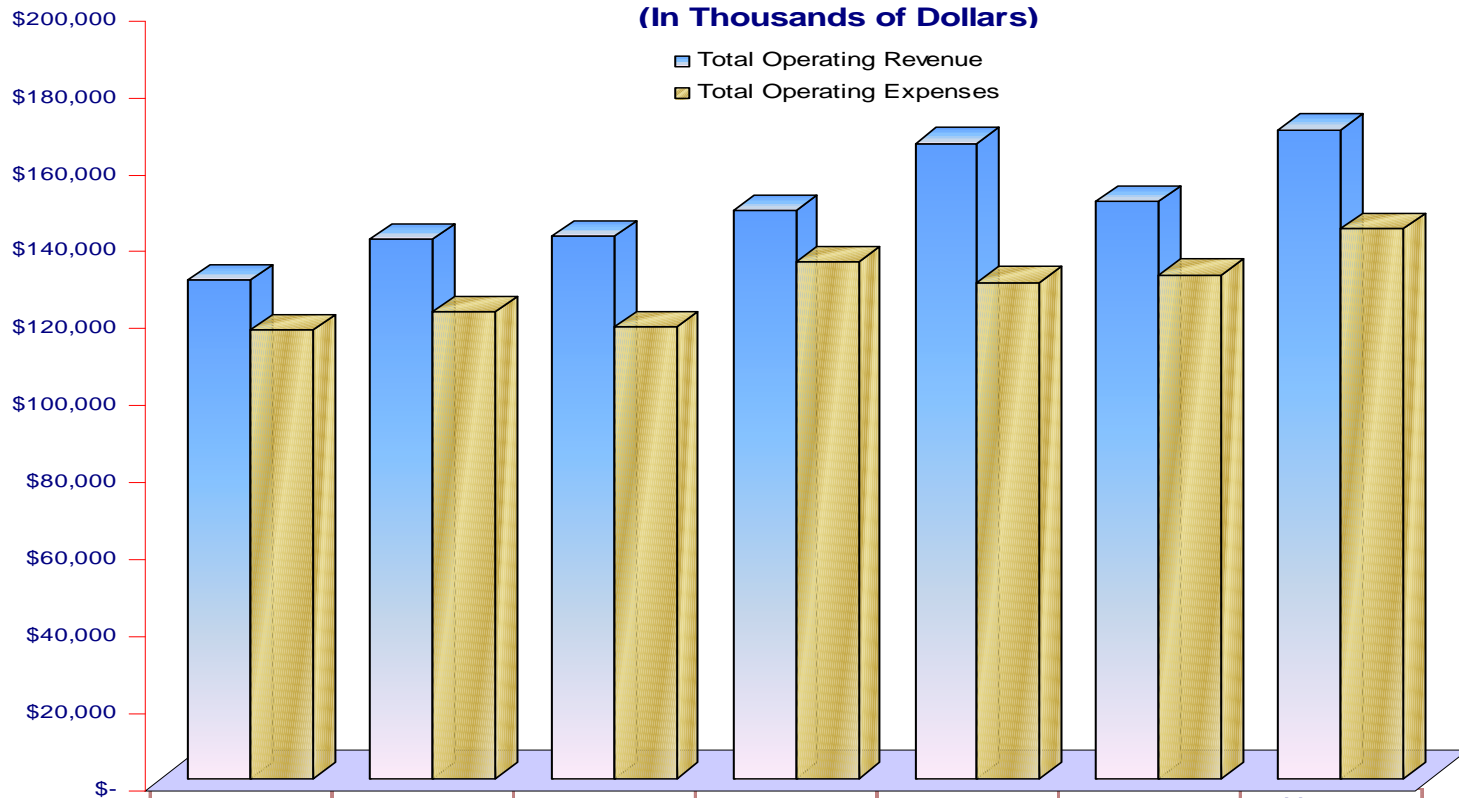




Proposed SAHA Fiscal Year 2010-2011 Consolidated Budget

Presentation to the
SAHA Board of Commissioners
June 7, 2010

Total Operating Revenue Vs Total Operating Expenses Fiscal Year 2005 - 2011 (In Thousands of Dollars)



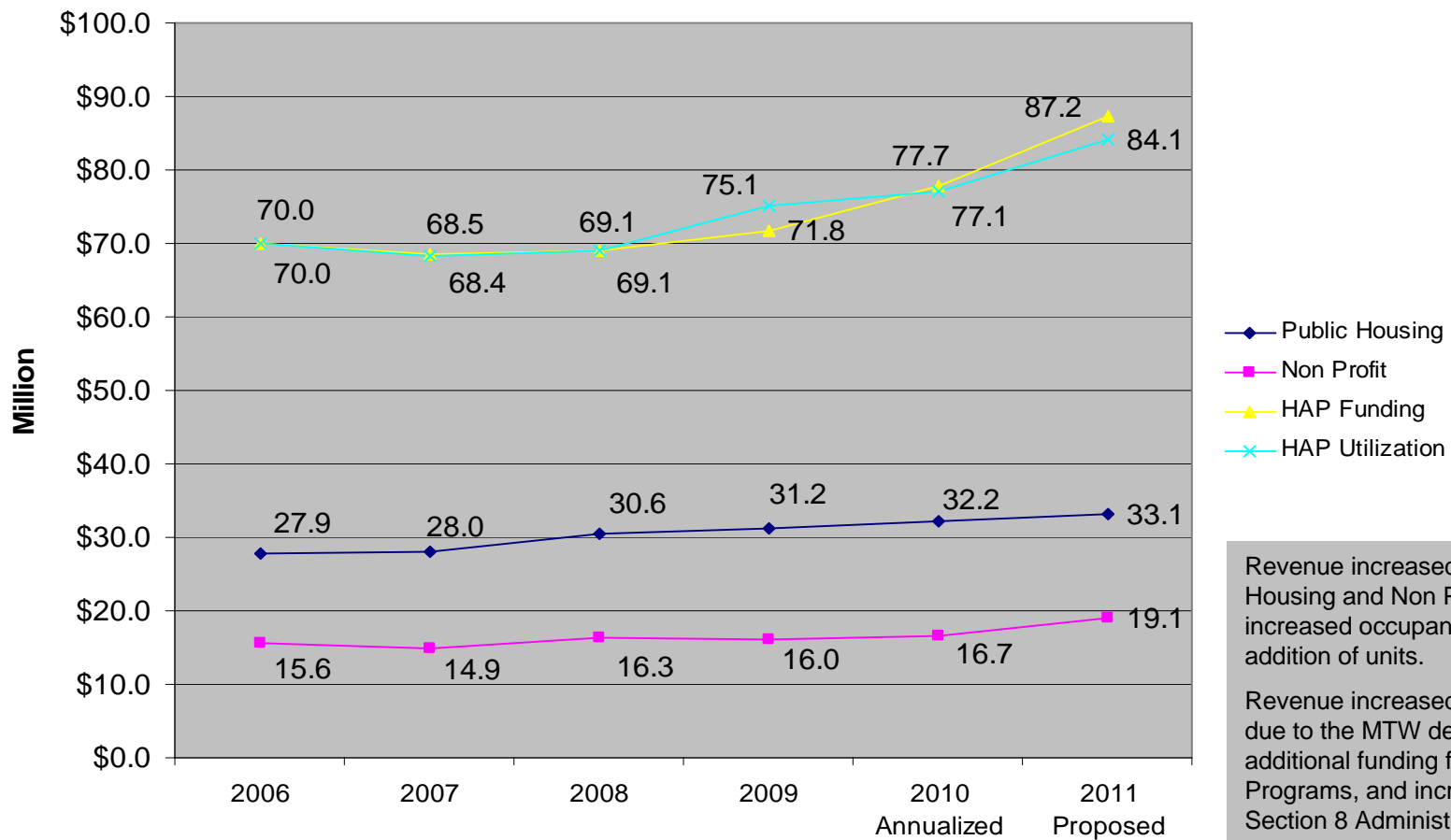
	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	**FY 2011
Total Operating Revenue	\$ 129,441	\$ 140,080	\$ 140,837	\$ 147,612	\$ * 165,067	\$ 149,942	\$ 168,487
Total Operating Expenses	\$ 116,431	\$ 121,197	\$ 117,245	\$ 134,214	\$ 128,881	\$ 130,769	\$ 142,752
Net Operating Income/Loss	\$ 13,010	\$ 18,883	\$ 23,592	\$ 13,398	\$ 36,186	\$ 19,173	\$ 25,735
Non Operating Revenue&Expenses	\$ (4,807)	\$ (4,290)	\$ (2,831)	\$ (5,368)	\$ (6,464)	\$ (5,751)	\$ (6,354)
Net Income Before Non-Cash Items	\$ 8,203	\$ 14,593	\$ 20,761	\$ 8,030	\$ 29,722	\$ 13,422	\$ 19,381
Capital Reinvestment	\$ 8,492	\$ 11,679	\$ 12,549	\$ 15,123	\$ 25,160	\$ 10,392	\$ 16,350

* The increase in Total Operating Revenue over prior years was attributed to recognizing \$18 million in Hope VI Funds.

** Proposed 2011 figures.

Revenue Trend

Fiscal Year 2006 - 2011



Revenue increased in Public Housing and Non Profit due to increased occupancy and the addition of units.

Revenue increased in Section 8 due to the MTW designation, additional funding for Special Programs, and increase in the Section 8 Administration Fee.

SAHA Priorities for 2010-11

- **Improve the Quality of Life**
 - Strengthen relationship and service to clients and stakeholders
 - Build and increase the community partnerships needed to provide our clients access to a variety of supportive services
 - Implement the Moving-to Work program
 - Expand employment and educational opportunities by increasing vendor and resident participation in Section 3
 - Enhance safety and security measures in housing communities

- **Preserve and Expand Affordable Housing**
 - Develop viable communities and neighborhoods of choice, tracking return to urban core
 - Responsibly invest capital funds to retrofit and upgrade existing housing communities
 - Partner to reposition SAHA's aging housing to create mixed-income communities
 - Expand our inventory of affordable housing (hard units and housing assistance)

- **Strengthen SAHA's Performance and Service**
 - Become a "High Performing" Agency
 - Significantly improve our service to clients and partners
 - Continue investing in employee development activities to build staff capacity
 - Strengthen our internal controls and administrative systems

- **Engage in a Board Led Strategic Planning Process**

Financial Assumptions & Principles

FY 2011 Budget

- **Budgets are Aligned to Meet Performance Goals**
- **Business Units Must Operate at Breakeven or Better**
- **Revenue Increased by 10% from \$166.2 Million to \$182.5 Million**
 - Public Housing and Non Profit rental revenue is up overall by 12.2%
 - Grant Funding is up 10.8%
 - Anticipated expenditures of ARRA Funds of \$14 million
 - Higher operating subsidy due to new Public Housing units
 - Section 8:
 - Housing Assistance Funding increased by 13% due to MTW designation and additional funding for Special Programs
 - Increase in Section 8 Administrative Fees
 - Lower development fees due to reduced development activity
- **Operating Expenses Increased by 8.3%**
 - Salaries and Benefits impacted by 1% COLA plus a merit increase of up to 3%
 - Insurance costs up by 8% (Most significant change is health insurance, 5%)
 - Utilities costs up by 8% as a result of increased rates and addition of new units
 - Additional cost associated with acquired or newly constructed housing units: HemisView Village, Vera Cruz, and Homestead apartments
 - Creation and funding of Community Development Initiatives

Key Financial Indicators

FY 2011 Budget

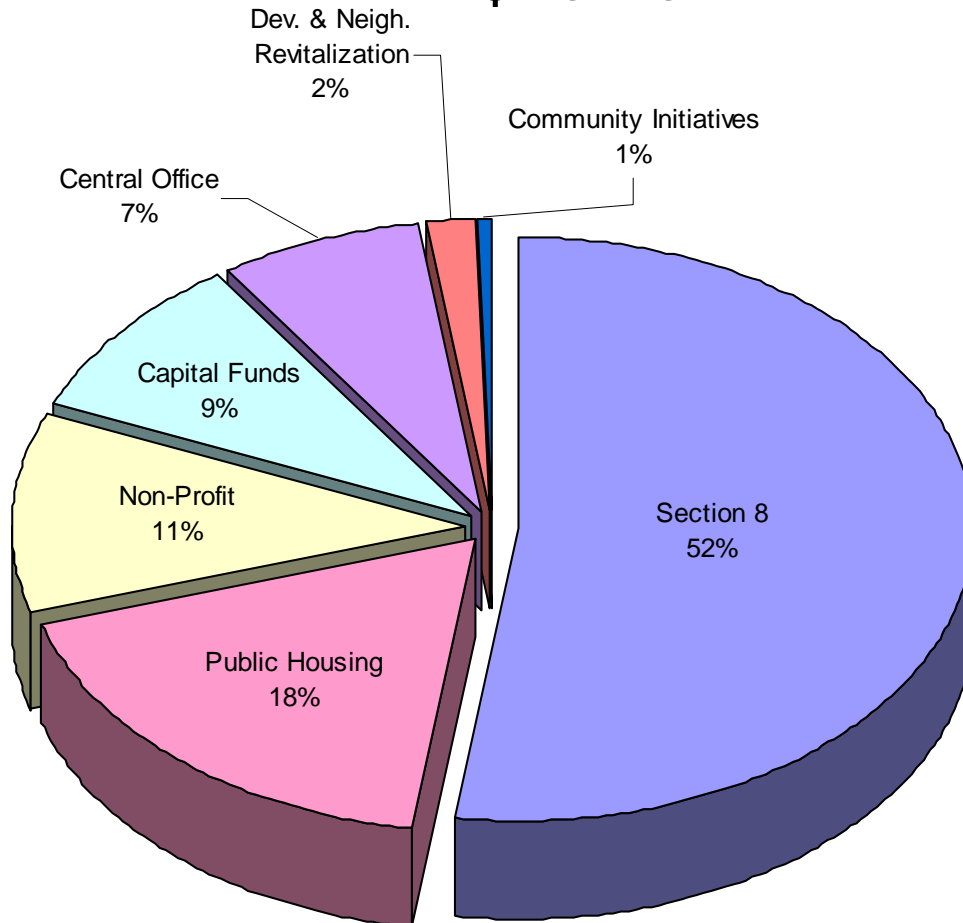
- **Projecting from the proposed budget, it is expected that the following indicators of SAHA's financial health will improve for the upcoming year.**
 - The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations which is calculated by dividing current assets by current liabilities.
 - The debt-to-equity ratio is a measure of a company's financial leverage. It indicates what proportion of equity and debt the company is using to finance its assets.

- **It is forecasted that SAHA's current ratio will improve from 2.83 to 2.91 driven in part by an increase in cash and investments. The higher the ratio the more capable the company is of paying its obligations.**

- **In addition, it is expected that SAHA's debt-to-equity ratio will improve by 2 basis points to .46, as a result of scheduled debt payments with no new debt expected to be issued. As the ratio declines it is an indication that less leverage is employed by the company and has gained a stronger equity position.**

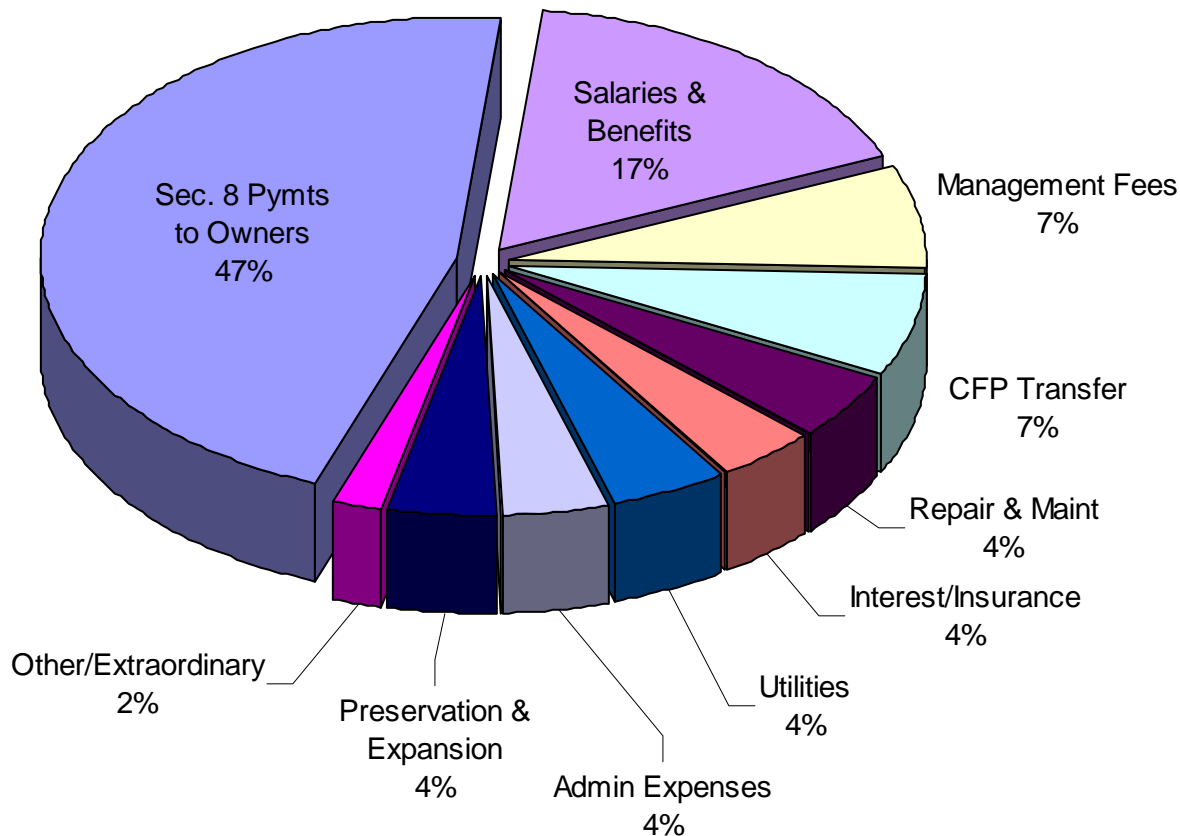
* It is estimated that SAHA currently has enough unrestricted funds to cover normal operating expenses for 3.43 months.

FY 2011 Consolidated Revenue (Sources) by Line of Business \$182.5 Million



Line of Business	Projected Revenue (Mil)
Section 8 (HAP & Admin Fee)	\$95
Public Housing	\$33
Non-Profit	\$20
Capital Funds	\$17
Central Office	\$13
Dev. & Neigh. Revitalization	\$3
Community Initiatives	\$1

FY 2011 Consolidated Expenses (Uses) by Budget Line Item \$182.5 Million



Budget Line Item	Amount (Mil)
Sec. 8 Pymts to Owners	\$84
Salaries & Benefits	\$31
Management Fees	\$12
CFP Transfer	\$13
Repair & Maint	\$8
Interest/Insurance	\$7
Utilities	\$8
Admin Expenses	\$8
Preservation & Expansion	\$8
Other/Extraordinary	\$4

Departmental Reorganization to meet Performance Goals

Line of Business	2010 Budgeted Positions	2011 Budgeted Positions
Public Housing	236	202
Community Development Initiatives	0	16
Section 8 & Special Programs	89	98
Non-Profits	92	85**
Development & Neighborhood Revitalization	13	37
Central Office Cost Center (Admin. & Support Departments)	177	146
Total	607	584

***Public Safety/Security**

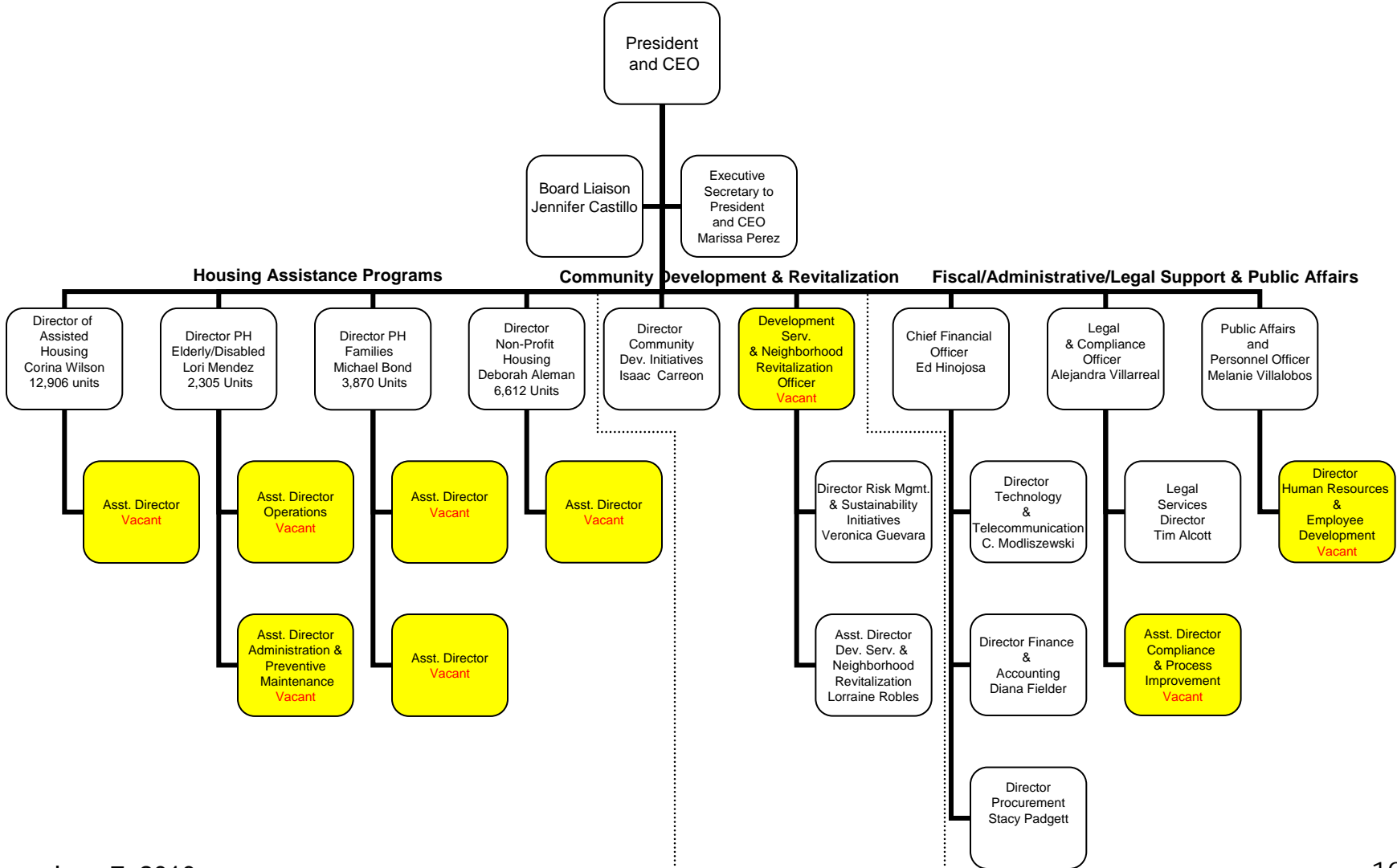
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*Security officers are part-time employees working on a rotating basis (Based on Full-Time Equivalents)

** Increase due to addition of Vera Cruz and Homestead

San Antonio Housing Authority

FY 2011 Proposed Org Chart



SAHA Increased Housing Inventory, Improved Utilization and is Assisting More Families

Program	2009 Available Units	2009 Utilization	2009 Percent Utilized	2010 Available Units	2010 Current Utilization	2010 Percent Utilized
Section 8 ¹	12,788	11,841	93%	12,906	12,570	97%
Public Housing ²	6,048	5,882	97%	5,916	5,769	98%
Non-Profit ³	2,774	2,375	86%	2,915	2,624	90%
Affordable Housing Partnerships ⁴	3,449	3,173	92%	3,697	3,401	92%
Total	25,059	23,271	92%	25,434	24,364	94%

¹ Includes HCV & Special Programs. Increase in units due to the additional vouchers awarded for various programs.

² PH unit count is lower due to demolition of Sutton Homes and modernization of Lewis Chatham.

³ Increase due to the conversion of Vera Cruz and Homestead apartment communities from Partnerships to Non-Profit entities.

⁴ Vera Cruz and Homestead were converted from Partnerships to Affordable Housing, and in addition, there were 3 apartment communities that were added to the unit count, Artisan at Creekside and San Juan II.

Assisted Housing Performance Goals

■ Performance

- Achieve high performance rating in Section Eight Management Assessment Program (SEMAP)

■ Increase Number of Families Assisted

- Pursue new funding opportunities
- Implement project base voucher (PBV) program

■ Strengthen Program

- Continue to identify and establish MTW program efficiencies (e.g. streamline processes; establish work/educational requirements for able-bodied adults;)
- Increase family self-sufficiency activities

■ Special Programs

- Increase collaboration with community partners to provide supportive services
- Utilize operational and financial flexibilities allowed by the MTW program to establish local voucher programs for special populations

■ Enhance Landlord/Client Services

- Seek and implement technological improvements for enhanced client service and operational efficiencies (i.e. landlord internet portal and online waiting list application portal)
- Improve informal hearing process by establishing an internal informal hearing officer
- Identify the resources and processes needed to establish a landlord ambassador program

Public Housing Performance Goals

■ Performance

- Achieve high performance rating of 90% on Public Housing Assessment System
- Achieve occupancy of 97%
- Delinquent rents do not exceed 5%
- Emergency work orders completed within 24 hours and routine within 5 days
- Make-ready turnaround/lease-up goal is 20 days

■ Increase Partnerships to Improve Onsite Services

- Pursue new funding opportunities and partnerships to support client services

■ Strengthen Program

- Continue to identify and establish MTW program efficiencies (e.g. streamline processes)
- Review Evictions best practices and revise policies as necessary
- Develop comprehensive training and development programs for operational staff

■ Protection of Assets

- Implement preventive maintenance plan and coordinate capital improvements with Development and Neighborhood Revitalization Department

Non-Profit Performance Goals

- **Achieve high performance rating on compliance reviews**
 - Southwest Housing Compliance (above average or superior)
 - Texas Department of Housing & Community Affairs (10 or below)
 - REAC Inspections (80 or above)

- **Achieve 92% occupancy or above**
 - Through resident retention programs
 - Investigate competitive concessions and referral programs

- **Attain less than 5% delinquency in rent collections**
 - Monthly assessments for referral programs for assistance through partnerships
 - Improved collections

- **Leverage SAHA efforts through increased community partnerships**
 - Increase collaboration with community partners

- **Develop an asset management analysis and evaluation tool**
 - Implement tools to enhance the operational efficiencies and accuracy

- **Conduct comprehensive physical inspections and establish and implement preventive maintenance and capital improvement plans**
 - Physical needs analysis

- **Develop virtual leasing office and application processing**
 - Implement technological improvements to enhance marketing strategy and client services

- **Investigate repositioning of non-performing assets**
 - Analyze non-performing assets

Development & Neighborhood Revitalization Development Goals

Project	Council District	Total Units	Tax Credit Units	Public Housing Units	Market Rate Units	Completion Date	Total Development Costs (In Millions)
Pre-Development Pipeline							
San Juan Square III	5	139	90	49	0	Pending Funding Source	\$ 18
Artisan Park Phase 2B	1	98	0	26	72	Pending Funding Source	26
Leigh Street Single Family Phase 3B	1	26	0	0	0	Pending Funding Source	2.7
VC Admin Building	1	0	0	0	0	Pending Funding Source	2.3
Sutton II	2	200	152	40	8	Pending Funding Source	26
Construction Pipeline							
Sutton I	2	194	137	49	8	December 2010	24
The Mirabella	7	172	172	0	0	September 2011	20
Total		829	551	164	88		\$ 119

194 total units to be constructed in FY 2011

Development & Neighborhood Revitalization Performance Goals

- **Consolidate Real Estate Services, Construction Services, and Sustainability Departments**
- **Procure LEED Certified Architects to participate in predevelopment stage and incorporate sustainability principles in designs**
- **Create plan for Victoria Commons Project**
- **Develop and implement Development and Acquisition Policy**
- **Collaborate with community partners on revitalization of Sutton Homes, Victoria Commons, San Juan and other initiatives**
- **Collaborate internally to develop plan to reposition SAHA's non-performing real estate**
- **Improve project planning and management for asset improvement and preservation activities**
- **Collaborate with operations to develop a comprehensive physical needs assessment**
- **Assure timely obligation of all capital grant and stimulus funds**

Community Development & Initiatives

Performance Goals

- **Implement MTW Program SAHA wide**
 - Increase Self-Sufficiency case management services by 20%
 - Increase co-location and services provided at PH communities by 50%
- **Develop measuring tool for the MTW program tracking self-sufficiency activities**
 - Increase self-sufficiency activities by 20%
 - Reduce Public Housing Elderly and Disabled Recertification staff hours by 50%
 - Cost savings in paper products and postage in PH and HCV by 10%
- **Saturate public housing communities and HCV participants with information, and resources to encourage and link youth and adults to education, job training and employment opportunities**
- **EIF: Raise \$200K in funding to support scholarship opportunities for SAHA youth**
- **Manage and research competitive grants and apply for grant funding opportunities**
- **Pilot a Section 3 Landscaping Program at Lincoln Heights Courts and Wheatley Courts**
- **Strengthen SAHA's Section 3 Program by holding contractors more accountable for their Section 3 Plan and hiring of residents**

Support Departments Goals

- **Procurement**
 - Significantly improve Business Diversity Program and Section 3 Program
- **Technology**
 - Explore and implement the conversion of SAHA's legacy computer systems to more modern, web-based systems
- **Finance and Accounting**
 - Implementation of Business intelligence (BI) for management analysis
- **Human Resources**
 - Support operations to strengthen staff capacity
- **Public Affairs**
 - Develop and implement process to receive, evaluate and communicate success stories
 - Develop a planning policy function
- **Legal and Compliance**
 - Reduce risk for SAHA by review and audit of internal controls, operations, and legal services
- **Risk Management & Sustainability Initiatives**
 - Maintain competitive and cost-effective insurance products to protect our agency
 - Seek avenues to “green” our organization and incorporate sustainability initiatives throughout our housing developments



Discussion