.
 - HDP has not been paid the fee earned for 2023 and 2024.
 - HDP does not anticipate 2025 cash flow to be sufficient to pay the 2025 fee.
- The outstanding accrued balance has been earned and will be paid to HDP.
- HDP will not forfeit any earned and accrued balances due and is working with legal counsel and Affirmed Housing for the timing of payment.
- No new HDP financial commitments are required as part of this proposed action.
- HDP's withdrawal eliminates future administrative obligations and potential liabilities associated with participation in the reconstituted partnership.

Studio 15 Partnership Exit Staff Recommendations

That the Housing Development Partners (HDP) Board of Directors (Board) take the following actions:

- 1) Approve HDP's to exit from the Studio 15 Partnership.
- 2) Find that the foregoing action just and reasonable as to HDP for purposes of California Corporations Code Section 5234.

Studio 15 Partnership Exit

Questions/Comments