

Fiscal Year 2018-2019



SAHA Board of Commissioners

June 7, 2018

Agenda

I. Background

- A. SAHA Significant Accomplishments in FY 2017-2018
- B. Guiding Principles and Strategic Plan Alignment
- C. Key Agency Budget Priorities

II. Funding Environment

- A. Who We Serve
- B. Federal Funding Trend

III. SAHA FY 2018-2019 Budget

- A. FY 2018-2019 Consolidated Budget - Revenues and Expenses
- B. MTW Proposed Uses
- C. SAHA Staffing Count and Organizational Chart
- D. Agency Goals and Priorities

SAHA and Partner FY 17-18 Accomplishments

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- ▶ **Celebrated the opening of the Wheatley Park Senior Living Apartments**, Phase II of the Wheatley Choice Neighborhood Initiative. A \$15.5 million project, the Wheatley Park Senior Living mixed-income community offers 80 affordable one- and two-bedroom apartments.
- ▶ **Won \$10,000 and received an honorable mention for the creative design of a low-cost Wi-Fi network for residents** from the National Science Foundation and tech company, Mozilla, through their Wireless Innovation for a Networked Society challenge.
- ▶ **Received 15 Awards of Merit** from the National Association of Housing and Redevelopment Officials (NAHRO) for various innovative programs and initiatives.
- ▶ **Sold five single-family homes**, the first batch in an 88-home spread for developments in and around what was formerly known as Mirasol Homes. SAHA has billed this as the largest reconstruction effort on the city's west side in a decade and aspires to turn renters into homeowners and enable them to build generational wealth.
- ▶ **Presented 189 R.E.A.C.H. (Rewarding Educational Achievement, Cultivating Hope) Awards** to SAHA students for achieving Perfect Attendance and/or A-B Honor Roll. In addition, 43 SAHA youth received college scholarships.
- ▶ **Received a 9% tax credit investment for the final housing phase of the Wheatley Choice Neighborhood Development** from the Texas Department of Housing and Community Affairs. The \$15 million total tax credit investment will be used to complete East Meadows II.

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Budget Guiding Principles & Goals

I. Budget Guiding Principles

- Improve quality of life for residents
- Preserve and expand affordable housing
- Strengthen SAHA's basic internal services, systems and staff capacity

II. Goals Consistent with Strategic Plan:

- 1) Empower and equip families to improve their quality of life and achieve economic stability
- 2) Invest in our greatest resource - our employees - and establish a track record for integrity, accountability, collaboration and strong customer service
- 3) Preserve and improve existing affordable housing resources and opportunities
- 4) Strategically expand the supply of affordable housing
- 5) Transform core operations to be a high performing and financially strong organization
- 6) Develop a local and national reputation for being an effective leader, partner, and advocate for affordable housing and its residents

Key Agency Budget Priorities

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- **Operations:** Focus on operational excellence, high performer
- **Choice Neighborhood:** Full implementation of People, Neighborhood, and Housing goals
- **Moving to Work:** Focus on client success and people outcomes
- **5-year Asset Management Plan for capital improvements and new construction**
- **Public Scorecard for SAHA strategic plan**

Who We Serve

BY THE NUMBERS



58,899

Individuals housed



28,272

Children



53,473

Households on the waiting list



25%

Nearly 25% of San Antonio renters spend more than half of their income on housing.



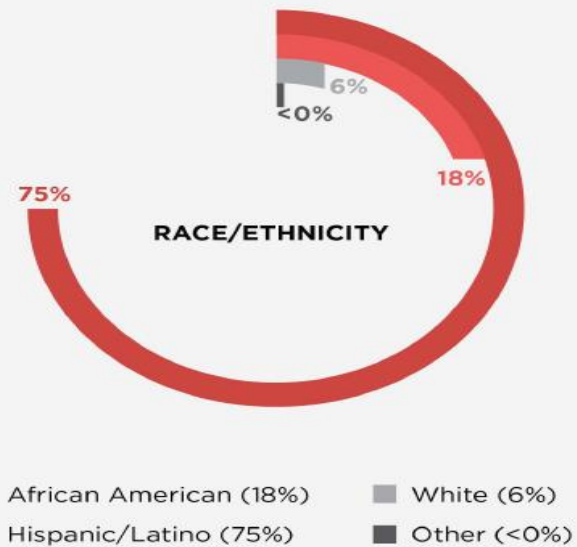
\$12,131

Average income of \$12,131 (average San Antonio family makes \$61,459).



\$235

Households pay an average of \$235 a month in rent.



95%

occupancy in Public Housing

93%

of vouchers are assisting families

97%

of families served are very low-income (50% of area median income and below)

53%

Households live on a fixed income and are elderly and/or disabled

50%

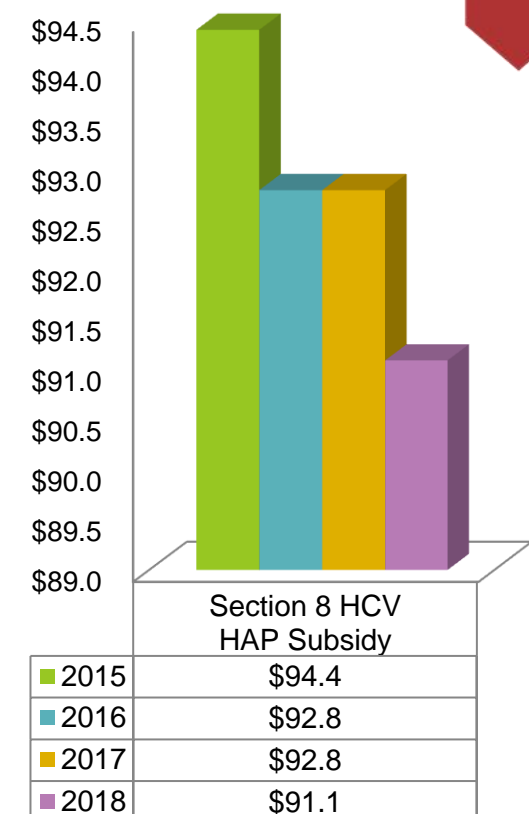
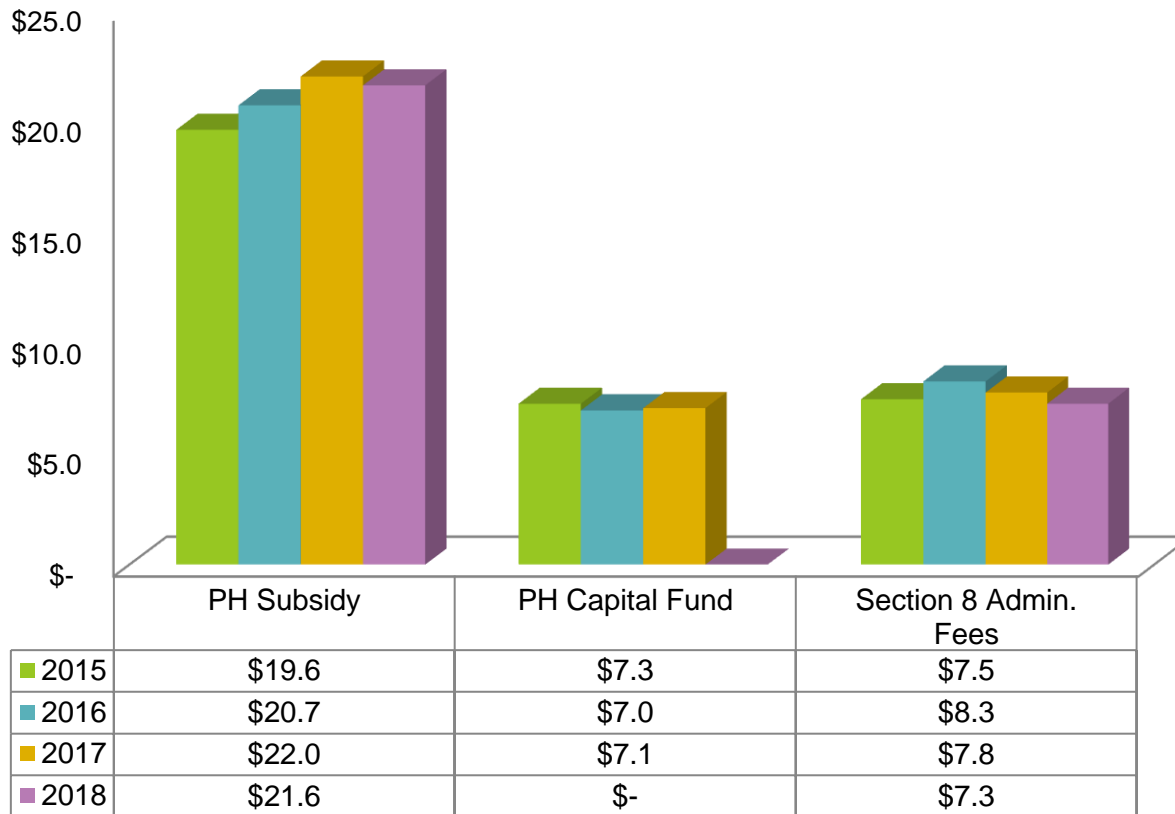
of families include children

1,551

Families and individuals served through homeless programs with supportive services

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Federal Funding Trend



Percentage Change -1.82% -100.00% -6.41% -1.83%

2018 vs 2017

- Section 8 Housing Choice Voucher information indicated above does not include any Section 8 special programs
- Section 8 Choice Voucher proration was 99% in 2016, 97% in 2017, and 95% in 2018
- PH Capital Funding is currently unknown for 2018
- PH Operating Fund current proration is at 90% for 2018, HUD usually finalizes proration in October 2018

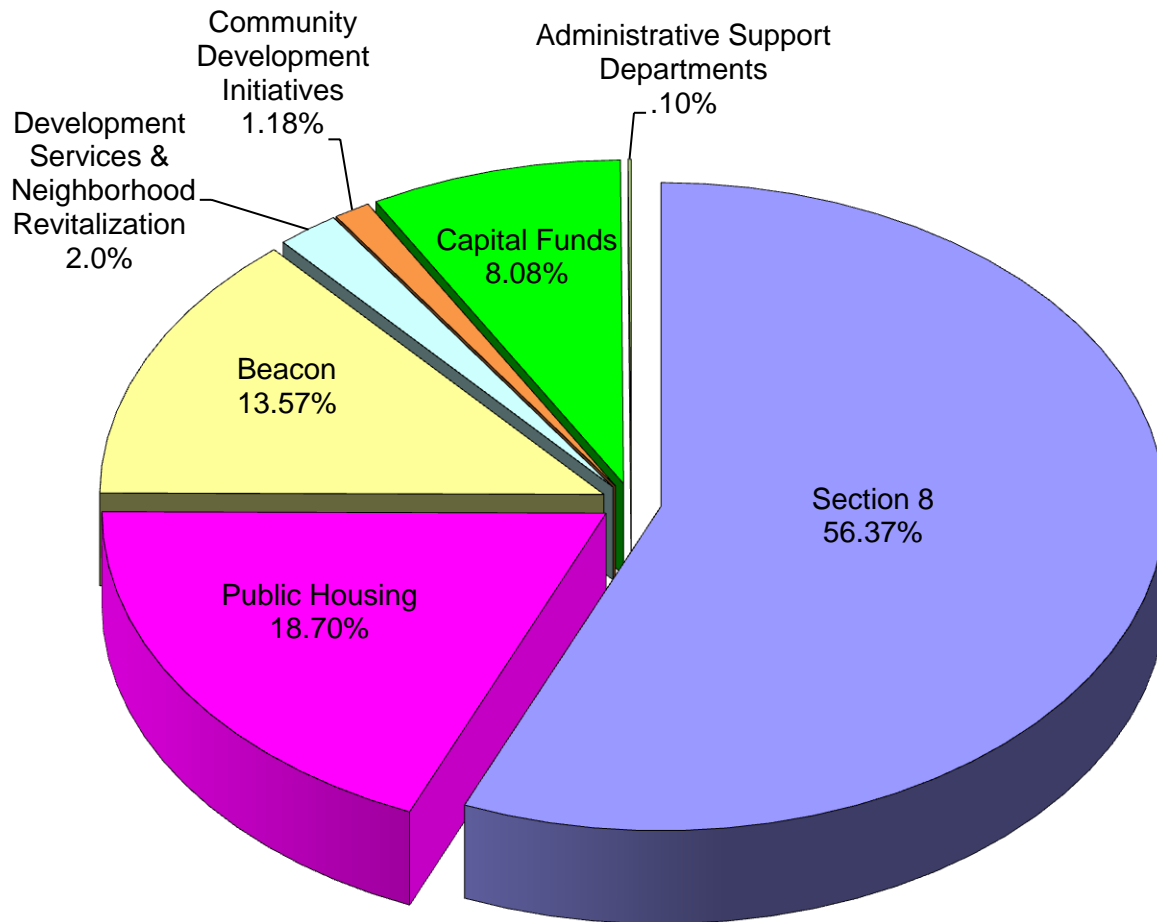
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FY 2019 Consolidated Revenue (Sources)

\$178.3 Million



Line of Business	Projected Revenue (Mil) \$178.3
Section 8 (HAP & Admin Fee)	\$100.5
Public Housing	\$ 33.3
Beacon	\$ 24.2
DSNR	\$ 3.6
Community Initiatives	\$ 2.1
Capital Funds	\$ 14.4
Administrative Support departments	\$ 0.2

- Revenue above reflects Fiscal Year funding as opposed to Slide 7, which reflects HUD Calendar Year funding
- Section 8 Revenue includes all special programs
- Capital Funds include Capital Funds Project and Choice Neighborhood Implementation Grant

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FY 2019 Consolidated Revenue Trend

Projected revenue in FY 2019 will increase by \$ 2.3 Million

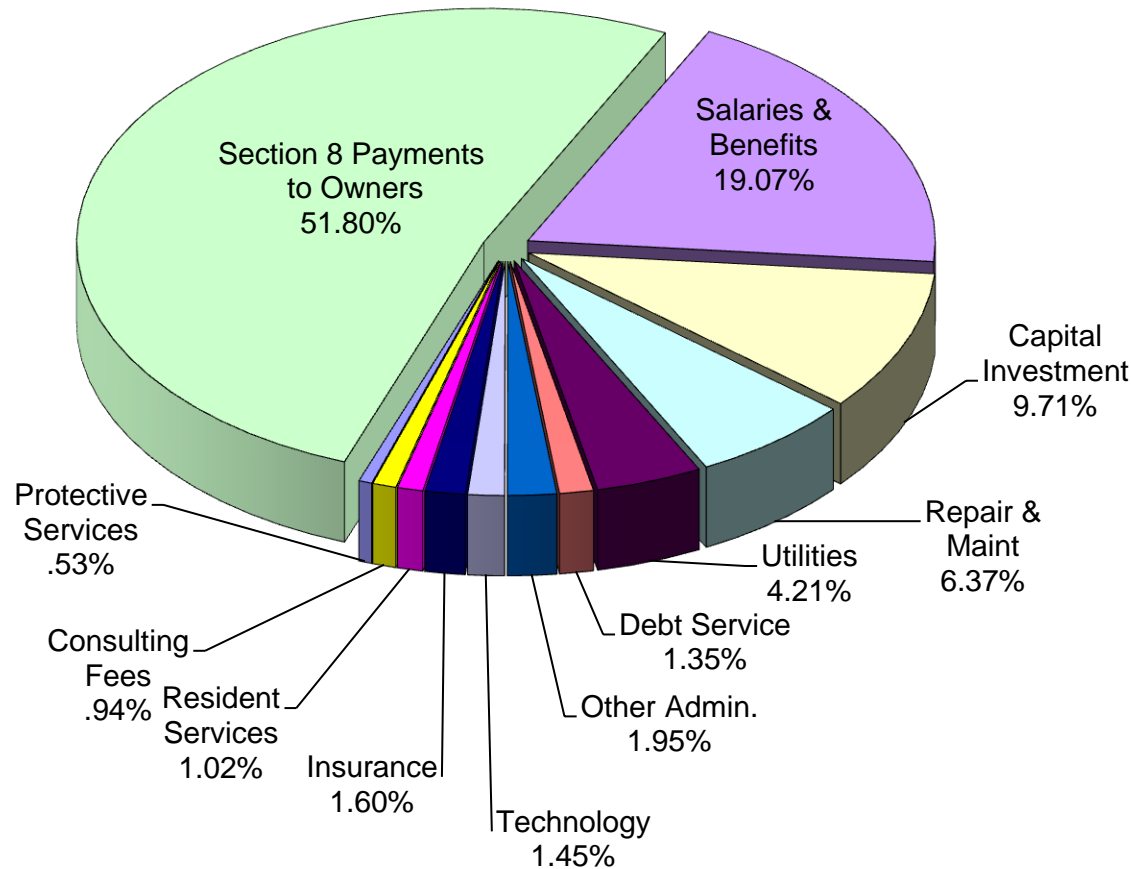
Description	FYE 6/30/17 Actual	FYE 6/30/17 Budget	FYE 6/30/18 Budget	FYE 6/30/19 Budget	Variance 2019 Budget vs 2018 Budget Increase/ (Decrease)
Rental Revenue	\$ 28.9	\$ 31.4	\$ 31.9	\$ 32.3	\$ 0.5
Grant Revenue					
Section 8 - HAP	76.5	96.3	92.4	92.5	0.1
Section 8 - Admin.	9.0	8.6	8.4	7.9	(0.5)
Operating Subsidy	21.3	20.1	19.7	20.9	1.2
Capital Grants ¹	15.6	19.9	14.2	14.4	0.2
Other Grants	4.0	3.2	4.8	4.3	(0.5)
Total Grant Revenue	\$ 126.4	\$ 148.1	\$ 139.5	\$ 140.0	\$ 0.5
Other Revenue ²	12.8	4.5	4.6	6.0	1.3
Total Revenue	\$ 168.1	\$ 184.0	\$ 176.0	\$ 178.3	\$ 2.3

¹ Capital Grants include Capital Funds Project and the Choice Neighborhood Implementation Grant

² Includes Revenue such as Lease Payments, Cash Donations, Compliance Monitoring Fees, Other Income, Deposit Forfeitures and Interest Income

FY 2019 Consolidated Uses of Funds

\$178.3 Million



Budget Line Item	Projected Expenses (Mil) \$178.3
□ Section 8 Payments to Owners	\$92.38
□ Salaries & Benefits	\$34.01
□ Capital Investment	\$17.32
□ Repair & Maint (Non-Capital)	\$11.34
■ Utilities	\$7.52
■ Debt Service Interest	\$2.40
■ Admin. & Other	\$3.48
□ Technology	\$2.58
■ Insurance	\$2.85
■ Resident Services	\$1.82
■ Consulting Fees	\$1.68
■ Protective Services	\$0.94

FY 2019 Consolidated Expense Trend

Description	FYE 6/30/17 Actual	FYE 6/30/17 Budget	FYE 6/30/18 Budget	FYE 6/30/19 Budget	Variance 2019 Budget vs 2018 Budget Increase/ (Decrease)
Section 8 Payments to Owners	\$89.4	\$96.1	\$92.4	\$92.4	(\$0.0)
Salaries & Benefits	32.2	33.7	34.2	34.0	(0.1)
Technology ¹	1.8	1.9	2.4	2.5	0.1
Admin and Other ²	3.3	3.6	3.7	3.5	(0.3)
Consulting Fees ³	0.7	2.8	3.5	1.7	(1.9)
Utilities	6.8	6.8	6.8	7.5	0.7
Resident Services	1.4	1.6	2.2	1.8	(0.4)
Repair & Maintenance	13.4	10.3	10.2	11.4	1.1
Insurance	2.1	2.3	3.3	2.9	(0.4)
Protective Services	0.8	1.0	0.9	0.9	0.1
Debt Service Interest	2.9	2.5	2.4	2.4	0.0
Capital Investment	13.3	21.4	14.0	17.3	3.3
Total Expenses	\$ 168.1	\$ 184.0	\$ 176.0	\$ 178.3	\$ 2.2

¹ Includes telephone, technology/licensing costs and internet

² Includes expenses such as audit, postage, office supplies, dues and fees, advertising, legal fees, training, travel, etc.

³ Includes \$.7 Million for the Capital Grants

Consolidated Budget By Line of Business (Millions)

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Balanced Budget

Description	Public Housing Budget	Section 8 Budget	Beacon Budget	Real Estate Budget	Central Office Budget	CD/MTW Initiatives Budget	Subtotal
OPERATING REVENUE	\$ 32.3	\$ 100.5	\$ 24.1	\$ 2.4	\$ 1.2	\$ 2.1	\$ 162.5
OPERATING EXPENSE	26.9	98.8	13.7	1.6	11.8	3.9	156.7
OPERATING INCOME	\$ 5.4	\$ 1.7	\$ 10.3	\$ 0.7	\$ (10.6)	\$ (1.7)	\$ 5.9
INTEREST INCOME	\$ 1.0	0.0	0.3	1.2	0.0	0.0	2.6
NON-OPERATING INCOME & EXPENSES*	(7.3)	(3.2)	(5.6)	(0.1)	9.9	0.1	(5.3)
NET SURPLUS or (DEFICIT)	\$ (0.8)	\$ (1.5)	\$ 5.0	\$ 1.9	\$ (0.6)	\$ (1.6)	\$ 3.2

* Management Fee and Interest Expense are the primary sources of the listed Non-Operating Expenses, but also includes Replacement/Extraordinary items

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Uses of SAHA MTW Funds

Preservation and Expansion of Affordable and Public Housing

Priority	Purpose	MTW Goal	Amount (in Mil)
Section 8	To enable Section 8 to continue to serve residents after continued funding cuts	Strategic Goal # 4 - Strategically expand the supply of affordable housing.	\$1.5
Community Development Initiatives	<p>Program administration and implementation of MTW strategic goals:</p> <ul style="list-style-type: none"> Recruit and maintain the number of participants in the PH/HCV FSS, Jobs Plus and the Earned Income Disregard (EID) to over 1,600 participants Ensure over 650 or 40% participants secure/maintain employment Enroll and/or complete 480/30% into training/education Support staff to host over 250 community events Host 12 Early Engagement Sessions and serve over 2,000 residents Provide college scholarships and other academic incentives for up to 300 students Provide more than 6,000 referrals for services to residents on an annual basis 	Strategic Goal # 1 - Empower and equip families to improve their quality of life and achieve economic stability.	\$1.4
Preservation and Expansion of Affordable and Public Housing	Choice implementation matching grant for Wheatley Courts transformation.	Strategic Goal # 4 - Strategically expand the supply of affordable housing.	\$1.5
	Development of Labor multifamily property		\$5.5
	Capital Planning		\$0.4
	Funding for the rehabilitation of Victoria Plaza		\$10.0
	Additional funding for East Meadows Development		\$0.6
	Preservation and expansion of affordable and public housing		\$15.9
	Total Proposed Use of SAHA MTW Funds		

SAHA Personnel Count

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	2018 Budgeted Positions	2019 Budgeted Positions	Personnel Distribution by Department
Public Housing	189	194	37%
Section 8 & Special Programs	89	90	17%
Community Development Initiatives	51	52 ¹	10%
Beacon	38	70	13%
Real Estate Services	13	12 ²	2%
Management & Administrative Support (COCC)			
Property Management	13	15	3%
Other Management & Administrative Support	96	97 ³	18%
Total	489	530	100%

Public Safety/Security (Full-Time Equivalents)

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¹ Includes 34 grant-funded positions for the Jobs Plus, ROSS, Annie E. Casey Foundation, Family Self Sufficiency, HPOG, Endowment, ConnectHome and Choice Implementation Grants

² Includes 1 grant-funded position for the Choice Implementation Grant

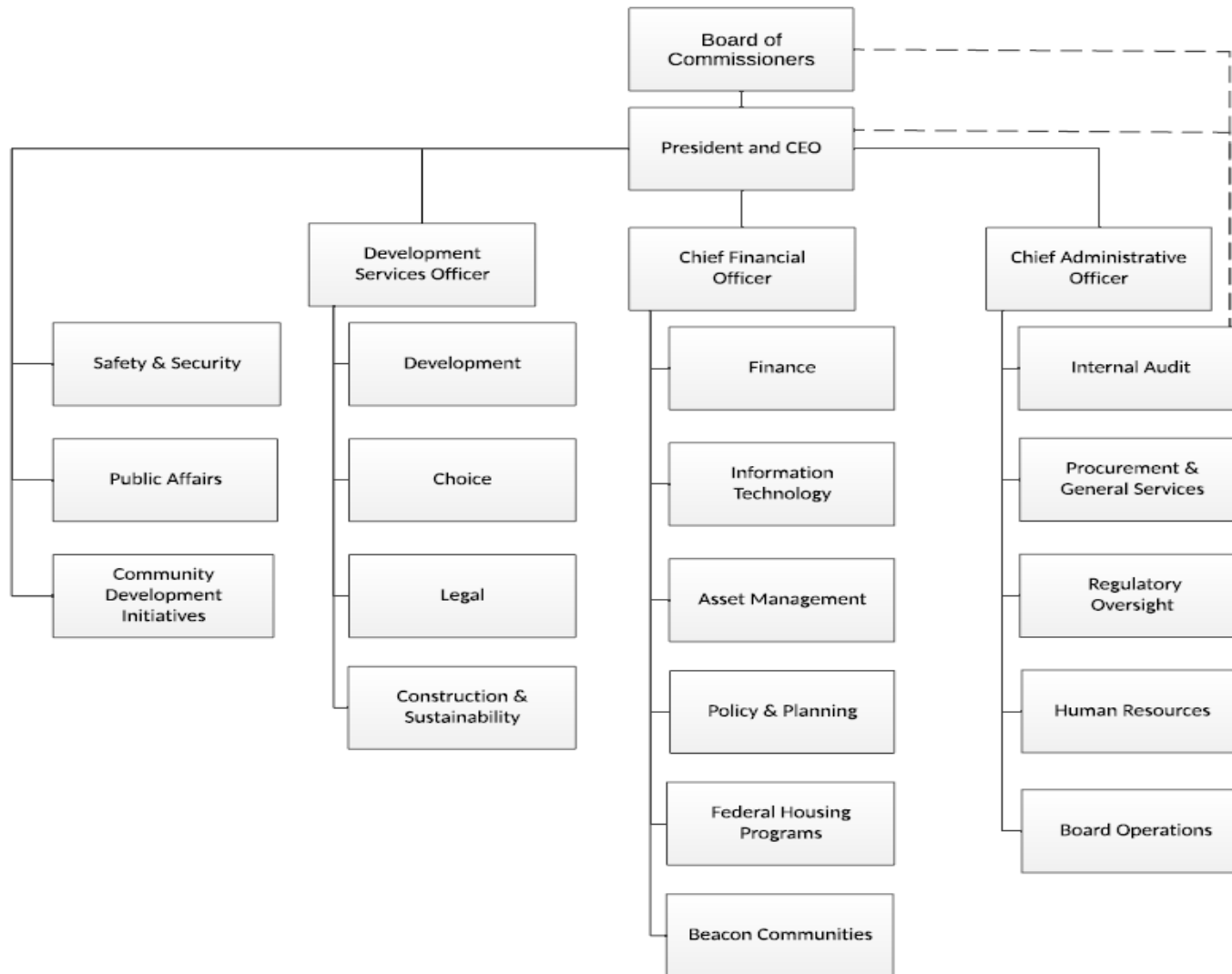
³ Includes 1/2 grant-funded position for the Choice Implementation Grant

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SAHA Organizational Structure



Goals for Assisted Housing

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Empower and equip families to improve their quality of life and achieve economic stability

- Refer 10% of clients to CDI for FSS enrollment
- Employ a minimum of 5 youths from the Summer Youth Employment Program
- Implement an MTW Activity based on Higher Opportunity Areas

Invest in our greatest resource - our employees and establish a track record for integrity, accountability, collaboration, and strong customer service

- Convert all training to Adobe Prime, an intuitive e-learning platform that provides staff with interactive tutorials on SAHA policies and procedures

Preserve and improve existing affordable housing resources and opportunities

- Special Programs: Utilize vouchers/certificates at 95% or above
- CoC: Utilize funds at 100%, ensure inspection turnaround within 3 business days, and collaborate with partners to ensure maximum program utilization
- Maintain MTW HCV utilization above 100%

Transform core operations to be a high performing and financially strong organization

- Design and implement a Client Portal
- Implement time frame for HQS inspections
- Implement Batch Processing for Elite processes

Develop a local and national reputation for being an effective leader, partner, and advocate for affordable housing and its residents

- Participate in the Mayor's Housing Taskforce Committee

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Goals for Public Housing

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Empower and equip families to improve their quality of life and achieve economic stability

- Refer 10% of clients to CDI for FSS and/or JobsPlus enrollment
- Employ a minimum of 5 youths from the Summer Youth Employment Program
- Research and design a rent reform activity that promotes family self-sufficiency

Invest in our greatest resource - our employees - and establish a track record for integrity, accountability, collaboration, and strong customer service

- Establish a training curriculum for client service specialists and maintenance technicians
- Update all current staff on PH Specialist and Maintenance Certifications

Preserve and improve existing affordable housing resources and opportunities

- Improve REAC scores by an average of 15 points for underperforming communities

Transform core operations to be a high performing and financially strong organization

- Evaluate AMP structure to optimize both management and financial resources
- Implement Work Order Touch for maintenance staff
- Develop and implement a preventative maintenance plan for all communities
- Design and implement a Client Portal

Develop a local and national reputation for being an effective leader, partner, and advocate for affordable housing and its residents

- Boost occupancy standards to achieve High Performer status

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Goals for Beacon Communities

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Invest in our greatest resource - our employees and establish a track record for integrity, accountability, collaboration, and strong customer service

- Complete an increase of 10% of training opportunities over the previous year

Preserve and improve existing affordable housing resources and opportunities

- Complete the refinance of Burning Tree and Encanta Villa for rehabilitation of the communities and potential proceeds sharing
- Complete comprehensive rehabilitation of Castle Point, Monterrey Park, La Providencia for an estimated improvement investment of \$10M

Strategically expand the supply of affordable housing

- Complete the 15-year tax credit ownership transition of Legacy at Science Park and Legacy at O'Connor

Transform core operations to be a high performing and financially strong organization

- Successfully complete the second transition of management towards our 4 year transition plan-savings to SAHA \$200k annually
- Maintain an average occupancy of SAHA 96% vs. 3rd party 94%
- Transition management software of all SAHA managed and transitioning communities on a 3-phase plan
- Explore options to go paperless from application through file maintenance

Goals for Real Estate Services

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Invest in our greatest resource - our employees - and establish a track record for integrity, accountability, collaboration, and strong customer service

- Train Housing Counselor to use HUD approved data collection software (March 2019)
- Establish SAHA as HUD Certified Counseling Agency (May 2019)
- Certify 3 SAHA Staff as Housing Counselors (May 2019)
- Obtain NAHRO/NeighborWorks America Community Revitalization & Development Certification (Dec 2018)

Empower and equip families to improve their quality of life and achieve economic stability

- Home Buyer Readiness Program – Work with a partner to graduate 75 individuals and assist 10 Graduates to purchase homes (June 2019)

Strategically expand the supply of affordable housing

- Finalize financing for 100 Labor Street development (September 2018)
- Decision to either list 98 Artisan Park townhome lots for sale or redevelop the lots (June 2019)
- Obtain 9% tax credit award for Botello or Ruiz development (July 2018)
- Begin pre-development and close on Tampico development (September 2018)
- Sell 2 homes and 2 lots from single family scattered site HOPE VI Springview portfolio (Oct 2018)
- Sell 12 single family homes in HOPE VI Mirasol - Blueridge (June 2019)
- Select a General Contractor for new home development for Villas de Fortuna redevelopment (July 2018)

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Goals for Choice Neighborhood Implementation

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Empower and equip families to improve their quality of life and achieve economic stability

- Neighborhood
 - Oversee completion of 9 rehabs of owner-occupied single family homes in EastPoint Choice (June 2019)
 - Launch Infill Housing (August 2018)
 - Complete three art projects in Phillis Wheatley Linear Park (June 2019)
- People
 - Transition People Services to CDI
 - Create Endowment with anticipated leftover Choice funds
 - Continue to emphasize employment, careers and increase household income
 - Continue to provide workshops for returning residents to become successful tenants

Strategically expand the supply of affordable housing

- Housing
 - Substantially complete East Meadows II (June 2019)
 - Complete the Public Improvements project for the remaining Wheatley area (June 2019)
 - Adopt new SAHA multi-family construction design standards (June 2019)
- Neighborhood
 - In-fill Housing Strategy - secure 12 additional lots in Target Area I and/or II locations in the Choice footprint (June 2019)

Goals for Construction Services & Sustainability

21

Preserve and improve existing affordable housing resources and opportunities

- Expend 100% Capital Fund 2015 Grant construction projects by April 2019, deadline
- Execute construction contract for Victoria Plaza modernization
- Execute construction contract for Castle Point capital improvements
- Execute construction contracts for high rise fire suppression projects at Fair Avenue and Villa Tranchese
- Complete design and contract for Beacon projects at La Providencia, Monterrey Park, Sunshine Plaza, and Pecan Hill
- Complete design projects on time, as per design professional proposals
- Reduce offline units list by 25%
- Earn and maintain a “no-findings” result on internal audit of files
- Obtain HERS Rater certification for construction inspector staff

Goals for Community Development Initiatives

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To empower and equip families to improve their quality of life and achieve economic stability

- Improve quality of life for residents
 - Host 1,500 events; 10,000 participants
 - Recruit and maintain 30 resident councils
 - Develop and implement comprehensive EDS service plan
- Provide access to resources and non-SAHA programs
 - 11,000 households receive food assistance valued at \$1.5 million
 - 3,000 FSS/ROSS/Jobs Plus referrals for services
 - 40 college scholarships; 250 REACH Awards
- Improve resident capacity
 - FSS/Jobs Plus – maintain over 1,600
 - FSS/Jobs Plus – 30% of households are in education/training
 - FSS/Jobs Plus – 45% of households are employed
 - Increase educational/training completion to 70%
 - Develop and implement wealth building program
 - Implement Resident Ambassador/Community Coach training
- Facilitate residents to achieve self sufficiency
 - Graduate 25 residents from FSS
 - 40 residents secure HS diploma or GED
- Improve agency performance
 - Secure over \$1 million in grants
 - Raise \$100,000 for EIF
 - Implement attendance initiative

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Goals for Administrative Departments

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Asset Management

- Develop an asset management data base to track and monitor immediate, short term, and long term required and completed capital repairs/replacements identified in the physical needs assessment (PNA)

Procurement

- Finalize and implement the Fleet Management Policy and Procedures

Innovative Technology Services

- Implement new infrastructure

Finance and Accounting

- Purchase and implement accounts payable automation software in collaboration with IT department

Human Resources

- Reduce yearly turnover from a high of 24% to 12% and first year turnover to 10%

Internal Audit

- Develop and implement the 2018-2019 Internal Audit Plan in the first quarter of Fiscal Year 2018-2019, based on a comprehensive risk assessment process

Legal

- Continue to provide training and work with staff on fair housing, reasonable accommodations, evictions, and other timely topics

Policy and Planning

- Continue to improve report cards / scorecards to communicate progress; develop a Strategic Plan update schedule, develop methods to communicate with staff more directly, and continue to facilitate work groups

Public Affairs

- Assess, reskin and re-launch website

Discussion

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