



FINANCE COMMITTEE MEETING

MAY 21, 2020



BOARD OF COMMISSIONERS

Dr. Ana "Cha" Guzmán Chair	Jessica Weaver Vice Chair	Charles Clack Commissioner	Jo-Anne Kaplan Commissioner	Olga Kauffman Commissioner	Sofia A. Lopez Commissioner	Ruth Rodriguez Commissioner
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PRESIDENT & CEO

David Nisivoccia

**SAN ANTONIO HOUSING AUTHORITY
FINANCE COMMITTEE or
**SPECIAL BOARD MEETING
TELECONFERENCE**

Call In Phone Number: (502) 617-0132

PIN Number: 435365821#

12:30 p.m., Thursday, May 21, 2020

The Board of Commissioners will convene for a Committee, or Special Board meeting, by teleconference, for discussion on the following matters:

MEETING CALLED TO ORDER

1. The Board of Commissioners or its Committee may hold a closed meeting pursuant to Texas Government Code § 551.071-076 for consultation concerning attorney-client matters, real estate, litigation, personnel, and security matters. The Board or Committee reserves the right to enter into closed meeting at any time, during the course of the meeting.

PUBLIC COMMENT

2. Public Comment - Citizens are provided three minutes each to speak to any agenda items. Citizens requesting to speak to the agenda, should access Phone Number: **(502) 617-0132** and enter PIN Number: **435365821#**, prior to 12:30 p.m.

OPERATIONS

3. Update and discussion regarding Quarterly Financial Report for the San Antonio Housing Authority (Ed Hinojosa, Chief Financial Officer; Diana Kollodziej Fiedler, Director of Finance and Accounting)
4. Consideration and appropriate action regarding Resolution 6032, approving the Consolidated Operating Budget for the San Antonio Housing Authority and its Affiliated Nonprofits for the fiscal year ending June 30, 2021 (Ed Hinojosa, Chief Financial Officer; Diana Kollodziej Fiedler, Director of Finance and Accounting)

REPORT PROVIDED

5. Quarterly Internal Audit Update
6. Adjournment

*Note: Whenever the Texas Open Meetings Act (Section 551.001 et seq. of the Texas Government Code) provides for a closed meeting in matters concerning legal advice, real estate, contracts, personnel matters, or security issues, the Board may find a closed meeting to be necessary. For convenience of the citizens interested in an item preceded by an asterisk, notice is given that a closed meeting is contemplated. However, the Board reserves the right to go into a closed meeting on any other item, whether it has an asterisk, when the Board determines there is a need and a closed meeting is permitted.

**Note: If a quorum of the Board of Commissioners attends the Committee Meeting, this meeting becomes a Special Meeting of the Board, but no Board action will be taken other than recommendations to the full Board unless the full Board is present.

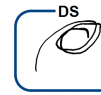
SAN ANTONIO HOUSING AUTHORITY**May 21, 2020****MEMORANDUM**

To: Finance Committee

From: David Nisivoccia, President and CEO

Presented by: Ed Hinojosa, Chief Financial Officer
Diana Kollodziej Fiedler, Director of Finance and Accounting

RE: Update and discussion regarding the Quarterly Financial Report for the San Antonio Housing Authority



SUMMARY:***Financial Performance Highlights***

The World Health Organization declared the novel coronavirus (COVID-19) outbreak, a global pandemic, on March 11, 2020. Shortly thereafter, SAHA instituted a number of operational changes to help ensure the safety of staff and residents. Staff anticipates COVID-19 will significantly impact rent collections and operating expenses in future periods, but is unable to predict the pandemic's duration or overall impact.

The Quarterly Financial Report for the San Antonio Housing Authority for the nine months ended March 31, 2020, is attached. The results of operations for the nine months ended March 31, 2020, reflect a Surplus Before Non-Cash Items of \$12.8 million, which was \$5.9 million above budgeted projections.

Total Operating Revenue was approximately \$3.2 million above budget, due to a favorable variance of \$3.4 million in Grants revenue, which resulted primarily from a favorable variance of \$2.3 million in Public Housing operating subsidy. The actual proration for the period was 95.0% compared to the budgeted proration of 89.5%. Despite this significant increase in funding, Public Housing operations reported only a \$515,000.00 surplus at March 31, net of transfers in totaling \$682,000.00. Also contributing was recognized revenue of \$693,000.00, which had represented unexpended Choice Grant funds that were used to establish a Supportive Services Endowment Trust. Additionally, there were timing differences in the Capital Funds sector totaling \$339,000.00.

Total Operating Expenses ended the period \$3.5 million below budget, due primarily to favorable variances of \$2.5 million in Salaries and Benefits and \$2.2 million in Other Expenses, partially offset by an unfavorable variance of \$2.3 million in Ordinary Maintenance and Operations. The Central Office, Public Housing and Beacon segments were the main contributors to the \$2.5 million favorable variance in Salaries and Benefits. Other Expenses were \$2.2 million favorable attributable to lower than anticipated consulting fees, telephone and internet expenses, technology and licensing fees, and other administrative expenses. The unfavorable variance of

SAN ANTONIO HOUSING AUTHORITY**May 21, 2020**

\$2.3 million in Ordinary Maintenance and Operations was primarily due to Public Housing, which reported unfavorable variances in HVAC repair and replacement, unit make ready costs, supplies and materials, and other contract costs.

The Comparative Balance Sheet reflects an overall increase in Total Net Position of \$28.2 million from March 31, 2019, to March 31, 2020. Total Assets increased by \$31.9 million, due to the addition of \$7.9 million in Current Assets, \$17.9 million in Fixed Assets, and \$6.1 million in Other Non-Current Assets. The \$7.9 million improvement in Current Assets resulted chiefly from the sale of various Scattered Site properties and Blueridge Homes. The \$17.9 million increase in Fixed Assets was largely due to land acquisitions of \$15.6 million. Also contributing were large capital improvement projects completed for various Public Housing and Beacon properties. The increase of \$6.1 million in Other Non-Current Assets was mainly due to a \$4.5 million Choice loan from the San Antonio Housing Facility Corporation to Wheatley Family II, LP. Total Liabilities increased by \$5.1 million, due principally to a \$5.9 million increase in deferred ground lease revenue, which arose from several new ground lease transactions. Additionally, there was a \$1.3 million increase in interest rate swap liabilities and a \$910,000.00 increase in contract retainage. The overall increase in total liabilities was partially offset by scheduled debt payments of \$3.7 million.

Supplemental Information—Funding Environment

HUD rental assistance programs subsidize the difference between tenant contributions toward rent and a unit's rent (or operating expenses). When tenants' incomes are reduced—such as by rising unemployment triggered by the COVID-19 pandemic—their rent contributions decrease, which increases federal subsidy costs. On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act which will provide supplemental funding to help cover the anticipated increased costs, and support administrative expenses. The CARES Act includes \$1.25 billion for Tenant-Based Rental Assistance, which funds the Housing Choice Voucher program. Of this amount, \$400 million is marked for increased subsidy costs and \$850 million is for administrative fees. Funds will be allocated based on need, as determined by the HUD secretary. Also included in the Act is \$685 million for Public Housing Operating Fund, to be used to maintain the operation of Public Housing properties. Subsidy will be allocated to PHAs as additional FY2020 funding based on the operating fund formula. At the time this memo was prepared, the actual amount of additional funding was not known, but staff will provide an update as the information becomes available. The Act includes language that is concerning to staff as it appears HUD may require Housing Authorities to utilize their reserves prior to receiving this funding.

PROPOSED ACTION:

None at this time.

FINANCIAL IMPACT:

None.

ATTACHMENTS:

Financial Performance Report
Cash and Investment Summary

SAN ANTONIO HOUSING AUTHORITY

May 21, 2020

- For Period Ending December 31, 2019
- For Period Ending March 31, 2020

Grants Report

Headcount Report

San Antonio Housing Authority
Financial Performance Report
As of March 31, 2020
(UNAUDITED)

Condensed Statement of Revenue and Expenses
(For the Nine Months Ended 3/31/2020)

	ACTUAL 3/31/2020	BUDGET 3/31/2020	Variance	%	Highlights Section
Operating Revenue					
Tenant Revenue	\$ 24,485,462	\$ 24,379,419	\$ 106,043	0.43%	
Grants	36,774,937	33,364,178	3,410,759	10.22%	I(a)(1)
HAP Revenue	76,589,593	75,670,787	918,806	1.21%	
Miscellaneous Revenue	2,684,088	3,943,865	(1,259,777)	-31.94%	I(a)(2)
Total Operating Revenue	\$ 140,534,079	\$ 137,358,249	\$ 3,175,830	2.31%	
Operating Expenses					
Salaries and Benefits	\$ 24,441,382	\$ 26,928,839	\$ (2,487,456)	-9.24%	I(b)(1)
Ordinary Maintenance and Operations	12,034,298	9,773,537	2,260,761	23.13%	I(b)(2)
Utilities	5,227,737	5,906,082	(678,345)	-11.49%	I(b)(3)
Other Expenses	7,606,330	9,830,559	(2,224,229)	-22.63%	I(b)(4)
HAP Expense	75,134,342	75,544,287	(409,945)	-0.54%	
Total Operating Expenses	\$ 124,444,089	\$ 127,983,304	\$ (3,539,214)	-2.77%	
Net Operating Income	\$ 16,089,990	\$ 9,374,946	\$ 6,715,044	71.63%	
Non-Operating Income (Expenses)					
Interest Expense	\$ (2,088,089)	\$ (2,491,213)	\$ 403,124	-16.18%	
Interest Income	2,301,589	1,778,986	522,603	29.38%	
Other Income (Expenses)	(3,506,107)	(1,724,146)	(1,781,961)	103.35%	I(c)(1)
Total Non-Operating Income (Expenses)	\$ (3,292,607)	\$ (2,436,372)	\$ (856,235)	35.14%	
Surplus (Deficit) Before Non-Cash Items	\$ 12,797,383	\$ 6,938,573	\$ 5,858,810	84.44%	
Non-Cash Items					
Depreciation and Amortization	\$ (10,746,837)	\$ (9,334,706)	\$ (1,412,131)	15.13%	
Non-Operating Income (Expense)	17,280,499	5,910	17,274,590	292301.66%	I(c)(1)
Total Non-Cash Items	\$ 6,533,662	\$ (9,328,797)	\$ 15,862,459	-170.04%	
Change in Net Position	\$ 19,331,045	\$ (2,390,223)	\$ 21,721,268	-908.75%	I(c)(1)

San Antonio Housing Authority
Financial Performance Report
As of March 31, 2020
(UNAUDITED)

Comparative Balance Sheet

	3/31/2020	3/31/2019	Increase (Decrease)	%	Highlights Section
Assets					
Current Assets	\$ 92,436,903	\$ 84,570,631	\$ 7,866,272	9.30%	
Fixed Assets	217,356,392	199,473,994	17,882,398	8.96%	
Other Non-Current Assets	78,920,572	72,786,415	6,134,157	8.43%	
Total Assets	\$ 388,713,867	\$ 356,831,040	\$ 31,882,827	8.93%	II(a)
Deferred Outflows of Resources					
Deferred Charges on Refunding	\$ 525,923	\$ 640,132	\$ (114,209)	-17.84%	
Deferred Swap Outflows	1,296,697	-	1,296,697	100.00%	
Total Deferred Outflows of Resources	\$ 1,822,620	\$ 640,132	\$ 1,182,488	184.73%	
Total Assets and Deferred Outflows of Resources	\$ 390,536,487	\$ 357,471,172	\$ 33,065,315	9.25%	
Liabilities					
Current Liabilities	\$ 16,814,275	\$ 13,291,054	\$ 3,523,221	26.51%	
Non-Current Liabilities	79,734,435	78,123,351	1,611,084	2.06%	
Total Liabilities	\$ 96,548,710	\$ 91,414,405	\$ 5,134,305	5.62%	II(b)
Deferred Inflows of Resources					
Deferred Swap Inflows	\$ -	\$ 235,388	\$ (235,388)	-100.00%	
Total Liabilities and Deferred Inflows of Resources	\$ 96,548,710	\$ 91,649,793	\$ 4,898,917	5.35%	
Net Position					
Net Investment in Capital Assets	\$ 150,944,302	\$ 129,401,733	\$ 21,542,569	16.65%	
Restricted Net Position	39,231,380	37,826,931	1,404,449	3.71%	
Unrestricted Net Position	103,812,095	98,592,715	5,219,380	5.29%	
Total Net Position	\$ 293,987,777	\$ 265,821,379	\$ 28,166,398	10.60%	II(c)
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 390,536,487	\$ 357,471,172	\$ 33,065,315	9.25%	

**San Antonio Housing Authority
Financial Performance Report
As of March 31, 2020
(UNAUDITED)**

HIGHLIGHTS

The World Health Organization declared the novel coronavirus (COVID-19) outbreak a global pandemic on March 11, 2020. Shortly thereafter, SAHA instituted a number of operational changes to help ensure the safety of staff and residents. Staff anticipates COVID-19 will significantly impact rent collections and operating expenses in future periods but is unable to predict the pandemic's duration or overall impact.

The results of operations for the nine months ended March 31, 2020 reflect a surplus before non-cash items of \$12.8 million, which was \$5.9 million above budget. Total Operating Revenue was above budget by \$3.2 million, or 2.31%, and Total Operating Expenses were below budget by \$3.5 million, or 2.77%.

Total Assets and Deferred Outflows of Resources increased by \$33.1 million, or 9.25%. Total Liabilities and Deferred Inflows of Resources increased by \$4.9 million, or 5.35%. Presented below are explanations which summarize the results of operations and changes in financial condition.

I. Income Statement

Total Operating Revenue was above budget by \$3.2 million and Total Operating Expenses were below budget by \$3.5 million.

(a) Operating Revenue

- (1) Grants revenue was above budget by \$3.4 million, or 10.22%, due primarily to a favorable variance of \$2.3 million in Public Housing operating subsidy. The actual proration for the period was 95.0% compared to the budgeted proration of 89.5%. Despite this significant increase in funding, Public Housing operations reported only a \$515,000 surplus at March 31, net of transfers in totaling \$682,000. Also contributing was the Capital Funds sector which was impacted favorably by recognition of \$693,000 in revenue which represent unexpended Choice Grant funds. The funds were used to establish a Supportive Services Endowment Trust. Additionally, capital grants revenue was \$339,000 higher than budgeted due to the timing of capital grant expenditures.
- (2) Miscellaneous Revenue was below budget by \$1.3 million, or 31.94%, attributable to an unfavorable variance of \$921,000 in development fee revenue. Several new projects are in the pre-development stage and thus have not recognized any development fee revenue. Ground lease revenue was also below budget by \$517,000 but is primarily attributable to over budgeting these revenues.

(b) Operating Expenses

- (1) The Salaries and Benefits expense line item ended the period \$2.5 million, or 9.24%, below budget with the majority of segments reporting favorably. Public Housing and Beacon were the primary contributors and combined for 63 full-time vacant positions.
- (2) The Ordinary Maintenance and Operations expense line item ended the period \$2.3 million, or 23.13%, over budget primarily due to unfavorable variances in Public

**San Antonio Housing Authority
Financial Performance Report
As of March 31, 2020
(UNAUDITED)**

Housing. Significant unfavorable variances included \$683,000 in unit make ready costs, \$490,000 in supplies and materials, \$298,000 in HVAC repair and replacement, and \$248,000 in other contract costs. Also contributing was Beacon which reported unfavorably in painting and plumbing repairs for a combined \$211,000.

- (3) Utilities expense ended the period \$678,000, or 11.49%, below budget. Public Housing was the primary contributor to the favorable variance, reporting \$528,000 below budget. Across all segments, electricity was \$520,000 favorable.
- (4) The Other Expenses line item was below budget by \$2.2 million, or 22.63%. The Central Office, Real Estate, and Public Housing segments were the most significant contributors to the favorable variance in Other Expenses. Significant favorable variances for the Other Expenses category included \$797,000 in consulting fees, \$281,000 in telephone and internet expenses, \$495,000 in technology and licensing fees, and \$176,000 in other administrative expenses.

(c) Summary of Changes in Net Position

- (1) Change in Net Position ended the period with a \$21.7 million favorable variance. Net Operating Income was above budget by \$6.7 million. Additionally, there was a favorable variance of \$17.3 million in Non-Operating Income (Expense). Of this amount, \$5.4 resulted from a gain on the sale of various Scattered Site properties; \$9.9 million resulted from gains on various land acquisitions associated with the recent multi-family property transactions with Vesta Corporation and Post Investment Group; and \$2.0 million resulted from a favorable legal settlement with HUD.

II. Balance Sheet

Total Assets and Deferred Outflows of Resources increased by \$33.1 million, Total Liabilities and Deferred Inflows of Resources increased by \$4.9 million, and Total Net Position increased by \$28.2 million.

- (a) Total Assets increased by \$31.9 million, or 8.93%, due to increases of \$7.9 million in Current Assets, \$17.9 million in Fixed Assets, and \$6.1 million in Other Non-Current Assets. The \$7.9 million increase in Current Assets resulted primarily from the sale of various Scattered Site properties and Blueridge Homes. The \$17.9 million increase in Fixed Assets was primarily due to land acquisitions of \$15.6 million. The Authority acquired ownership interests in the following properties: Champion at Del Rio, Champion at Marshall Meadow, Champion at Port Royal, Majestic Ranch, Culebra Crossing, and Arroyo Seco. Also contributing were capital expenditures resulting from physical improvements made to various Public Housing and Beacon properties. The most significant capital projects during the period were roofing replacement at Lincoln Heights Courts (\$6.1 million), comprehensive modernization at Charles Andrews (\$3.4 million), and exterior renovations at Monterrey Park (\$2.2 million). Additionally, a \$1.5 million increase in land resulted from a land swap transaction with the City of San Antonio for 0.95 acres which will be utilized for the 100 Labor Street development. The overall increase in Fixed Assets was partially offset by an increase in accumulated depreciation of \$10.8 million. The increase of \$6.1 million in Other Non-Current Assets was primarily due to a \$4.5 Choice loan executed between the

San Antonio Housing Authority
Financial Performance Report
As of March 31, 2020
(UNAUDITED)

San Antonio Housing Facility Corporation and Wheatley Family II, LP, capital contributions of \$809,000 to the Science Park and O'Connor partnerships to pay off outstanding development fees, and accrued interest on various partnership notes.

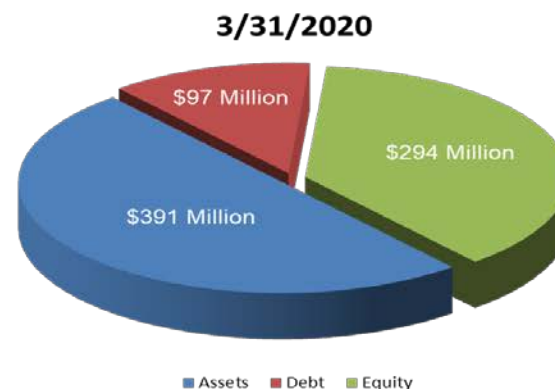
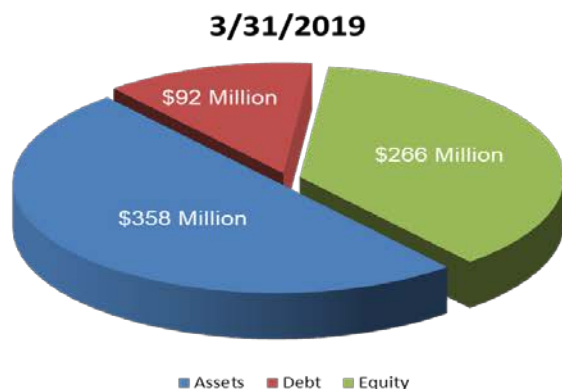
- (b) Total Liabilities increased by \$5.1 million or 5.62%, due principally to a \$5.9 million increase in deferred ground lease revenue which arose from the Facility Corporation entering into ground leases with the East Meadows II, Majestic Ranch, and Culebra Crossing partnerships. Additionally, there was a \$1.3 million increase in interest rate swap liabilities and a \$910,000 increase in contract retainage. The overall increase was partially offset by scheduled debt payments of \$3.7 million.
- (c) Total Net Position increased by \$28.2 million, or 10.60%, as a result of the changes described above.

III. MTW Expenditures

Projects	Cumulative Expenditure Balance as of 3/31/20
Section 8	\$ 19,546
Community Development Initiatives	997,973
Capital Planning	277,770
Development Activities:	
East Meadows Development - Public Improvements	(274,618)
East Meadows II Development - Public Improvements	395,510
Development of Alazan Lofts	51,510
Total	<u>\$ 1,467,691</u>

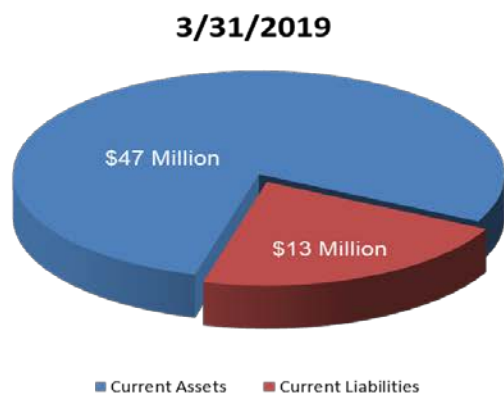
SAHA remains financially strong despite a small decrease in liquidity

Financial Strength



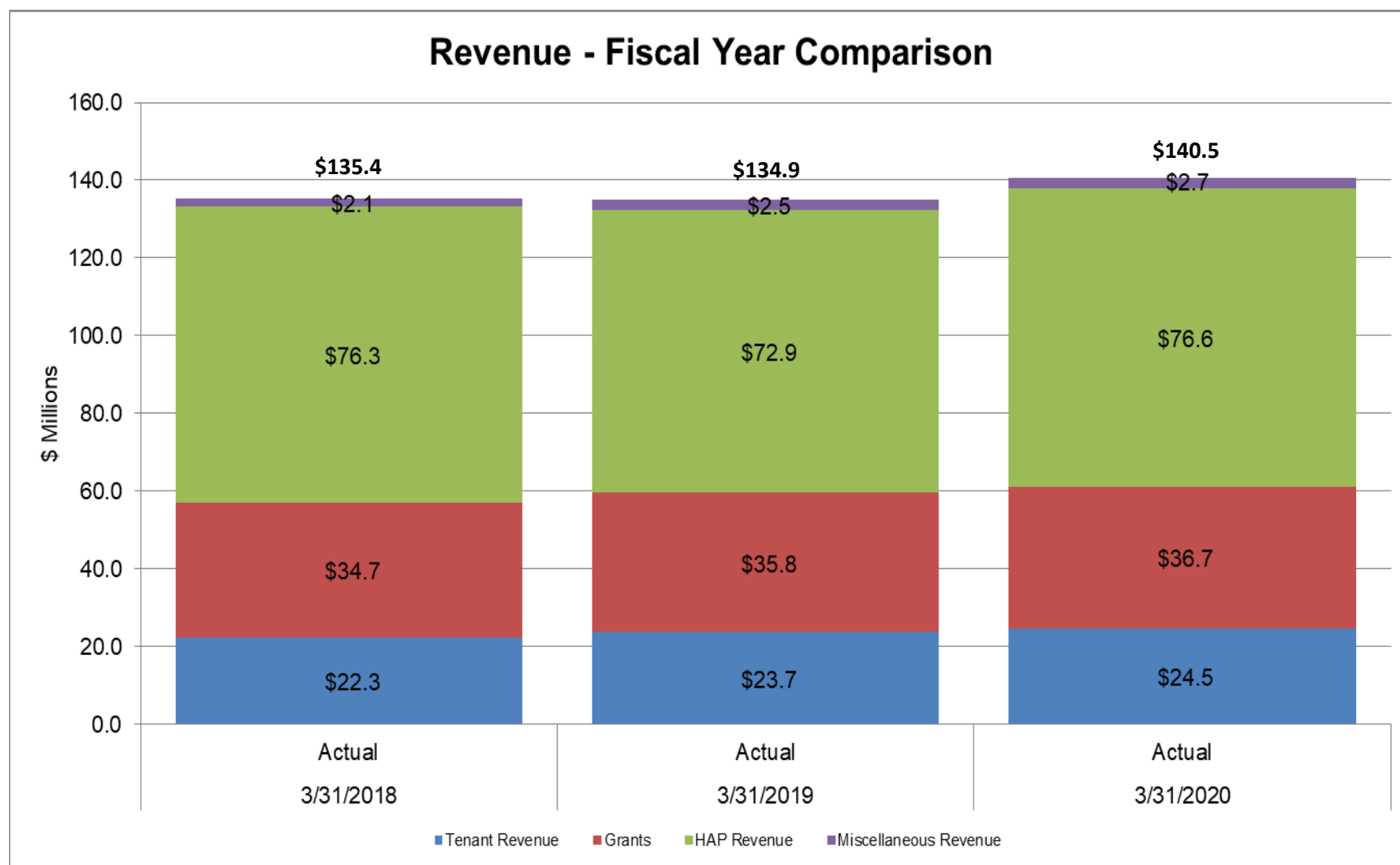
The debt-to-equity ratio decreased from 0.35 to 0.33 and signifies improvement in an already strong solvency position.

Financial Liquidity

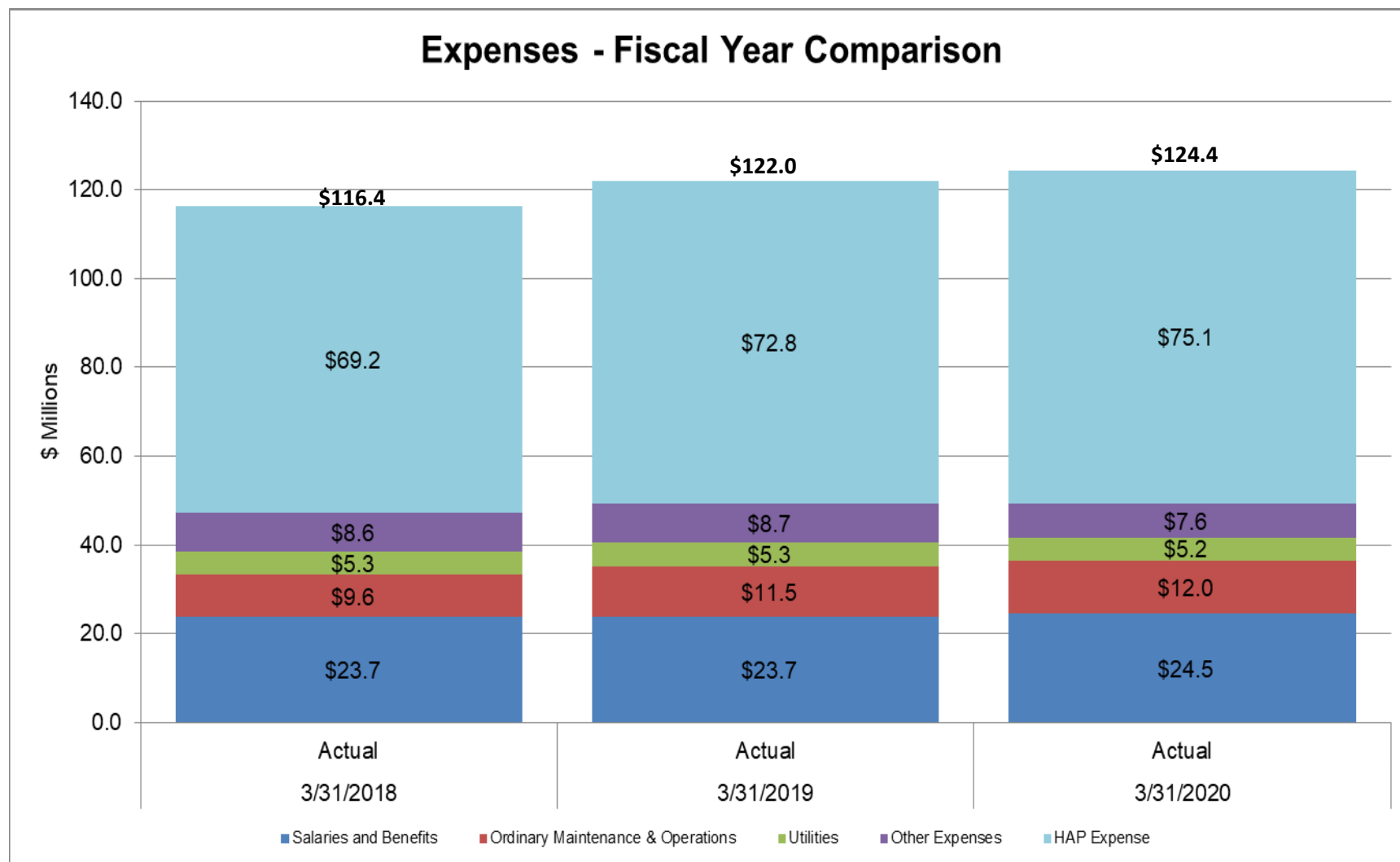


The current ratio decreased from 3.62 to 3.12, but remains a strong indicator of SAHA's ability to pay short-term obligations.

Total Revenue was approximately 4% higher compared to the previous year. All revenue streams reported favorably with HAP Revenue recording the largest increase.



Total Expenses were 2% higher compared to the previous year due primarily to Section 8 HAP Expense. Other Expenses were down 13% chiefly caused by lower legal fees.



Summary of Major Changes in Cash and Investment Balance

For the Quarterly Period Ending December 31, 2019

The overall cash and investment balance increased by \$8.6 million over the previous quarter primarily due to HUD pre-funding the January 2020 Section 8 Subsidy and Administrative fees. The increase in cash was partially offset by disbursements to vendors for quarterly insurance renewals and ongoing capital project work.

Cash

Unrestricted Cash

- **Public Housing-** There is a net cash decrease of approximately \$2 million over the previous quarter largely due to the settlement of intercompany reimbursements associated with payments to vendors in connection with quarterly insurance renewals and ongoing capital projects.
- **Section 8-** There is a cash increase of approximately \$10.7 million over the previous quarter primarily due to HUD pre-funding January 2020 Section 8 Subsidy and Administrative fees of \$8.9 million. In addition to this, the agency also received \$1.7 million in HUD Held funds to supplement projected deficits for the program.
- **Central Office Health Insurance-** There is a cash increase of approximately \$391 thousand over the previous quarter primarily due to the funding for self-insurance premiums exceeding claims expense for the quarter.

Restricted Cash

- **Public Housing-** There is a net cash decrease of approximately \$408 thousand over the previous quarter due to the transfer out of \$2.3 million in restricted resources to fund a rehabilitation project at a public housing property. The decrease was partially offset by the receipt of \$1.9 million in proceeds from the sale of various Scattered Sites.
- **Properties under SAHFC-** There is a net cash decrease of approximately \$330 thousand due to the transfer out of \$380 thousand to a 3rd party management company in connection with an ongoing capital project at a Beacon Community.

**San Antonio Housing Authority
Cash and Investment Summary
December 31, 2019**

	Balance 9/30/2019	Deposits	Withdrawals	Balance 12/31/2019
Cash				
Unrestricted Cash:				
Central Office Cost Center	8,264,467	2,762,320	2,748,806	8,277,981
Public Housing	9,413,631	11,818,036	13,860,341	7,371,326
Section 8	1,854,963	32,390,110	21,688,192	12,556,881
Community Development Initiatives	293,993	1,010,252	1,161,758	142,486
Central Office- Health Insurance	2,637,475	1,458,795	1,067,892	3,028,378
Homeownership	1,853	4,582	6,344	91
Properties Unrestricted Cash	2,741,971	2,346,068	2,079,117	3,008,922
Properties under SAHFC	5,607,517	2,536,312	2,502,940	5,640,889
Education Investment Foundation	40,730	16,293	56,479	545
Capital Fund Program	-	660,281	660,281	-
Development Activities under SAHFC	459,342	-	146,469	312,873
Other Unrestricted Cash	8,388,571	42,808,842	42,496,355	8,701,058
Restricted Cash:				
Public Housing	16,224,053	1,898,596	2,306,984	15,815,665
Section 8- FSS Escrow	1,269,120	7,190	-	1,276,310
Project Based Properties	887,798	2,888	-	890,686
Properties under SAHFC	15,400,749	50,273	380,413	15,070,608
Education Investment Foundation	38,816	58,223	-	97,039
Capital Fund Program	1,234,395	4,575	-	1,238,970
Development Activities under SAHFC	1,270,665	-	-	1,270,665
Non-Profit-Other Restricted	618,222	16,950	-	635,172
Other Restricted Cash	183,604	84,015	32,779	234,841
Endowment Trust	692,530	2,462	91,932	603,060
Sub-Total:	77,524,465	99,937,063	91,287,082	86,174,447
Investments				
Restricted Investments at Various Banks:				
Public Housing	-	-	-	-
Other Restricted Investments	1,856,827	1,572,556	1,294,687	2,134,697
Sub-Total:	1,856,827	1,572,556	1,294,687	2,134,697
Total Cash & Investments:	\$ 79,381,292	\$ 101,509,620	\$ 92,581,768	\$ 88,309,144

**San Antonio Housing Authority
Cash Held for Properties Managed by SAHA
December 31, 2019**

	9/30/2019	Deposits	Withdrawals	12/31/2019
Cash Held for Properties Managed by SAHA:				
Cash from Tax-Credit Partnerships	4,929,226	1,234,699	1,020,402	5,143,523
Total Cash Held for Properties Managed by SAHA:	\$ 4,929,226	\$ 1,234,699	\$ 1,020,402	\$ 5,143,523

**San Antonio Housing Authority
Collateralization
December 31, 2019**

	Total Deposits	Deposits Covered by FDIC	Deposits Covered by Collateral	Pledged Collateral
Frost National Bank	\$ 84,493,869	\$ 500,000	\$ 84,493,869	\$ 85,958,820
US Bank	\$ 871,306	\$ 250,000	\$ -	\$ -
Bank of New York - Woodhill	\$ 1,264,826	\$ -	\$ -	\$ -
Bank of New York - Sendero	\$ 531,267	\$ -	\$ -	\$ -
Bank of New York - Converse Ranch II	\$ 338,603	\$ -	\$ -	\$ -
Walker & Dunlop - Converse Ranch I	\$ 446,946	\$ 250,000	\$ -	\$ -
Walker & Dunlop - Bella Claire	\$ 43,635	\$ 43,635	\$ -	\$ -
Walker & Dunlop - SAHFC	\$ 273,564	\$ 250,000	\$ -	\$ -
	\$ 88,264,017	\$ 1,293,635	\$ 84,493,869	\$ 85,958,820

FDIC has made permanent the standard coverage - all funds in noninterest-bearing accounts are fully insured up to \$250,000

The accompanying Cash and Investment Summary Report has been prepared in accordance with the compliance requirements of the Texas Public Funds Investment Act, Chapter 2256. As the Investment Officer for the San Antonio Housing Authority I certify that all investments in our portfolio comply with the investment strategy expressed in SAHA's Investment Policy dated April 14, 2016 and with the relevant provisions of the State of Texas, Government Code, Chapter 2256, Public Funds Investment.

DocuSigned by:

Diana Fiedler

Diana K. Fiedler, CPA, CGMA

Investment Officer, Director of Finance and Accounting

DocuSigned by:

Ed Hinojosa Jr

Ed Hinojosa Jr

CFO

Footnotes:

- * Includes Mirasol Settlement Funds (Original Settlement Amount is \$12.7 million)

Summary of Major Changes in Cash and Investment Balance

For the Quarterly Period Ending March 31, 2020

The overall cash and investment balance decreased by \$7 million over the previous quarter primarily due to the timing of disbursements for the January 2020 Housing Assistance Payments, and cash payments made to vendors in connection with capital projects at various Public Housing and Beacon communities.

Cash

Unrestricted Cash

- **Public Housing** - There is a net cash decrease of approximately \$2 million over the previous quarter primarily due to the reclassification of \$2.3 million in proceeds from an insurance claim and a \$678 thousand note payment received from a tax credit partnership to restricted cash. **See below in Restricted Cash - Public Housing.** Transfers from restricted cash to fund a capital project and positive cash flow from operations helped to minimize the impact of the cash decrease.
- **Section 8** - There is a net cash decrease of approximately \$8.3 million over the previous quarter primarily due to a timing difference in the disbursement of the January 2020 Housing Assistance Payments and the transfer out of \$496 thousand to cover various MTW activities.
- **Other Unrestricted Cash** - There is a net cash increase of approximately \$2.8 million largely due to the transfer in of \$1.3 million in restricted bond funds held with the Bank of New York. **See below in Investments - Restricted Investments at Various Banks - Other Restricted Cash at Various banks.** In addition to this, the category also saw an increase of \$970 thousand from the settlement of intercompany balances and received \$630,000 thousand in fees from various tax credit partnerships.

Restricted Cash

- **Public Housing** - There is a net cash increase of approximately \$2.1 million primarily due to the reclassification of \$2.3 million in proceeds received from an insurance claim and a \$678 thousand note payment from a tax credit partnership. **See above in Unrestricted Cash - Public Housing.** In addition to this, the program also received a \$2 million settlement from a lawsuit with HUD and \$696 thousand in proceeds from various scattered site property and land sales. The increase noted above was partially offset by \$3.5 million in transfers to unrestricted cash to fund an ongoing capital project at Victoria Plaza.
- **Properties under SAHFC** - There is a net cash decrease of approximately \$1 million resulting from payments to vendors in connection with ongoing capital projects at two Beacon communities.

Investments

Restricted Investments at Various Banks

Other Restricted Investments at Various Banks - There is a net cash decrease of \$1.2 million largely due to the transfer out of \$1.3 million in surplus bond and replacement reserve funds held with the Bank of New York as mentioned above in **Bank-Held Cash- Unrestricted Cash - Other Unrestricted Cash.** Partially offsetting the transfer is an increase in investments held by bond trustees resulting from the transfer of pledged revenue and additions of interest income earned from investments.

**San Antonio Housing Authority
Cash and Investment Summary
March 31,2020**

	Balance 12/31/2019	Deposits	Withdrawals	Balance 3/31/2020
Cash				
Unrestricted Cash:				
Central Office Cost Center	8,277,981	2,123,475	2,701,359	7,700,097
Public Housing	7,371,326	13,348,543	15,414,750	5,305,119
Section 8	12,556,881	30,780,641	39,070,638	4,266,885
Community Development Initiatives	142,486	1,037,758	1,133,024	47,220
Central Office- Health Insurance	3,028,378	1,232,398	1,272,484	2,988,292
Homeownership	91	51,420	7,377	44,135
Properties Unrestricted Cash	3,008,922	2,394,439	2,432,588	2,970,773
Properties under SAHFC	5,640,889	3,622,686	3,758,621	5,504,954
Education Investment Foundation	545	30,101	23,207	7,439
Capital Fund Program	-	1,466,402	1,466,402	-
Development Activities under SAHFC	312,873	501,000	237,453	576,420
Other Unrestricted Cash	8,701,058	42,810,345	40,028,127	11,483,276
Restricted Cash:				
Public Housing	15,815,665	5,834,311	3,694,577	17,955,398
Section 8- FSS Escrow	1,276,310	739,827	459,335	1,556,802
Project Based Properties	890,686	2,287	-	892,973
Properties under SAHFC	15,070,608	41,733	1,076,997	14,035,344
Education Investment Foundation	97,039	58,223	-	155,263
Capital Fund Program	1,238,970	3,969	-	1,242,938
Development Activities under SAHFC	1,270,665	3,128	241,072	1,032,722
Non-Profit-Other Restricted	635,172	16,896	47,379	604,689
Other Restricted Cash	234,841	81,139	93,003	222,977
Endowment Trust	603,060	1,597	9,596	595,061
Sub-Total:	86,174,447	106,182,318	113,167,989	79,188,776
Investments				
Restricted Investments at Various Banks:				
Public Housing	-	-	-	-
Other Restricted Investments	2,134,697	1,219,556	2,417,036	937,217
Sub-Total:	2,134,697	1,219,556	2,417,036	937,217
Total Cash & Investments:	\$ 88,309,144	\$ 107,401,874	\$ 115,585,025	\$ 80,125,993

**San Antonio Housing Authority
Cash Held for Properties Managed by SAHA
March 31,2020**

	12/31/2019	Deposits	Withdrawals	3/31/2020
Cash Held for Properties Managed by SAHA:				
Cash from Tax-Credit Partnerships	5,143,523	1,491,833	1,142,883	5,492,473
Total Cash Held for Properties Managed by SAHA:	\$ 5,143,523	\$ 1,491,833	\$ 1,142,883	\$ 5,492,473


**San Antonio Housing Authority
Collateralization
March 31, 2020**


	Total Deposits	Deposits Covered by FDIC	Deposits Covered by Collateral	Pledged Collateral
Frost National Bank	\$ 78,878,997	\$ 500,000	\$ 78,878,997	\$ 89,295,525
US Bank	\$ 1,032,722	\$ 250,000	\$ 160,622	\$ 160,622
Bank of New York - Woodhill	\$ 236,268	\$ -	\$ -	\$ -
Bank of New York - Sendero	\$ 427,568	\$ -	\$ -	\$ -
Bank of New York - Converse Ranch II	\$ 273,381	\$ -	\$ -	\$ -
Walker & Dunlop - Converse Ranch I	\$ 520,122	\$ 250,000	\$ -	\$ -
Walker & Dunlop - Bella Claire	\$ 88,848	\$ 88,848	\$ -	\$ -
Walker & Dunlop - SAHFC	\$ 410,442	\$ 250,000	\$ -	\$ -
	\$ 81,868,348	\$ 1,338,848	\$ 79,039,619	\$ 89,456,147

For the period ending March 31, 2020, interest rates for Frost Demand Accounts and Money Market Accounts averaged 1.19% and 1.29%, respectively. Average short-term U.S. Treasury Bill rates for March 2020 ranged from 0.20% to 0.26% and the 12 Month Frost Bank Jumbo CD averaged 0.39%.

FDIC has made permanent the standard coverage - all funds in noninterest-bearing accounts are fully insured up to \$250,000

The accompanying Cash and Investment Summary Report has been prepared in accordance with the compliance requirements of the Texas Public Funds Investment Act, Chapter 2256. As the Investment Officer for the San Antonio Housing Authority I certify that all investments in our portfolio comply with the investment strategy expressed in SAHA's Investment Policy dated April 14, 2016 and with the relevant provisions of the State of Texas, Government Code, Chapter 2256, Public Funds Investment.


DocuSigned by:

 Diana K. Fiedler, CPA, CGMA
 Investment Officer, Director of Finance and Accounting

DocuSigned by:

 Ed Hinojosa Jr.
 CFO

Footnotes:

- * Includes Mirasol Settlement Funds (Original Settlement Amount is \$12.7 million)

GRANTS REPORT AS OF March 31, 2020

		CAPITAL GRANTS					<div><div>CAPITAL GRANTS</div><div>Unmet expenditure deadline approaching within 6 Months Unmet obligation deadline approaching within 12 Months Grant expenditure is not progressing as planned</div></div>				
Grant Number	Obligation End Date	Expenditure End Date	Amount to be Obligated by End Date	LOCCS Authorized	Cumulative PHA Obligated	Unobligated Amount	Obligation Percentage	Cumulative GL PHA Expended	Expended Percentage	LOCCS Disbursement	
Capital Fund Program (CFP)											
Capital Projects at various PH Properties											
TX59P006501-10	07/14/12	07/14/14	\$ 8,770,114.80	\$ 9,744,572.00	\$ 9,744,572.00	\$ -	100%	\$ 9,744,572.00	100%	\$ 9,744,572.00	(1)
*Major Project: Marie McGuire											
TX59P006501-11	08/02/13	08/02/15	\$ 7,336,199.70	\$ 8,151,333.00	\$ 8,151,333.00	\$ -	100%	\$ 8,151,333.00	100%	\$ 8,151,333.00	(1)
*Major Projects: Blanco, Marie McGuire, Westway											
TX59P006501-12	03/11/14	03/11/16	\$ 6,669,297.00	\$ 7,410,330.00	\$ 7,410,330.00	\$ -	100%	\$ 7,410,330.00	100%	\$ 7,410,330.00	(1)
*Major Projects: Fair Avenue, South San, Sun Park											
TX59P006501-13	09/08/15	09/08/17	\$ 6,472,918.80	\$ 7,192,132.00	\$ 7,192,132.00	\$ -	100%	\$ 7,192,132.00	100%	\$ 7,192,132.00	(1)
*Major Projects: Lewis Chatham, Jewett Circle, Westway											
TX59P006501-14	05/12/16	05/12/18	\$ 6,564,698.10	\$ 7,294,109.00	\$ 7,294,109.00	\$ -	100%	\$ 7,294,109.00	100%	\$ 7,294,109.00	(1)
*Major Projects: Westway, Charles Andrews, Cassiano Homes											
TX59P006501-15	04/12/17	04/12/19	\$ 6,785,826.30	\$ 7,539,807.00	\$ 7,539,807.00	\$ -	100%	\$ 7,539,807.00	100%	\$ 7,539,807.00	(1)
*Major Projects: Charles Andrews, HB Gonzalez											
TX59P006501-16	04/12/18	04/12/20	\$ 7,024,842.00	\$ 7,805,380.00	\$ 7,805,380.00	\$ -	100%	\$ 7,805,380.00	100%	\$ 7,805,380.00	(1)(2)
*Major Projects: Westway, WC White											
TX59P006501-17	08/15/19	08/15/21	\$ 7,176,040.20	\$ 7,973,378.00	\$ 7,973,378.00	\$ -	100%	\$ 7,973,378.00	100%	\$ 7,973,378.00	(1)(3)
*Major Projects: Victoria Plaza, Villa Tranchese											
TX59P006501-18	05/28/21	05/28/23	\$ 11,098,890.00	\$ 12,332,100.00	\$ 12,332,100.00	\$ -	100%	\$ 9,499,379.97	77%	\$ 8,700,320.22	(4)(7)
*Major Projects: Victoria Plaza, Blanco											
TX59P006501-19	04/15/22	04/15/24	\$ 11,636,649.90	\$ 12,929,611.00	\$ 9,779,930.64	\$ 3,149,680.36	76%	\$ 1,757,331.43	14%	\$ 1,617,135.25	(5)(7)
*Major Projects: Madonna, L.C. Rutledge											
TX59P006501-20	03/25/23	03/25/25	\$ 11,742,078.60	\$ 13,046,754.00	\$ -	\$ 13,046,754.00	0%	\$ -	0%	\$ -	(6)(7)
*Major Projects: Mirasol, Villa Verimendi											
Urban Revitalization Program (Hope 6) (URP)											
Choice Neighborhood Grant											
TX6J006CNG112	09/30/19	09/30/19		\$ 29,652,649.09	\$ 29,652,649.09	\$ -	100%	\$ 29,652,649.09	100%	\$ 29,652,649.09	(1)
*Implementation grant for Wheatley Neighborhood											

- (1) These grants are expended and disbursed at 100% however, HUD still requests monthly updates in eLOCCS.
 (2) A portion of the 2016 CFP grant contains DDTF funding of \$832,561. Total DDTF funding has been expended.
 (3) A portion of the 2017 CFP grant contains DDTF funding of \$854,061. Total DDTF funding has been expended.
 (4) A portion of the 2018 CFP grant contains DDTF funding of \$1,204,763. Total DDTF funding has been expended.
 (5) A portion of the 2019 CFP grant contains DDTF funding of \$1,269,432. No DDTF funding has been expended.
 (6) A portion of the 2020 CFP grant contains DDTF funding of \$733,624. No DDTF funding has been expended.
 (7) Obligation and Expenditure End Date were extended by 1 year for all open Capital Fund grants due to COVID-19. The extension was published by HUD on 04/10/2020.

GRANTS REPORT AS OF March 31, 2020

HUD - PROGRAM GRANTS							PROGRAM GRANTS Grant expenditure is not progressing as planned.		
Grant Number	Effective Date	Expenditure End Date	LOCCS Authorized	Cumulative Expended	Expended Percentage	Remaining to Expend	LOCCS Disbursement		
Resident Opportunities & Self Sufficiency (ROSS)									
Funding for Family Self Sufficiency (FSS) Coordinators									
ROSS191334	05/13/19	05/12/22	\$ 508,761.00	\$ 90,317.19	18%	\$ 418,443.81	\$ 73,915.05		
*2018 ROSS Service Coordinators									
TX006FSS18TX2673	02/19/19	02/18/20	\$ 822,783.00	\$ 822,783.00	100%	\$ -	\$ 822,783.00		
*PH & HCV Combined FSS 2018									
FSS20TX3445	01/01/20	12/31/20	\$ 936,002.00	\$ 248,028.46	26%	\$ 687,973.54	\$ 151,542.08		
*PH & HCV Combined FSS 2019									
Jobs Plus									
Funding for PHAs to develop locally-based approaches to increase earnings and advance employment outcomes for Public Housing residents									
TX006FJP000815	06/06/16	09/30/22	\$ 2,700,000.00	\$ 2,528,825.00	94%	\$ 171,175.00	\$ 2,521,549.97		
*Jobs Plus - Cassiano									

NON-HUD - PROGRAM GRANTS							
Grant Number	Performance Date	Award Amount	Cumulative Expended	Expended Percentage	Remaining to Expend	Reimbursement Received	
Annie E. Casey Foundation Wheatley Courts Family Support Services Caseworker (Eastside Jobs Plus)							
SAHA 2019 Jobs Plus East	01/01/19 - 12/31/19	\$ 170,000.00	\$ 121,399.40	71%	\$ 48,600.60	\$ 121,399.40	
SAHA 2020 Jobs Plus East	01/01/20 - 12/31/20	\$ 85,000.00	\$ -	0%	\$ 85,000.00	\$ -	
Alamo Colleges Health Professions Opportunity Grant (HPOG)							
HPOG Grant 2019	09/30/19 - 09/30/20	\$ 52,740.00	\$ 33,022.52	63%	\$ 19,717.48	\$ 26,171.95	

(8) This grant ended on 12/31/19. \$48,600.60 will remain unexpended.

GRANTS REPORT AS OF March 31, 2020

LIST OF GRANT APPLICATIONS						
Grant Name	Award Amount	Date Submitted	Match Amount	Term of the Grant	Application Status	Description
Mainstream Voucher	\$2,170,800	06/15/18	N/A	N/A	Awarded	HUD Mainstream Voucher Grant
Silver & Black Give Back Operation	\$100,000	07/16/19	N/A	N/A	Pending	Spurs Entertainment - Youth Learn & Play
Kresge Foundation BOOST Grant	\$450,000	07/26/19	N/A	N/A	Pending	BOOST Grant partnership with YWCA & ACCD

Headcount Report

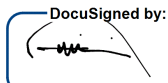
Department																						
	FT	HC	HIRES	TERMS	HC	* PT	HC	HIRES	TERMS	HC	CURRENT TOTAL	HEADCOUNT	FT	PT	BUDGETED	VARIANCE	FT	VARIANCE	PT	VARIANCE	TOTAL	
Asset Management	3	-	-		3	-	-	-		-	3		3	-		3	-		-		-	
Construction	9	1	-		10	-		1	-	1	11		13	-		13	3		(1)		2	
DSNR	7	-		1	6	-	-	-		-	6		9	-		9	3		-		3	
Beacon	48	25		13	60	-	-	-		-	60		92	-		92	32		-		32	
Security	2	-	-		2		1	-	-	1	3		2		1	3	-		-		-	
Executive	7	1	-		8	-	-	-		-	8		8	-		8	-		-		-	
Finance and Accounting	16	4		2	18		2	6		6	20		22		1	23	4		(1)		3	
Human Resources	8	-	-		8	-	-	-		-	8		8	-		8	-		-		-	
IT	7	2		1	8		1	2		1	10		10		1	11	2		(1)		1	
Internal Audit	5	-	-		5	-	-	-		-	5		5	-		5	-		-		-	
Legal	2	-	-		2	-	-	-		-	2		2		1	3	-		1		1	
CDI	42	14		9	47		16	7		8	15		62		54	106	7		91		98	
Policy And Planning	4	-		1	3	-	-	-		-	3		4		2	6	1		2		3	
Procurement	14	-	-		14	-	-	-		-	14		14	-		14	-		-		-	
Public Housing	175	40		36	179	-	-	-		-	179		210		1	211	31		1		32	
Public Affairs	5	2		2	5	-	-	-		-	5		6		1	7	1		1		2	
Regulatory Oversight	3	-	-		3	-		1	-	1	4		3	-		3	-		(1)		(1)	
Risk Management	2	-	-		2	-		1		1	2		2		1	3	-		1		1	
Section 8 Vouchers	80	9		14	75		1	-		1	75		89		1	90	14		1		15	
TOTAL	439	98		79	458		21	18		17	22		480		556	116	672	98		94		192

* PT status includes Interns and Summer Youth

SAN ANTONIO HOUSING AUTHORITY

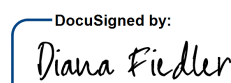
May 21, 2020

BOARD OF COMMISSIONERS
Finance Committee**RESOLUTION 6032, APPROVING THE CONSOLIDATED OPERATING BUDGET FOR SAN ANTONIO HOUSING AUTHORITY AND ITS AFFILIATED NONPROFIT ENTITIES FOR THE FISCAL YEAR ENDING JUNE 30, 2021.**

DocuSigned by:

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David Nisivoccia
President and CEO

DocuSigned by:

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Ed Hinojosa
Chief Financial Officer

DocuSigned by:

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Diana Kollodziej Fiedler
Director of Finance and
Accounting

REQUESTED ACTION:

Consideration and appropriate action regarding Resolution 6032, approving the Consolidated Operating Budget for the San Antonio Housing Authority and its affiliated Nonprofit entities for the fiscal year ending June 30, 2021.

FINANCIAL IMPACT:

The proposed budget will be implemented for the Fiscal Year starting July 1, 2020, and ending June 30, 2021. Financial performance versus budget will be reported back to the Finance Committee on a periodic basis throughout the year.

SUMMARY:

The budget is to help the agency plan operational activities, while considering established goals with respect to the current and future funding environment. The budget has been developed in support of the San Antonio Housing Authority's following strategic goals:

- 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.

All departmental and operational budgets were prepared in accordance with the following directives:

- All SAHA budgets are based on Agency priorities and established strategic goals.
- Section 8 HAP is budgeted at 99.4% funding proration with our MTW Target Utilization of 12,240 vouchers adjusted for known allocations of Tenant Relocation or Special Programs.
- For Section 8 Administration, we budgeted average funding at 79% proration. The budget for Section 8 Administration includes continued efforts towards efficiency improvement and cost reduction.

SAN ANTONIO HOUSING AUTHORITY**May 21, 2020**

- Public Housing property budgets reflect subsidy funding of 92.5% proration, accordingly, all cost budgets are consistent with this projected funding level. Target occupancy is 97%; however, due to the effects of COVID-19, this figure could be impacted. Also, due to the effects of COVID-19, an average 18% reduction in tenant rent is projected for the fiscal year.
- Target occupancy ranges from 93%-97% for the Beacon properties; however, due to the effects of COVID-19, a 5% reduction in rents is projected for the first six months of the fiscal year.
- Development Services budgets are consistent with the 5-year development plan.
- Central Office Cost Center (COCC) and Service Departments will experience continued pressure on funding and fees. The COCC funding restrictions are partially supported by efficiency improvements and other cost reduction efforts.

Staff has been working on the Fiscal Year 2020-2021 budget process, since October 2019. While staff continues to monitor the federal funding news, budgets were prepared using conservative estimates based on available information. Staff is pleased to present an overall balanced budget for the 2020-2021 fiscal year.

Managers worked diligently to produce operating budgets for their areas of responsibility. Officers and Directors have met with the Executive team to present their budgets and have made all appropriate adjustments.

Staff has focused on making prudent departmental and budgetary decisions, especially during this very challenging and changing funding environment, which has now been further exacerbated by the effects of COVID-19. The agency will also continue identifying and implementing solutions that will build on existing strengths and deliver services effectively and efficiently, while being innovative, ethical and nimble.

Following review by the Finance Committee, the budget will be presented to the full Board of Commissioners for consideration and approval at the June 4, 2020, meeting.

STRATEGIC GOAL:

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

ATTACHMENTS:

Resolution 6032

HUD form 52574

Budget Presentation

**San Antonio Housing Authority
Resolution 6032**

RESOLUTION 6032, APPROVING THE CONSOLIDATED OPERATING BUDGET FOR THE SAN ANTONIO HOUSING AUTHORITY AND ITS AFFILIATED NONPROFIT ENTITIES FOR THE FISCAL YEAR ENDING JUNE 30, 2021

WHEREAS, the fiscal year of the San Antonio Housing Authority and its affiliated Nonprofit entities runs from July 1 through June 30; and

WHEREAS, the Commissioners of the San Antonio Housing Authority are responsible for the adoption of its operating budget under its Rules of Governance; and

WHEREAS, the U.S. Department of Housing and Urban Development requires the San Antonio Housing Authority to adopt a public housing budget for its approval; and

WHEREAS, the San Antonio Housing Authority has prepared a Consolidated Operating Budget that maintains the long-term financial health of the agency and the ability to provide quality housing and services; and

WHEREAS, SAHA Moving to Work (MTW) funds are obligated consistent with the MTW Plan for the following:

- 1) Section 8 funding shortfall - \$2.2 million
- 2) Public Housing funding shortfall - \$4.5 million
- 3) Program administration and implementation of MTW initiatives - \$1.4 million
- 4) Capital Planning - \$500 thousand
- 5) Additional Funding for East Meadows Public Improvements and Relocation - \$200 thousand
- 6) Expansion of Public Housing Wi-Fi - \$2 million
- 7) Highland Park property support - \$1 million
- 8) Preservation and expansion of affordable and public housing - \$15.1 million

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of SAHA hereby:

- 1) Reviewed the Consolidated Budget and has found that the final plan is reasonable in that it indicates a source of funding adequate to cover proposed expenditures; and
- 2) Approves Resolution 6032, approving the Consolidated Operating Budget for the San Antonio Housing Authority and its affiliated Nonprofit entities for the Fiscal Year Ending June 30, 2021, and the obligation of funds as described in this Resolution and included in the referenced Consolidated Operating Budget; and

- 3) Authorizes the Board Chair and President and CEO to submit and sign the HUD forms related to this Operating Budget.

Passed and approved the 4th day of June 2020.

Ana M. "Cha" Guzman
Chair, Board of Commissioners

Attested and approved as to form:

David Nisivoccia
President and CEO

PHA Board Resolution

Approving Operating Budget

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 07/31/2019)

Public reporting burden for this collection of information is estimated to average **10 minutes per response**, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: San Antonio Housing Authority PHA Code: TX006

PHA Fiscal Year Beginning: 07/01/2020 Board Resolution Number: 6032

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- ☒ Operating Budget approved by Board resolution on: 06/04/2020
- ☐ Operating Budget submitted to HUD, if applicable, on:
- ☐ Operating Budget revision approved by Board resolution on:
- ☐ Operating Budget revision submitted to HUD, if applicable, on:

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name: Ana M. "Cha" Guzman	Signature:	Date: 06/04/2020
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Budget Workshop

Proposed Goals & Budget Fiscal Year 2020-2021

Finance Committee Meeting

May 21, 2020

AGENDA

2

I. Background

- SAHA Significant Accomplishments in FY 2019-2020
- Guiding Principles and Strategic Plan Alignment

II. Funding Environment

- Who We Serve
- Federal Funding Trend

III. SAHA FY 2020-2021 Budget

- FY 2020-2021 Consolidated Budget - Revenues and Expenses
- MTW Proposed Uses
- SAHA Staffing Count and Organizational Chart
- Agency Goals and Priorities

SAHA and Partner FY 19–20 Accomplishments

3

- **Received 16 Awards of Merit from the National Association of Housing and Redevelopment Officials (NAHRO)** for various innovative programs and initiatives. Additionally, SAHA garnered two NAHRO National Awards of Excellence for Wheatley Park Senior Living Project Design and the Walking School Bus Initiative at Cassiano Homes.
- **SAHA and Terramark Urban Homes broke ground and held a ribbon-cutting ceremony** to celebrate the construction of 12 new homes on the Eastside through the Choice Neighborhoods Initiative. Residents have the opportunity to purchase new homes at an affordable price and achieve their dreams of homeownership.
- **SAHA announced it garnered 9 percent Low-Income Housing Tax Credits by the Texas Department of Housing and Community Affairs to build Alazan Lofts**, a new development that will expand affordable housing on the Inner Westside of San Antonio.
- **Through Community Development Initiatives, SAHA has held 1,756 various events** to connect residents with resources and skills training.
- **Substantially completed sale of 94 PH scattered site homes.** Net sale proceeds to date total \$7.4 million. The 7 remaining homes should close in the next 90 days. Net sale proceeds will be reinvested in capital projects to extend the useful life of existing PH assets.
- **Successfully installed approximately 2,400 new air conditioner units** at 20 Public Housing communities.

Budget Guiding Principles & Goals

4

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

THE NEED IN SA

5



25%

of San Antonio renters spend more than half of their income on housing

42,853

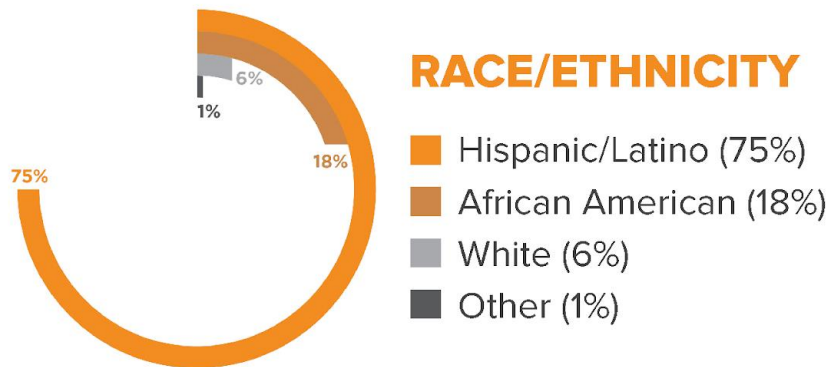
Households on all housing waitlists

WHO WE SERVE

6

57,000

individuals housed



27,000

children (48%)

97%

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

8%

of San Antonio rental market

FINANCIAL BARRIERS

\$9,899

Median Income

(\$50,980 *San Antonio*; \$72,000 *SA-NB Metro*)

52%

on a fixed income

53%

are elderly and/or disabled

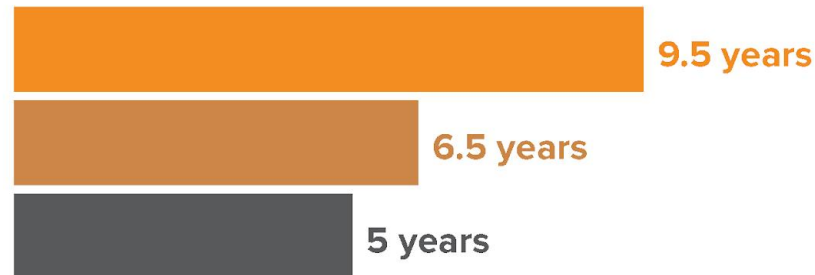
32%

are earning wages

\$234

average household rent

MEDIAN TENURE



- Older householder
- Householder with disability
- Work-able householder

RESIDENT EMPOWERMENT

8



1,649

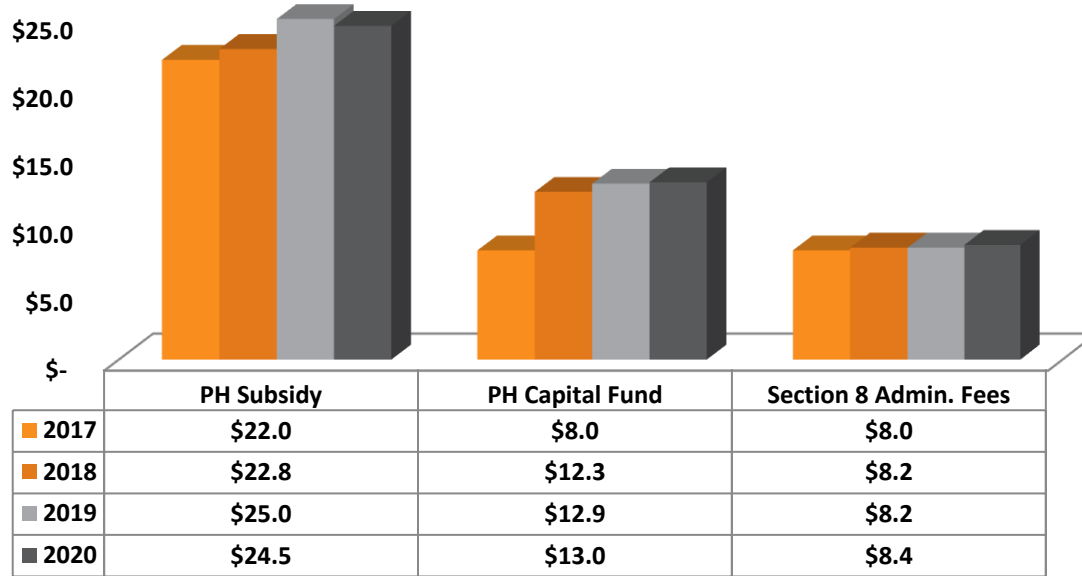
served through veteran and homeless programs with supportive services

1,703

receiving Community Development Initiatives services

Federal Funding Trend

9

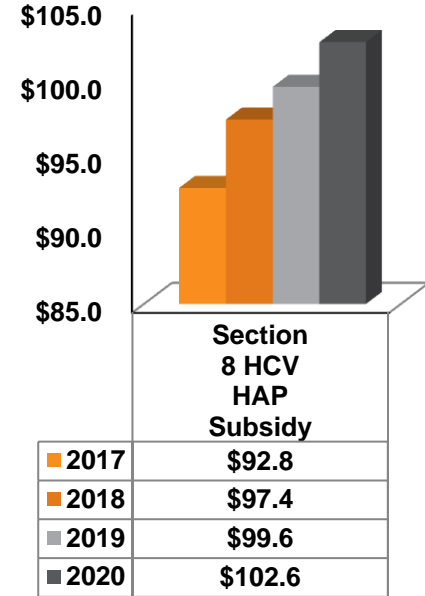


Percentage Change
2020 vs 2019

-2.0%

0.78%

2.44%



3.01%

- Section 8 Housing Choice Voucher information indicated above does not include any Section 8 special programs
- Section 8 Choice Voucher HAP proration was 97% in 2017, 99.7% in 2018, 99.5% in 2019, and 99.4% in 2020
- Section 8 Admin Fee proration was 78% in 2017, 80.6% in 2018, 81.1% in 2019, and is projected to be 79% in 2020
- PH Operating Fund proration was 97.77% for 2019 and is projected to be 95% for 2020. HUD usually finalizes proration in October

Calendar Year Average HAP per Unit

10

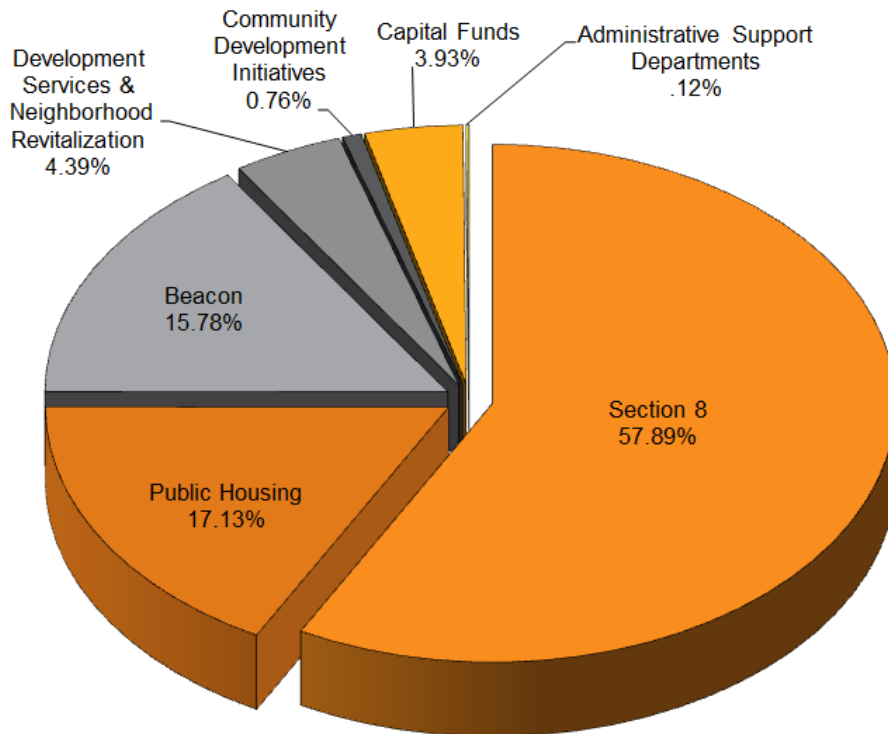
Year	HAP Cost Per Unit	Dollar Increase	Percent Increase
2015	554.87	-	-
2016	571.10	\$16.23	2.93%
2017	589.87	\$18.77	3.29%
2018	618.65	\$28.78	4.88%
2019	631.23	\$12.58	2.03%
Projected 2020	684.06	\$52.83	8.37%

Approximately 2.4% of the projected 2020 increase is inflationary, the balance is COVID related increases for the months of May through December

FY 2021 Consolidated Revenue (Sources)

\$203.6 Million

11



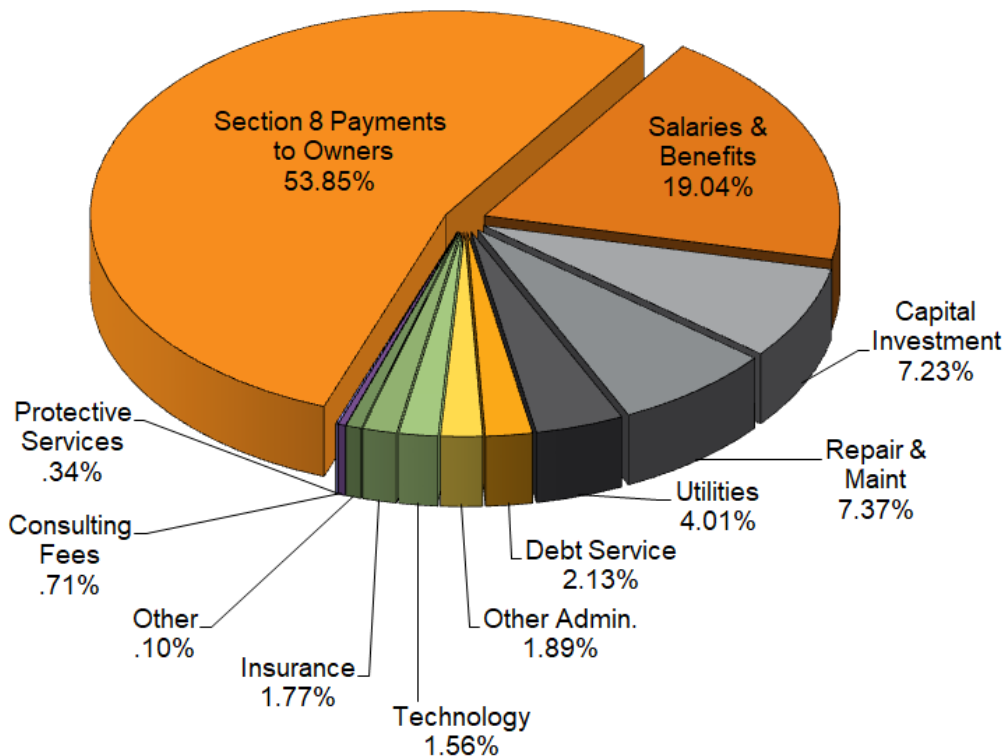
Line of Business	Projected Revenue (Mil) \$203.6
Section 8 (HAP & Admin Fee)	\$117.8
Public Housing	\$ 34.9
Beacon	\$ 32.1
Real Estate Services	\$ 8.9
Community Initiatives	\$ 1.6
Capital Funds	\$ 8.0
Administrative Support departments	\$ 0.3

- Revenue above reflects Fiscal Year funding as opposed to Slide 7, which reflects HUD Calendar Year funding
- Section 8 Revenue includes all special programs

FY 2021 Consolidated Use of Funds

\$203.6 Million

12



Budget Line Item	Projected Expenses (Mil) \$203.6
Section 8 Payments to Owners	\$109.7
Salaries & Benefits	\$38.8
Repair & Maint (Non-Capital)	\$15.0
Capital Investment	\$14.7
Utilities	\$8.2
Debt Service Interest	\$4.3
Admin. & Other	\$3.8
Insurance	\$3.6
Technology	\$3.2
Consulting Fees	\$1.4
Protective Services	\$0.7
Other	\$0.2

Budget by Line of Business (Millions)

13

Balanced Budget

Description	Public Housing	Section 8	Beacon	Real Estate	Central	CDI/MTW	Subtotal
Operating Revenue	\$ 33.9	\$ 117.8	\$ 31.3	\$ 8.7	\$ 1.4	\$ 1.6	\$ 194.7
Operating Expenses							
HAP Expense	-	109.7	-	-	-	-	
Salaries and Benefits	12.3	5.1	7.3	1.0	10.5	2.3	
Repairs and Maintenance	9.7	-	4.9	0.1	0.29	-	
Utilities	5.1	-	2.9	-	0.20	-	
Protective Services	0.2	-	0.2	-	0.20	-	
Insurance	1.7	0.2	1.5	-	0.20	0.1	
Other Expenses	2.2	1.7	2.0	0.8	2.30	0.7	
Total Operating Expenses	31.2	116.7	18.8	1.9	13.7	3.1	185.4
Net Operating Income	\$ 2.7	\$ 1.1	\$ 12.5	\$ 6.8	\$ (12.3)	\$ (1.5)	\$ 9.3
Interest Income	\$ 1.0	0.0	0.8	1.3	0.2	0.0	3.3
Non-Operating Income & Expenses ¹	(8.2)	(3.3)	(8.3)	(0.1)	11.2	0.1	(8.6)
Net Surplus or (Deficit) ²	\$ (4.5)	\$ (2.2)	\$ 5.0	\$ 8.0	\$ (0.9)	\$ (1.4)	\$ 4.0

¹ Management Fee and Interest Expense are the primary sources of the listed Non-Operating Expenses, but also includes Replacement/Extraordinary items.

² Beacon net surplus of \$5.0 does not include \$2.8 million in principal payments on loans or any bank required debt service coverage ratio which is typically 1.25%.

Proposed Uses of SAHA MTW Funds

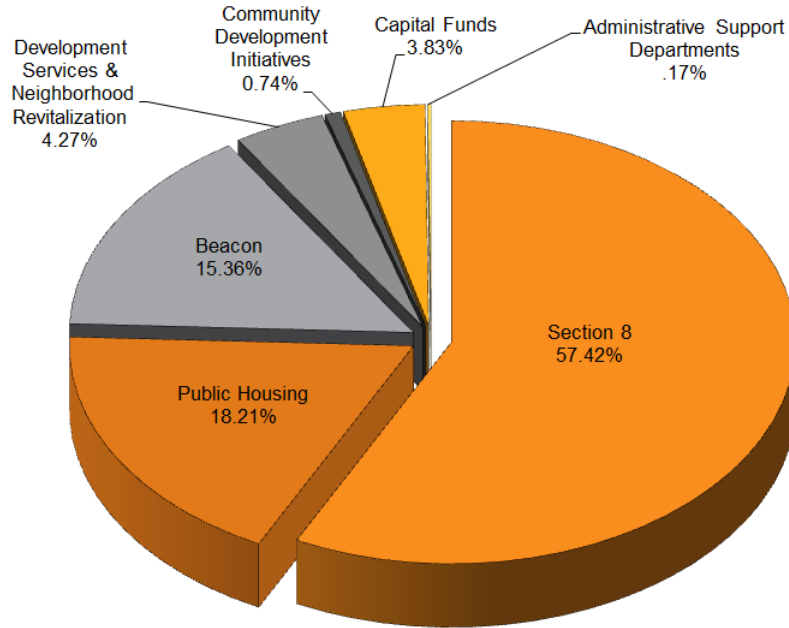
Preservation and Expansion of Affordable and Public Housing

14

Priority	Purpose	Amount (in Mil)
Section 8	To enable Section 8 to continue to serve residents in spite of increased costs due to COVID-19	\$2.2
Public Housing	To enable the Public Housing Program to continue to serve residents in spite of increased costs due to COVID-19	\$4.5
Community Development Initiatives	Program administration and implementation of MTW strategic goals: <ul style="list-style-type: none"> • Host 1,200 community events/activities with 18,000 residents participating • Provide 20,000 households with food assistance valued at \$1 million • Provide 50 college scholarships and over 180 REACH Awards • Maintain over 1,800 FSS/Jobs Plus participants; 40% maintain employment • Facilitate 20 residents to graduate from FSS; provide over \$100k in escrows • Assess over 1,500 EDS residents and facilitate 90% maintain independence 	\$1.4
Other Uses	<ul style="list-style-type: none"> • Capital Planning • Additional funding for East Meadows Public Improvements and Relocation (due to loss of GDBG funds) • Expansion of Public Housing Wi-Fi • Highland Park • Preservation and expansion of affordable and public housing 	\$0.5 \$0.2 \$2.0 \$1.0 \$15.1
Total Proposed Use of SAHA MTW Funds		\$26.9

Optimistic FY 2021 Consolidated Revenue (Sources) (Sources) \$209.0 Million

15



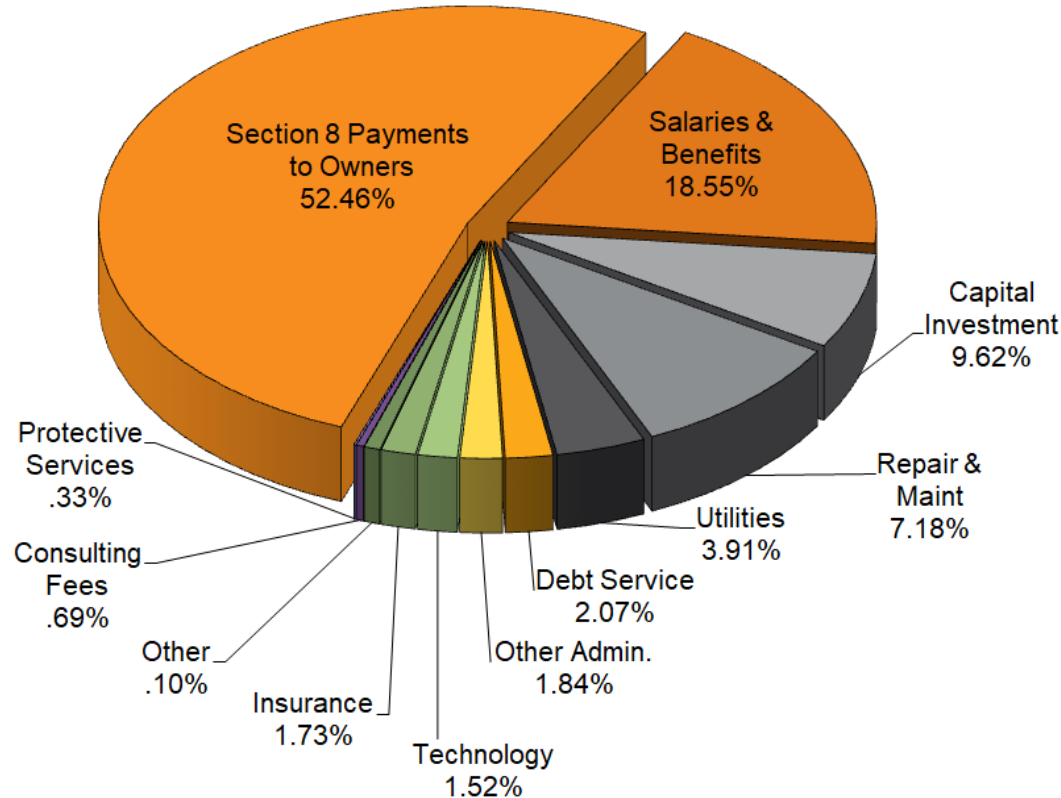
Line of Business	Projected Revenue (Mil) \$203.6	Cares Act Funding (Mil) \$5.4	Projected Revenue (Mil) \$209.0
Section 8 (HAP & Admin Fee)	\$117.8	\$2.2	\$120.0
Public Housing	\$34.9	\$3.2	\$38.1
Beacon	\$32.1	\$0.0	\$32.1
Real Estate Services	\$8.9	\$0.0	\$8.9
Community Initiatives	\$1.6	\$0.0	\$1.6
Capital Funds	\$8.0	\$0.0	\$8.0
Administrative Support departments	\$0.3	\$0.0	\$0.3

- Revenue above reflects Fiscal Year funding as opposed to Slide 7, which reflects HUD Calendar Year funding
- Section 8 Revenue includes all special programs

Optimistic FY 2021 Consolidated Use of Funds

\$209.0 Million

16



Budget Line Item	Projected Expenses (Mil) \$209.0
Section 8 Payments to Owners	\$109.7
Salaries & Benefits	\$38.8
Repair & Maint (Non-Capital)	\$15.0
Capital Investment	\$20.1
Utilities	\$8.2
Debt Service Interest	\$4.3
Admin. & Other	\$3.8
Insurance	\$3.6
Technology	\$3.2
Consulting Fees	\$1.4
Protective Services	\$0.7
Other	\$0.2

Optimistic Proposed Uses of SAHA MTW Funds

Preservation and Expansion of Affordable and Public Housing

17

Priority	Purpose	Amount (in Mil)
Section 8	To enable Section 8 to continue to serve residents in spite of increased costs due to COVID-19	\$0.0
Public Housing	To enable the Public Housing Program to continue to serve residents in spite of increased costs due to COVID-19	\$1.3
Community Development Initiatives	Program administration and implementation of MTW strategic goals: <ul style="list-style-type: none"> • Host 1,200 community events/activities with 18,000 residents participating • Provide 20,000 households with food assistance valued at \$1 million • Provide 50 college scholarships and over 180 REACH Awards • Maintain over 1,800 FSS/Jobs Plus participants; 40% maintain employment • Facilitate 20 residents to graduate from FSS; provide over \$100k in escrows • Assess over 1,500 EDS residents and facilitate 90% maintain independence 	\$1.4
Other Uses	<ul style="list-style-type: none"> • Capital Planning • Additional funding for East Meadows Public Improvements and Relocation (due to loss of GDBG funds) • Expansion of Public Housing Wi-Fi • Highland Park • Preservation and expansion of affordable and public housing 	\$0.5 \$0.2 \$2.0 \$1.0 \$24.5
Total Proposed Use of SAHA MTW Funds		\$30.9

Beacon Five Year Capital Plan

18

- The total 5 year Capital Plan is \$29M with most expenses in years 1-3. All capital improvements are projected to be funded through property debt and reserves. Capital projects are based on the properties' condition and are heavily dependent on the level of deferred maintenance that require correction.
- By year 4, the refinancing plan for the current SAHA owned portfolio is projected to be complete. Once the partnership interest is acquired in the individual tax credit properties, capital planning will be based on property needs and refinancing opportunities and will coincide with the portfolio transition from Asset Management to Beacon.

CFP Five Year Capital Plan

19

	Total	Current FY 2019-2020	Year 1 FY 2020-2021	Year 2 FY 2021-2022	Year 3 FY 2022-2023	Year 4 FY 2023-2024	Year 5 FY 2024-2025
CFP Uses for Capital Projects:							
Projects On-Hold to Preserve Cash			3,513,823				
DDTF Development Activity / Capital Projects	217,972	217,972					
A&E Fees and Construction Management Salaries	2,197,419	197,419	400,000	400,000	400,000	400,000	400,000
PHA Wide - (TBD) Emergency/Unscheduled Repairs, etc.	2,582,352	0	500,000	650,000	650,000	650,000	132,352
College Park - Elevator #2 - Cylinder Replacement	75,000	75,000					
Fair Avenue - Asbestos Consultant Services	152,065	152,065					
L.C. Rutledge - Roof Replacement	905,637	905,637					
Madonna - Boiler Replacement	1,000,000	1,000,000					
Villa Tranchese - Asbestos Consultant Services	152,695	152,695					
Victoria Plaza -Window Abatement	48,039	48,039					
Victoria Plaza - Comprehensive Modernization	5,591,300	1,045,695	4,545,605				
Mirasol Homes - Roofing	1,209,800		400,000	809,800			
Sun Park Lane - Elevator Modernization	90,000		90,000				
W.C. White - HVAC Replacement	225,000		100,000	125,000			
Cassiano - 2424 Chihuahua - Foundation	200,000			200,000			
Cross Creek - Parking Lot Repairs	120,000			120,000			
Highview - Storm Drainage	161,200			161,200			
San Pedro Arms - Elevator Modernization	90,145			90,145			
South San - Drainage Repairs	161,200			161,200			
T.L. Shaley - Foundation Repairs - 827 & 829 Rita	278,814			278,814			
Villa Veramendi - Roofing	950,000			950,000			
Le Chalet - Substantial Renovation	1,498,720			223,113	1,275,607		
Morris Beldon - Substantial Renovation	912,885				912,885		
Francis Furey - Substantial Renovation	2,448,955				930,780	1,518,175	
College Park - Substantial Renovation	796,326					796,326	
Kenwood North - Substantial Renovation	936,864					790,066	146,798
Midway Apts - Substantial Renovation	701,096					14,705	686,391
Olive Park - Substantial Renovation	1,814,561						1,814,561
Park Square - Substantial Renovation	989,170						989,170
Total CFP Uses	\$ 26,507,215	\$ 3,794,522	\$ 9,549,428	\$ 4,169,272	\$ 4,169,272	\$ 4,169,272	\$ 4,169,272

SAHA Personnel Count

20

	2020 Budgeted Positions	2021 Budgeted Positions	Increase or (Decrease) in Position Count ¹	Personnel Distribution by Department
Public Housing	196	213	17	35%
Section 8 & Special Programs	89	91	2	15%
Community Development Initiatives	54	50 ²	(4)	8%
Beacon	87	113	26	19%
Real Estate Services	9	9	0	1%
Management & Administrative Support (COCC)				
Property Management	19	24	5	4%
Other Management & Administrative Support	102	109	7	18%
Total	556	609	53	100%

1 Details provided on following slide

2 Includes 27 grant-funded positions for ROSS, Annie E. Casey, Family Self Sufficiency, HPOG, Choice Endowment, United Way Jobs Plus and United Way Presente

Personnel Count Increase/(Decrease)

21

	Nan McKay	Non Nan McKay	Increase/(Decrease)
Public Housing			
Client Service Specialist	6	-	6
Maintenance	10	-	10
Property Manager	1	-	1
Section 8 & Special Programs			
Administration	2	-	2
CDI			
Grant Funded	-	(4)	(4)
Beacon*			
Administration	-	5	5
Leasing Agent	-	7	7
Maintenance	-	11	11
Property Manager	-	3	3
Property Management- COCC			
Public Housing			
Administration	3	2	5
Other Management & Administrative Support- COCC			
Administration	1	6	7
Total	23	30	53

*Increase is due to the addition of four new properties in the Beacon portfolio as well as 5 staff to support the management of these new properties and the properties that have and will continue to be transitioned to Beacon management

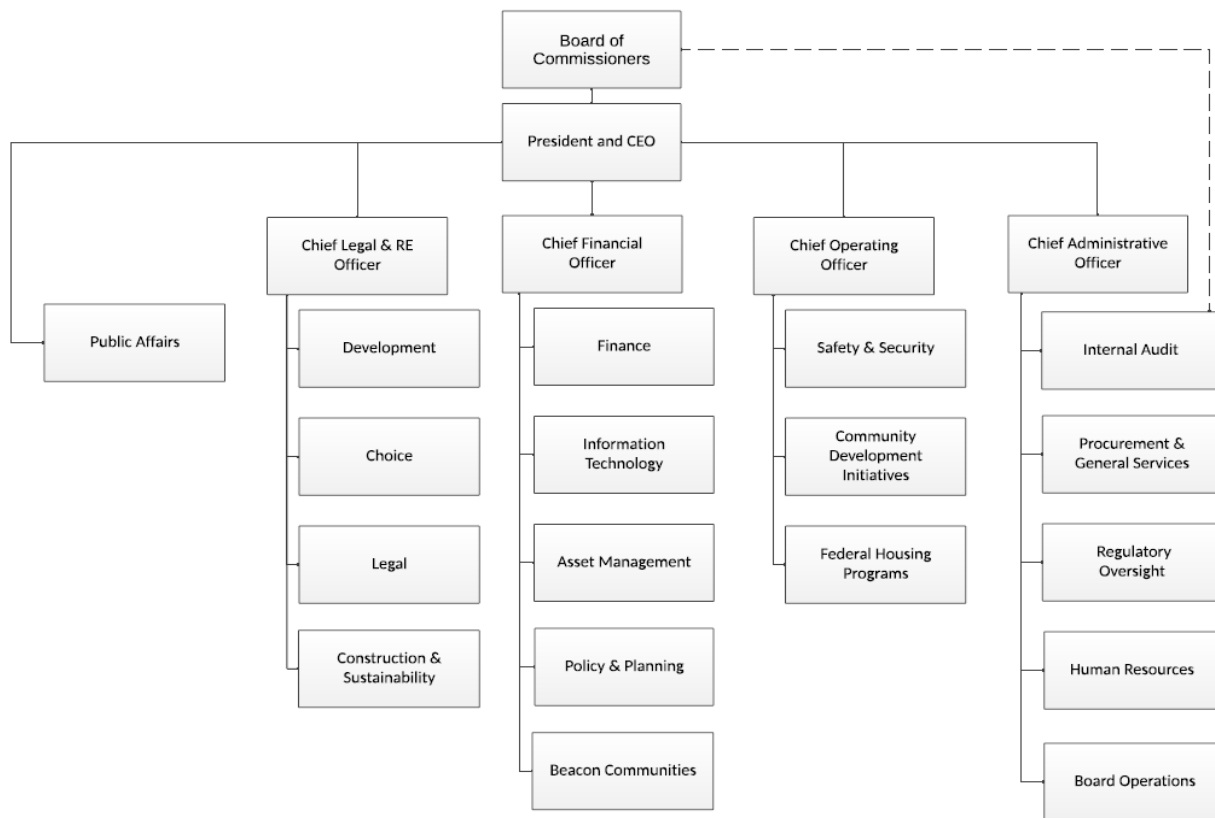
Position Savings

22

	Savings Included in Budget	
Public Housing	\$	815,143
Section 8 & Special Programs		169,498
Community Development Initiatives		-
Beacon		134,289
Real Estate Services		96,248
Management & Administrative Support (COCC)		
Property Management		23,425
Other Management & Administrative Support		434,967
1% Average Merit Increase		280,873
Total	\$	1,954,443

SAHA Organizational Structure

23



Goals for Assisted Housing

24

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

- Develop and implement updated Early Engagement Program

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

- Provide ongoing training to include mental health, first aid and customer service

Preserve and improve existing affordable housing resources and opportunities

- Special Programs: Utilize vouchers at 95% or above

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

- Investigate client software to improve program efficiencies and client experience

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

- Establish a Landlord Policy Alliance
- Strengthen relationships with Special Programs partners to improve mutual accountability and ownership of client outcomes

Goals for Public Housing

25

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

- Develop and implement updated Early Engagement Program
- Improve the resident experience through development of a resident toolkit

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

- Provide ongoing training to include mental health, first aid and customer service

Preserve and improve existing affordable housing resources and opportunities

- Improve REAC scores at all properties by at least 10 points and maintain score at high-performing communities

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

- Investigate client software to improve program efficiencies and the client experience
- Develop a PH Scorecard

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

- Establish an agency-wide Resident Alliance

Goals for Beacon Communities

26

Preserve and improve existing affordable housing resources and opportunities

- Complete capital work and rehabilitation of Sunshine Plaza, Pecan Hill, Castle Point, La Providencia, Burning Tree, Encanta Villa, Churchill Estates Townhomes, and Woodhill for an estimated improvement investment of \$16.2M.

Strategically expand the supply of affordable housing

- Continue to track and prepare for the 15-year tax credit ownership and management transition of Legacy at Science Park, Legacy on O'Connor, and Refugio. Explore opportunities to expand affordable housing with the Real Estate Deals group and prepare the business model to become a viable contender in the management-for-hire industry to increase management fee revenue for such opportunities.

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

- Complete the initial 3 year transition phase, saving the communities approximately \$1M annually in management fees. Increase occupancy to 96%. Continue seeking regulatory approval to go fully paperless from application to file maintenance while beta testing the procedures on the market communities. Continue implementation of water allocation saving the communities an estimated \$500k annually.

Goals for Real Estate Services

27

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

- Director to complete HCV executive management training (April 2021)
- Attend development industry specific conferences (TAAHP and AFH) (June 2021)

Strategically expand the supply of affordable housing

- Begin pre-development and close on 4% / Bond Deals
 - St John's Square (Nov 2020)
 - Horizon Point (Oct 2020)
 - Pearsall Flats (Nov 2020)
- Begin community engagement for Alazan Courts (July 2020)
- Obtain 9% tax credit award for Fiesta Trails (July 2020)
- Obtain contract with Victoria Commons master developer and begin construction of new townhomes (June 2021)

Goals for Construction Services & Sustainability

28

Preserve and improve existing affordable housing resources and opportunities

- Expend 2018 CFP Grant 100% by May, 28 2021
- Obligate 2019 CFP Grant by April 15, 2020
- Public Housing: complete and re-occupy Victoria Plaza Apartments, fire sprinkler and alarm projects at Fair Avenue and Villa Tranchese, Cassiano Homes offline units
- Beacon Communities: complete projects at Castle Point, Encanta Villa and Churchill Estates, Burning Tree, Sunshine Plaza, Pecan Hill, and Pin Oak I
- Complete architectural and engineering design projects for Madonna Apartments (gas infrastructure and boiler replacement), Highview Apartments (storm drainage improvements), and Central Office (HVAC project)
- Complete Phase II Energy Performance Contract

Strategically expand the supply of affordable housing

- Complete East Meadows residential and public improvements construction and Phase I
- Complete Artisan at Ruiz construction project
- Begin new construction at Majestic Ranch, 100 Labor, Culebra Crossing, Alazan Lofts, St. John's Square, Tampico Warehouse, Mira Vista, Old Pearsall Rd., 1604/I10, Kitty Hawk, Trader Flats and Pearsall Flats

Goals for Community Development Initiatives

29

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

- Improve quality of life for residents
 - Host 1,200 community events/activities with 18,000 residents participating
- Provide access to resources and non-SAHA programs
 - Provide 20,000 households with food assistance valued at \$1 million
- Improve resident capacity
 - Maintain over 1,800 FSS/Jobs Plus participants; 40% maintain employment
 - Provide 50 college scholarships and over 180 REACH Awards
- Facilitate residents to achieve self sufficiency or independence (EDS)
 - Facilitate 20 residents to graduate from FSS; provide over \$100k in escrows
 - Assess over 1,500 EDS residents and facilitate 90% maintain independence

Goals for Asset Management

30

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

- Completion of PNA field work and implementation of PNA Asset Management Database
- Develop Performance Scorecard for tax credit partnership properties
- Negotiate settlement of pending litigation with Wentwood and complete acquisition of 3 LIHTC properties

Preserve and improve existing affordable housing resources and opportunities

- Submit disposition application for remaining 69 PH scattered site homes; anticipated net sale proceeds of \$5.2M will be used to preserve and/or expand supply of affordable housing units
- Evaluate adaptive reuse of Springview administration office to provide additional affordable housing units
- Close on financing for EPC II and implement plan to install energy conservation measures in 2,311 PH units
- Evaluate and execute on financing opportunities for Sunshine and Pecan assets in Beacon Communities portfolio

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

- Support and encourage staff to pursue certifications and higher education opportunities

Goals for Procurement

31

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

- Increase the number of new individuals in Resident Pool List
- Continue effort to have 100% participation from vendors reporting Section 3 compliance online instead of submitting manually
- Hire at least one summer youth to assist the Procurement and General Services Department

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

- Increase opportunities for new staff related to State and HUD Procurement training
- Identify training opportunities for custodial and mailroom staff and courses related to fleet and facilities

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

- Develop and implement the new Section 3 and SWMBE Policies
- Finalize and implement the Fleet Management Policy and Procedures
- Pursue the outsourcing of fleet maintenance with a private sector third party provider

Goals for Innovative Technology

32

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

- Using the Mozilla winning funds and continuing to support the ConnectHome goals, complete the installation of the solar mesh winning idea at Cassiano Homes or Lincoln Heights

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

- Develop training model that will provide ongoing, consistent technical training for staff
- Provide technical support and consulting services for EOY, benefits and payroll processing
- Implement camera solutions that deter nuisance activity, protect staff, and SAHA property

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

- Continue the roll out of DocuSign using unlimited licenses to incorporate more business processes
- Implement New CMS (Client Management System) to improve service delivery to our clients
- Complete JDE and core operations to the cloud, complete server reduction initiatives
- Use cloud API's frameworks to develop applications and dashboards for relevant data mining
- Complete the implementation of planning/ procurement, Nemo-Q and Risk software
- Complete the upgrade of Central Office public and private Wi-Fi networks
- Complete the upgrade of our core and department switches and fiber backbone to support new technologies

Goals for Finance

33

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

- Continue to develop the skill set of staff by offering opportunities for cross-training; in addition to encouraging staff to pursue educational opportunities and professional certifications.

Preserve and improve existing affordable housing resources and opportunities

- Coordinate with Asset Management and lender(s) to potentially leverage various properties from the Beacon portfolio.
- Collaborate with the Asset Management, Legal, and Beacon departments to convert tax credit properties reaching the end of their 15 year initial compliance period into the Beacon portfolio.

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

- Implement Optima, the accounts payable automation software, in collaboration with IT department.
- Facilitate the transition of several properties back to Beacon management, including Yardi system conversion.
- Collaborate with IT department to transition to cloud-based JDE platform.

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

- Plan and manage all accounting functions to ensure an audit report with no financial findings, increase SAHA organizational controls, and follow up on all audit findings and management letter recommendations.
- Review newly issued GASB Pronouncements and implement as required.
- Implementation of GASB 87, *Leases*.

Goals for Human Resources

34

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

- Recruitment and Retention
 - Create plan for ensuring that Linked In profiles are created for all hiring managers.
 - Create additional efficiencies in the recruitment process to reduce time to hire.
 - Monitor and evaluate time to hire for maintenance techs as salary was increased more than 18%.
 - Convene a work group to develop 3 to 7 viable recommendations related to retention efforts.
- Benefits
 - Increase enrollment in new plans by 15% and enrollment in ICMA by 10%.
- Organizational Development
 - Focus on teamwork and collaboration training to improve new hire retention and alignment with new projects for participants of the SAHA Leadership program.
 - Convene a work group of current personnel with trainer/training capacities and/or backgrounds to develop goals, tactics, and metrics required for a comprehensive Learning Management System (LMS).
- Employee Events
 - Develop modified Wellness event to include focus on activities for stress reduction and self-care.

Goals for Internal Audit

35

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

- Develop and implement the 2020-2021 Internal Audit Plan by July 1, 2020; utilizing an improved Google Form that incorporates feedback received
- Develop an Internal Auditors network to identify audit best practices that can support SAHA operations
- Identify and pursue opportunities to provide consulting services to other housing authorities

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

- Introduce a college-age SAHA summer youth employee to Internal Audit and provide them with mentoring and audit work experience; provide encouragement to attend college and/or complete their higher education

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

- Provide at least 20 hours of audit training to Internal and Compliance auditors, and provide additional engagement and learning opportunities for Internal Audit staff to gain experience for advancement
- Create awareness for Internal Audit through a “Lunch and Learn” and various events during “Internal Audit Awareness Month” (May)

Goals for Legal

36

Preserve and improve existing affordable housing resources and opportunities

- Continue to counsel other departments on landlord tenant situations to help find mitigating opportunities or alternatives, if possible.
- Continue to improve open records portal so that documents are delivered in efficient and expedited manner.

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

- Participate in local and national events with other agencies in the industry as representatives of SAHA to stay as current as possible on affordable housing issues.
- Continue to align with outside partners to provide more opportunities and services to our tenants including COSA and the eviction mitigation fund.

Preserve and improve existing affordable housing resources and opportunities

- Continue to counsel other departments on landlord tenant situations to help find mitigating opportunities or alternatives, if possible.
- Continue to improve open records portal so that documents are delivered in efficient and expedited manner.

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

- Participate in local and national events with other agencies in the industry as representatives of SAHA to stay as current as possible on affordable housing issues.
- Continue to align with outside partners to provide more opportunities and services to our tenants including COSA and the eviction mitigation fund.

Goals for Policy & Planning

37

Strategic Plan Development and Deployment

- Deploy Strategic Plan 2025 and first-year implementation strategies. Develop and initiate theory of change update cycle, as well as strategic plan update cycles.

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

- Finalize and start tracking self sufficiency progress metric and similar life-works metrics.

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

- Increase training opportunities for staff; complete performance evaluations on time. Develop leadership training curriculum around theory of change.

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

- Develop new department income source. Lead Data Governance Committee to establish agency strategy to improve use of data, including tracking core operations, better informed planning and policy efforts, and meaningful insights on agency outcomes. Specific strategies could include identifying positions for cross-training in GIS, coordinated data sharing efforts, and expanded use of new technologies. Develop stronger evaluation function based on pilot work to date.

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

- Develop new channels to engage external partners. Monitor National, State, and local legislation and policies and take appropriate action, especially around agency priorities.

Goals for Public Affairs

38

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

- Proactively highlight SAHA's success stories in the community through organic and earned media opportunities and robust media engagement
- Maintain resident and employee engagement and support for the Agency's long-term goals

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

- Influence influencers in the community to help reverberate SAHA's messages across many platforms and channels
- Spearhead a robust digital strategy
- Support legislation and legislative activities in support of SAHA's strategic goal
- Build upon SAHA's local, regional and national reputation by seeking and coordinating public speaking, media opportunities, and media training for the Agency's President & CEO and subject-matter experts

Goals for Regulatory Oversight

39

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

- Board Relations Manager will complete module one of the Texas Municipal Clerks Certification Program, complete individual home study and online homework, attend required seminars and take the course examination.
- Compliance Manager will obtain advanced training in the area of Low Income Housing Tax Credit (LIHTC) and register for the online Tax Credit Specialist Advanced (TCSA) certification course.

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

- Fraud Investigator will review and close all remaining stale 2016-2019 lighthouse cases, complete preliminary investigations and close all non relevant cases within 3 days and review all open cases every 45 days and close within 90 days.
- Board Relations Manager will create and maintain an electronic folder of all SAHA Nonprofit Corporations, to include the Articles of Incorporation and By-Laws and Dissolutions.
- Board Relations Manager will create an ongoing comprehensive list of all executed copies of SAHA Resolutions currently located outside of the Board FM Folder and organize them in the Archived Resolutions folder located in the Board FM folder.
- Compliance Manager will collaborate with Asset Management and Security to develop a Partnership Crime Statistics Tracking System. The goal is to reduce the number of partnership developments located on SAHA's top ten crime properties.
- Compliance Manager will continue to work with Asset Management to finalize the Partnership Performance Metrics Tracker.

Goals for Security

40

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

- Auto-populate top 10 communities and top 10 addresses for management at each portfolio
- Identify and track Repeat Offenders to issue Criminal Trespass Warnings

Preserve and improve existing affordable housing resources and opportunities

- Expand Intelligence & Evidence-Based Systemic review of critical challenges and opportunities for improvement and communications across all portfolios
- Strategic plans operational level deliverables to evaluate crime patterns and report to SAFFE, using the five objectives:
 - Synchronize LEAPS;
 - Social Data Report (YTD) by portfolio;
 - Pooling Resources in Defense of specific Environments (PRIDE);
 - Two-way collaboration & communication (using online electronic tablets);
 - Calls For Service are placed in chronological, then categorical order to facilitate an enhanced capacity for PRIDE

APPENDIX

FY 2021 Consolidated Revenue Trend

Projected revenue in FY 2021 will increase by \$18.6 Million

42

Description	FYE 6/30/19 Actual	FYE 6/30/19 Budget	FYE 6/30/20 Budget	FYE 6/30/21 Budget	Variance 2021 Budget vs 2020 Budget Increase/ (Decrease)
Rental Revenue	\$ 31.5	\$ 32.3	\$ 32.5	\$ 37.7	\$ 5.2
Grant Revenue					
Section 8 - HAP ¹	99.7	92.5	100.9	108.6	7.7
Section 8 - Admin.	9.1	7.9	8.9	9.2	0.3
Operating Subsidy	24.3	20.9	21.5	24.3	2.8
Capital Grants	18.3	14.4	8.3	8.0	(0.3)
Other Grants	4.3	4.3	5.2	3.7	(1.5)
Total Grant Revenue	\$ 155.7	\$ 140.0	\$ 144.8	\$ 153.7	\$ 8.9
Other Revenue ²	7.8	6.0	7.7	12.2	4.5
Total Revenue	\$ 195.0	\$ 178.3	\$ 185.0	\$ 203.6	\$ 18.6

¹ Increase of HAP revenue is due to increased HAP costs.

² Other Revenue includes Lease Payments, Cash Donations, Compliance Monitoring Fees, Other Income, Deposit Forfeitures and Interest Income.

FY 2021 Consolidated Expense Trend

43

Description	FYE 6/30/18 Actual	FYE 6/30/19 Budget	FYE 6/30/20 Budget	FYE 6/30/21 Budget	Variance 2021 Budget vs 2020 Budget Increase/ (Decrease)
Section 8 Payments to Owners	\$98.1	\$92.4	\$100.7	\$109.7	\$9.0
Salaries & Benefits	32.1	34.0	35.9	38.8	2.9
Technology ¹	2.5	2.5	3.3	3.2	(0.1)
Admin and Other ²	3.3	3.5	4.0	3.8	(0.2)
Consulting Fees	1.1	1.7	1.7	1.4	(0.3)
Utilities	7.0	7.5	7.9	8.2	0.3
Other	0.7	1.8	0.3	0.2	(0.1)
Repair & Maintenance	17.0	11.4	13.0	15.0	2.0
Insurance	2.6	2.9	2.9	3.6	0.7
Protective Services	0.8	0.9	0.8	0.7	(0.1)
Debt Service Interest	3.0	2.4	3.3	4.3	1.0
Capital Investment	26.8	17.3	11.2	14.7	3.5
Total Expenses	\$195.0	\$ 178.3	\$ 185.0	\$ 203.6	\$ 18.6

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.

Optimistic FY 2021 Consolidated Revenue Trend

Projected revenue in FY 2021 will increase by \$24 Million

44

Description	FYE 6/30/19 Actual	FYE 6/30/19 Budget	FYE 6/30/20 Budget	FYE 6/30/21 Budget	Variance 2021 Budget vs 2020 Budget Increase/ (Decrease)
Rental Revenue	\$ 31.5	\$ 32.3	\$ 32.5	\$ 37.7	\$ 5.2
Grant Revenue					
Section 8 - HAP ¹	99.7	92.5	100.9	108.6	7.7
Section 8 - Admin.	9.1	7.9	8.9	11.4	2.5
Operating Subsidy	24.3	20.9	21.5	27.5	6.0
Capital Grants	18.3	14.4	8.3	8.0	(0.3)
Other Grants	4.3	4.3	5.2	3.6	(1.6)
Total Grant Revenue	\$ 155.7	\$ 140.0	\$ 144.8	\$ 159.1	\$ 14.3
Other Revenue ²	7.8	6.0	7.7	12.2	4.5
Total Revenue	\$ 195.0	\$ 178.3	\$ 185.0	\$ 209.0	\$ 24.0

¹ Increase of HAP revenue is due to increased HAP costs.

² Other Revenue includes Lease Payments, Cash Donations, Compliance Monitoring Fees, Other Income, Deposit Forfeitures and Interest Income.

Optimistic FY 2021 Consolidated Expense Trend

45

Description	FYE 6/30/18 Actual	FYE 6/30/19 Budget	FYE 6/30/20 Budget	FYE 6/30/21 Budget	Variance 2021 Budget vs 2020 Budget Increase/ (Decrease)
Section 8 Payments to Owners	\$98.1	\$92.4	\$100.7	\$109.7	\$9.0
Salaries & Benefits	32.1	34.0	35.9	38.8	2.9
Technology ¹	2.5	2.5	3.3	3.2	(0.1)
Admin and Other ²	3.3	3.5	4.0	3.8	(0.2)
Consulting Fees	1.1	1.7	1.7	1.4	(0.3)
Utilities	7.0	7.5	7.9	8.2	0.3
Other	0.7	1.8	0.3	0.2	(0.1)
Repair & Maintenance	17.0	11.4	13.0	15.0	2.0
Insurance	2.6	2.9	2.9	3.6	0.7
Protective Services	0.8	0.9	0.8	0.7	(0.1)
Debt Service Interest	3.0	2.4	3.3	4.3	1.0
Capital Investment	26.8	17.3	11.2	20.1	8.9
Total Expenses	\$195.0	\$ 178.3	\$ 185.0	\$ 209.0	\$ 24.0

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.

Partnership Interests

46

We have a financial interest in twenty-six partnerships

Completion Date	Developer	Property	Total Units	PH Units
2007	American Affordable Homes	Midcrown Seniors Pavilion	196	39
2007	Cascade Development	Primrose @ Mission Hills	252	0
2007	Franklin Development Corp	Artisan at Mission Creek	252	0
2007	NRP Group	Costa Valencia Apts.	230	0
2008	Cascade Development	Primrose @ Monticello	248	0
2008	Cascade Development	Rosemont @ University Park	240	0
2008	Franklin Development Corp	Artisan at Salado II	252	0
2008	NRP Group	Costa Mirada Apartments	212	0
2008	NRP Group	Costa Almadena Apartments	176	0
2008	NRP Group	San Juan Square Phase I	143	46

Partnership Interests

(continued)

47

Completion Date	Developer	Property	Total Units	PH Units
2008	NRP Group	Alhambra Senior	140	14
2009	Hogan Services	Elan Garden	228	0
2010	Carleton Development	HemisView Village	245	49
2010	Franklin Development Corp	Artisan at Creekside	252	0
2010	Franklin Development Corp	Sutton Oaks (Sutton I)	194	49
2010	NRP Group	San Juan Square II	144	48
2011	NRP Group	The Mirabella	172	0
2013	Franklin Development Corp	The Park at Sutton Oaks	208	49
2014	NRP Group	San Juan Phase III	252	63

Partnership Interests

48

(continued)

Completion Date	Developer	Property	Total Units	PH Units
2018	MBS	East Meadows I	215	71
2018	MBS	Wheatley Park Senior Living	80	44
2019	Post Investment Group	Arroyo Seco	200	0
2019	Vesta Corporation	Marshall Meadows	250	0
2019	Vesta Corporation	Mission Del Rio	180	0
2019	Vesta Corporation	Port Royal	252	0
2020	MBS	East Meadows II	119	42
Total			5,332	514

Public Housing Communities

49

Property	Total Units
Cross Creek	66
LC Rutledge	66
Morris Beldon	35
Lewis Chatham	119
OP Schnabel	70
Victoria Plaza	185
Alazan	685
Guadalupe	56
Blanco	100
Marie Mcguire	63

Property	Total Units
San Pedro Arms	16
Villa Hermosa	66
Villa Tranchese	201
Convent	0
Olive Park	26
Springview	180
Village East	24
Cheryl West	82
Lincoln Heights	338
TL Shaley	66

Public Housing Communities

50

(continued)

Property	Total Units
Escondida	20
Madonna	60
Sahara Ramsey	16
Tarry Towne	98
Williamsburg	15
Scattered sites	75
Sunflower	9
Palm Lake	11
Christ The King	48
Mirasol Homes	174

Property	Total Units
Raymundo Rangel	26
Villa Veramendi	166
Fair Avenue	216
Highview	68
Matt Garcia	55
William Sinkin	50
College Park	78
Glen Park	26
Kenwood Manor	9
Kenwood North	53

Public Housing Communities

51

(continued)

Property	Total Units
Park Square	26
Parkview	153
Charles Andrews	52
Francis Furey	66
Pin Oak I	50
Pin Oak II	22
Cassiano Homes	499
Frank Hornsby	59
Le Chalet	34
Sun Park Lane	65

Property	Total Units
WC White	75
Cisneros	55
HB Gonzalez	51
Jewett Circle	75
Westway	152
Lila Cockrell	70
Linda Lou	10
Midway	20
Mission Park	100
Riverside	74

Public Housing Communities

52

(continued)

Property	Total Units
South San	30
Alhambra	14
Converse Ranch I	25
Converse Ranch II	21
East Meadows	71
East Meadows II	42
Gardens at San Juan	63
Hemisview	49
Midcrown	39
Refugio	50

Property	Total Units
San Juan Sq I	46
San Juan Sq II	48
Sutton Oaks Ph I	49
The Park at Sutton Oaks	49
Wheatley Senior Park	41

Beacon Communities

53

Property	Total Units
Bella Claire	67
Burning Tree	108
Castle Point	220
Churchill Estates	40
Claremont Townhomes	4
Converse Ranch I	124
Converse Ranch II	104
Cottage Creek I	253
Cottage Creek II	196
Courtland Heights	56

Property	Total Units
Dietrich Road	30
Encanta Villa	56
Homestead	157
La Providencia	90
Legacy at Crown Meadows	192
Legacy on O'Connor	150
Legacy at Science Park	120
Monterrey Park	200
Pecan Hill	100
Reagan West	15

Beacon Communities

54

Property	Total Units
Refugio Place	210
Rosemont at Highland Park	252
Sunshine Plaza	100
Towering Oaks	128
Villa de San Alfonso	29
Villa de Valencia	104
Warren House	7
Woodhill	532

DISCUSSION

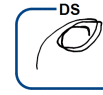
SAN ANTONIO HOUSING AUTHORITY**May 21, 2020****MEMORANDUM**

To: Finance Committee

From: David Nisivoccia, President and CEO

Presented by: Aiyana Longoria, Director of Internal Audit

RE: Update and Discussion regarding Internal Audit Activities

**SUMMARY:**

Internal Audit provides independent and objective assurance, auditing, and consulting services to add value, improve internal controls, and strengthen the Agency's operations. The function helps the Housing Authority accomplish its objectives by using a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. In addition to its oversight activities, internal audit serves as a resource for identifying opportunities for best practices and efficiencies. The mission of the San Antonio Housing Authority Internal Audit Department is to:

- Ensure the Housing Authority remains a good steward of the public trust by working with all levels of management and staff, as well as the Board of Commissioners, to identify significant risk areas and the internal controls in place to mitigate those risks;
- Provide continuous quality improvement through the review of processes and procedures to identify operational efficiencies and best practices; and,
- Perform all assurance and consulting activities with the highest level of integrity and objectivity.

In accordance with the approved Internal Audit Charter, the Director of Internal Audit (i.e., the Chief Audit Executive), is required to communicate any significant deviation from the approved internal audit plan to the Audit Committee, the President and CEO, and the Legal and Compliance Officer, or equivalent, through periodic activity reports.

This update provides the required communication, as follows:

- Internal Audit Department Update
- Internal Audit Plan Status - FY 2019-2020 Quarter 3
- Summary and Status of Management Corrective Action Plans (related to Internal Audit reporting)

Management Corrective Action Plans resulting from internal audits are entered into a spreadsheet to allow for easier tracking of the status of open items. A copy of the spreadsheet is attached. Each of the action items are color-coded to indicate their status as follows: green indicates the action has a due date thirty days or more in the future; red indicates that the action is behind schedule; and yellow indicates the action has a due date less than thirty days in the future.

SAN ANTONIO HOUSING AUTHORITY

May 21, 2020

PROPOSED ACTION:

None at this time.

FINANCIAL IMPACT:

None.

STRATEGIC OBJECTIVE:

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

ATTACHMENTS:

Slide presentation: Internal Audit Update – May 21, 2020

Summary and Status of Management Corrective Action Plans as of May 11, 2020



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HOUSING AUTHORITY
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INTERNAL AUDIT UPDATE

Presentation to Finance Committee
May 21, 2020

INTERNAL AUDIT Q3 ACTIVITIES IN SUPPORT OF SAHA STRATEGIC GOALS

2

- ❑ **Strategic Goal 1: *Empower and equip families to improve their quality of life and achieve economic stability***
 - Reviewed one escrow packet for the CDI Family Self-Sufficiency program; and provided CDI with guidance on corrections

- ❑ **Strategic Goal 5: *Transform core operations to be a high performing and financially strong organization***
 - Contract Management for Capital Improvement
 - Rent Calculation and Collection for Public Housing
 - Disaster Preparedness
 - Resident and Participant Termination Process
 - Ongoing Compliance Audits

STATUS OF 2019-2020 INTERNAL AUDIT PLAN

3

Internal Audits

- **Audit of Contract Management for Capital Improvement**
 - Draft Report was presented to Directors and Executive leadership
 - Directors are providing the management response to findings
- **Audit of Rent Calculation and Collection Process for Public Housing**
 - Field testing completed
 - Draft report in progress
- **Audit of Disaster Preparedness**
 - Final Close Out Letter sent to the Finance Committee on March 11, 2020
 - Recommendation to convert audit to a Control Self-Assessment (CSA)
 - ❑ Utilizing current Covid 19 environment to capture workgroups and development

STATUS OF 2019-2020 AUDIT PLAN - cont'd.

4

Internal Audits, cont'd.

■ **Audit of Resident and Program Participation Termination Process**

- Announcement letter issued January 29, 2020
- Fieldwork currently in progress

■ **Audit of East Meadows I and Wheatley Senior**

- New audit added by request
- Will review waiting list process and tenant selection plan
- Announcement letter issued April 22, 2020
- Audit will start in August after leasing has been completed for East Meadows II

STATUS OF 2019-2020 AUDIT PLAN - cont'd

5

Compliance Audits

■ **Assisted Housing Program** (*Ongoing*)

- 163 resident files audited in Q3 (decrease, due to modified operations)
- Modified operations for compliance audits of AHP consist of:
 - ❑ New Admissions review; ensure new admissions follow processes for income targeting; payment standard; over/under housed; and difference between the housing assistance payments (HAP) and utility assistance payments(UAP)
 - ❑ 309 files electronically reviewed for the time frame December 2019 - March 2020
 - ❑ Interim Certification review; ensure changes of income or family composition are processed; difference between the Housing Assistance Payments (HAP) and Utility Assistance Payments (UAP); appropriate notice given for changes to rent
 - ❑ 609 files electronically reviewed for the time frame December 2019 - January 2020, February and March 2020 are currently under review

STATUS OF 2019-2020 AUDIT PLAN - cont'd

6

Compliance Audits

■ **Public Housing** (*Ongoing*)

- 181 resident files (20 communities) audited in Q3 (decrease, due to modified operations)
- Modified operations compliance audits for PH consist of:
 - ❑ Unit Transfer review; ensure that unit transfers have a certification within 120-days of move
 - ❑ 226 files electronically reviewed (55 communities) for the time frame of July 2019 - February 2020
 - ❑ Interim Certification review; ensure changes of income or family composition are processed. Review will focus on approval and effective dates, and ensure that proper notice was given for increases or credit given for decreases
 - ❑ 442 files electronically reviewed (55 communities) for the time frame of December 2019 - February 2020

ACTION ITEMS

7

Status of Corrective Action Items resulting from Internal Audits

- Currently, there are six open action items
- Five of the action items are expected to be completed this fiscal year, and one action item will be completed next fiscal year

STATUS OF THIRD PARTY AUDITS

8

Financial and Compliance Audit for the Housing Authority of the City of San Antonio

- The audit for the Fiscal Year ended June 30, 2019, has been completed
- RSM US LLP reports include:
 - Financial Audit Results Opinion – Unmodified (clean audit)
 - Compliance Audit Results Opinion – Unmodified (clean audit)
 - Report on Conduct of Audit and Management Letter Comments
- Internal Audit will follow-up, as appropriate

QUESTIONS?

OPPORTUNITY **LIVES HERE**
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STATUS OF MANAGEMENT CORRECTIVE ACTION ITEMS as of 11/8/19

Audit Plan Year	Final Report Date	Audit Title	Finding Type	Finding Number and Title	Finding / Condition Description and Recommendation	Management's Corrective Action Plan	Original Estimated Completion Date	Revised Estimated Completion Date	Status	Resp. Officer's Initials	Comments
<u>Fiscal Year 2013-2014</u>											
FY 13-14	10/5/2015	Audit of Records Retention	Internal Control Deficiency	Finding 1	Agency email communications are currently being retained indefinitely, and could be subject to e-discovery requirements.	<i>Emails have been retained since an incident arose where Commissioners lost emails that had been sent to their agency email accounts. At this point, we will work with the Interim President and CEO to ensure that the email record retention policy will hereinafter be followed.</i>	12/31/2015	12/30/2020	<i>In Progress</i>	EH	Google Unlimited has been procured; a Google Vault is included with this system that allows for automated email deletions based on recommended parameters. Pending executive approval to implement email retention policies.
<u>Fiscal Year 2016-2017</u>											
FY 16-17	8/20/2018	Audit of CDI Grant Funds	Internal Control Deficiency	Finding 3 - <i>BCJI - Delay in the Initial Execution of the Grant</i>	<p>The BCJI grant was awarded on September 25, 2012, to be effective October 1, 2012. Selection of the research partner, Trinity University, was not presented to the Board of Commissioners until June 21, 2013, almost nine months later.</p> <p>Recommendation To ensure compliance with grant provisions, CDI should develop a standard operating procedure for each grant. The procedure should address all grant provisions including, but not limited to, documentation, drawdown, and reporting requirements.</p>	<i>[CDI] staff will review notes from Grants Committee meetings and complete a grants SOP for the Department.</i>	12/31/2018	6/30/2020	<i>In Progress</i>	BP	SOP for Grant Procedures, Monitoring and Oversight has been drafted. It is pending review and approval from grant committee.
FY 16-17	8/20/2018	Audit of CDI Grant Funds	Internal Control Deficiency	Finding 5 - <i>BCJI - Missed Financial Reporting Deadlines</i>	<p>Of the 19 Federal Financial Reports reviewed for the BCJI grant, five were filed over one day after the due date as indicated on the electronic confirmation receipt.</p> <p>Recommendation A method for monitoring/confirming the report submission should be established to ensure timely reporting.</p>	<i>a. [CDI] Staff will review notes from Grants Committee meetings and complete a grants SOP for the Department. The SOPs will create a system to ensure that important dates and deadlines are met, including grant performance and financial reports.</i>	12/31/2018	6/30/2020	<i>In Progress</i>	BP	SOP for Grant Procedures, Monitoring and Oversight has been drafted. It is pending review and approval from grant committee.
						<i>b. The Director of CDI will review and analyze adding an analyst position to the CDI Department. CDI will work with Finance and Accounting to determine the scope of work for the proposed analyst position and determine, during next fiscal year's budget process, if adding the position is financially feasible.</i>	7/1/2019	6/30/2020	<i>In Progress</i>	BP	

STATUS OF MANAGEMENT CORRECTIVE ACTION ITEMS as of 11/8/19

Audit Plan Year	Final Report Date	Audit Title	Finding Type	Finding Number and Title	Finding / Condition Description and Recommendation	Management's Corrective Action Plan	Original Estimated Completion Date	Revised Estimated Completion Date	Status	Resp. Officer's Initials	Comments
FY 16-17	8/20/2018	Audit of CDI Grant Funds	Internal Control Deficiency	Finding 6 - BCJI - Late Submission of Expenses	<p>The Federal Financial Report, submission 12 with a reporting period end date of September 30, 2015, included \$2,363.86 in expenses incurred during the previous quarter. These expenses were reported on line 10-e of the Federal Share of Expenditures report, in the column labeled This Period.</p> <p>Recommendation Ensure that all expenses and related reporting are completed in the required time frame, as listed in the BCJI Grant documentation.</p>	<p><i>[CDI] staff will review notes from Grants Committee meetings and complete a grants SOP for the Department. The SOPs will create a system to ensure that important dates and deadlines are met, including grant performance and financial reports.</i></p> <p><i>The Director of CDI will review and analyze adding an analyst position to the CDI Department. CDI will work with Finance and Accounting to determine the scope of work for the proposed analyst position and determine, during next fiscal year's budget process, if the adding the position is financially feasible.</i></p>	7/1/2019	6/30/2020	In Progress	BP	SOP for Grant Procedures, Monitoring and Oversight has been drafted. It is pending review and approval from grant committee.
FY 16-17	4/16/2019	Audit of Tenant Participation Funds at Parkview Apartments	Significant Deficiency	Finding 3 - Check Disbursements	<p>Recommendation Internal Audit recommends that the Property Manager or Case Management Specialist assist the RC with establishing a bank account that will conform to the requirements set forth in the RC Manual, including the requirement for dual signatures, with the Treasurer being one of the signatories on each disbursement. Additionally, either the Property Manager or the Case Management Specialist should be on the bank account.</p>	<p><i>CDI Management will meet with PH Management to determine best course of action for supporting RC with establishing bank accounts. An SOP will be developed to provide guidance for SAHA staff who have expressed concerns with adding their names to the RC bank account.</i></p>	5/8/2019	6/30/2020	In Progress	BP	
	<u>Fiscal Year 2017-2018</u>										
FY 17-18	4/22/2019	Audit of Procurement Processes and Reporting	Significant Deficiency	Finding 4 - Supplier/vendor due diligence checks prior to award could not be confirmed	<p>Recommendation Establish written procedures to ensure that all due diligence checks are performed on every vendor prior to contracting with and/or providing services to the Agency. The procedures should include a system of review by another staff member as confirmation.</p>	<p><i>A Standard Operating Procedure (SOP) will be developed outlining scenarios within procurement processes to ensure that responsible due diligence is conducted by staff prior to award of contracts. The Director's draft version will be submitted for approval to the Contracting Officer by February 15, 2019, with final implementation no later than February 28, 2019.</i></p>	5/15/19	6/15/20	In Progress	MR	
	<u>Fiscal Year 2018-2019</u>										