

**REPORT**

**DATE ISSUED:** April 10, 2026

**REPORT NO:** HDP26-001

**ATTENTION:** Chair and Members of the Board of Directors of Housing Development Partners of San Diego

**SUBJECT:** Approval for Housing Development Partners' Exit from the Studio 15 Partnership

**STAFF RECOMMENDATION**

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

- 1) Approve HDP's exit from the Studio 15 Partnership.
- 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 (SDHC) on this project, and these transactions otherwise involve SDHC.*

**SUMMARY**

Studio 15 is an affordable rental housing development at 1475 Imperial Avenue, San Diego, 92101, for households with low income. It consists of 275 residential units with rents restricted to remain affordable for households earning the income levels shown in the table below. The current rent restrictions are in place through 2064.

Units	AMI
174	50%
100	60%

Studio 15 was originally developed in 2009, using tax-exempt bonds, Low-Income Housing Tax Credits, and loans from several governmental entities, including SDHC, the Affordable Housing Program (AHP), and the Centre City Development Corporation (CCDC). 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. This fee has not been paid for Fiscal Years 2023 and 2024 due to insufficient cash flow. The unpaid fee to HDP has accrued to a balance of \$52,676. We do not anticipate 2025 cash flow to be sufficient to pay the 2025 fee or the accrued balance.

Affirmed Housing has been awarded financing from the California Tax Credit Allocation Committee (CTCAC) and is scheduled to close on the syndication of the project in May 2026. These funds will support the acquisition and rehabilitation of the property as part of the new capital structure and limited partnership.

During preliminary discussions regarding the new partnership, HDP and Affirmed Housing engaged in verbal negotiations concerning HDP's prospective role. Upon review of the terms under consideration, HDP determined that continued participation in the new partnership would not be financially beneficial.

The partnership fee proposed for HDP under the re-syndicated partnership structure would be substantially lower than the costs associated with HDP's continued participation.

Subject to HDP Board approval, HDP would withdraw from the partnership prior to the sale of the property and assign its interest to a qualified replacement nonprofit partner. Affirmed Housing has informed HDP of its intent to designate Compass for Affordable Housing as the replacement partner. All accrued partnership administration fees will not be forfeited. All partnership exit documents will be reviewed and approved by HDP's legal counsel, Downs Pham & Kuei LLP, prior to execution.

HDP's exit from the partnership will not affect the affordability of the housing units at Studio 15, which will remain affordable through 2064.

### **FISCAL CONSIDERATIONS**

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.

### **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,

Approved by,



Branden Sarkissian  
Director of Asset Management  
Housing Development Partners

Emmanuel Arellano  
Vice President of Asset Management  
Housing Development Partners

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