



SAHA REGULAR BOARD MEETING

**FEB. 7
2019**



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BOARD OF COMMISSIONERS

Morris A. Stribling, DPM Chairman	Charles Clack Commissioner	Jo-Anne Kaplan Commissioner	Gabriel L. Lopez Commissioner	Sofia A. Lopez Commissioner	Marie R. McClure Commissioner	Jessica Weaver Commissioner
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PRESIDENT & CEO

David Nisivoccia

SAN ANTONIO HOUSING AUTHORITY

***REGULAR BOARD MEETING**

818 S. Flores St., San Antonio, TX 78204

1:00 p.m., Thursday, February 7, 2019

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.
2. Pledge of Allegiance/Moment of Silence

PRESENTATION

3. Installation of the new San Antonio Housing Authority Commissioners (presented by the City of San Antonio Clerk)

MINUTES

4. Minutes
 - Approval of the December 6, 2018, Regular Board Meeting minutes

INDIVIDUAL ITEMS FOR CONSIDERATION

5. Consideration and approval regarding Resolution 5900, accepting the Independent Auditor's Report for the year ending June 30, 2018 (Ed Hinojosa, Chief Financial Officer; Diana Kollodziej Fiedler, Director of Finance and Accounting)
6. Consideration and approval regarding Resolution 5901, certifying that the San Antonio Housing Authority's Investment Policy and Investment Strategies have been reviewed in accordance with the requirements set forth in section 2256.005 (E) of the Texas Public Funds Investment Act (Ed Hinojosa, Chief Financial Officer; Diana Kollodziej Fiedler, Director of Finance and Accounting)
7. Consideration and approval regarding Resolution 5904, authorizing the award of a contract for Wheatley Infill New Home Construction to Terramark Interests, LLC; authorizing the President and CEO, and his designated staff to negotiate terms with builder on behalf of the agency; and execute all documents in connection therewith (Steven Morando, Director of Procurement and General Services; Lorraine Robles, Director of Development Services and Neighborhood Revitalization)

8. Consideration and approval regarding Resolution 5905, authorizing conveyance of fifteen lots to Terramark Interests, LLC for the construction of affordable single-family houses as part of the Wheatley Choice Neighborhood Infill Strategy (Arrie B. Porter, Assistant Director of Choice Neighborhood)
9. Consideration and approval regarding Resolution 5902, to amend the Merced Housing Texas Contract, to include a previously allocated amount of \$200,000.00, for Owner Occupied Rehab, and Exterior Only Improvements (Arrie B. Porter, Assistant Director of Choice Neighborhood)
10. Consideration and approval regarding Resolution 5906, authorizing the award of a contract for Phillis Wheatley Park Hardscape Construction to Straight Line Management, LLC (AABE, DBE, ESBE, MBE, SBE, WBE, Section 3 Business) for an amount not to exceed \$686,888.00 (Steven Morando, Director of Procurement and General Services; Lorraine Robles, Director of Development Services and Neighborhood Revitalization)
11. Consideration and approval regarding Resolution 5857, authorizing the selection of Hogan Properties Company, Inc. dba HomeSpring Realty Partners (Hogan) as development partner for 5700 Culebra Road and 4847 Callaghan Road and authorizing the President and CEO, and his designated staff to: further clarify and enhance the developer's proposal, negotiate a development agreement; submit applications for financing; create any legal entities; execute contracts for conveyance of land; retain legal counsel; and ensure performance of all other matters in connection therewith (Steven Morando, Director of Procurement and General Services; Timothy E. Alcott, Real Estate and Legal Services Officer)
12. Consideration and approval regarding Resolution 5909, authorizing the selection of a development partner for 210 S. Grimes and 7.83 acres on the north east quadrant of Hedges and Grimes St. and authorizing the President and CEO, and his designated staff to: further clarify and enhance the developer's proposal, negotiate a development agreement; submit applications for financing; create any legal entities; execute contracts for conveyance of land; retain legal counsel; and ensure performance of all other matters in connection therewith (Steven Morando, Director of Procurement and General Services; Timothy E. Alcott, Real Estate and Legal Services Officer)
13. Consideration and approval regarding Resolution 5908, authorizing the award of an agency-wide contract for maintenance, repair, modernization, replacement and new construction of elevators, escalators and moving walkways to KONE, Inc., through US Communities Purchasing Cooperative, an Omnia Partner, for an annual cumulative amount not to exceed \$500,000.00; for a period of one year with the option to renew up to four additional one year terms (Steven Morando, Director of Procurement and General Services; Hector Martinez, Director of Construction Services and Sustainability)
14. Consideration and approval regarding Resolution 5907, authorizing the award of an agency-wide contract for irrigation systems inspection, testing, repair and installation to Olympia Landscape Development, Inc. (HABE) for an annual cumulative amount not to exceed \$60,000.00 per year for year one, and \$70,000.00 per year for year two, year three, year four, and year five (Steven Morando, Director of Procurement and General Services; Brandee Perez, Director of Federal Housing Programs)
15. Consideration and approval regarding Resolution 5903, approving the Over-Income Limit Policy for the Public Housing (PH) program (Brandee Perez, Director of Federal Housing Programs)
16. Update and discussion regarding the Procurement Activity Report (Steven Morando, Director of Procurement and General Services)

17. Update and discussion regarding Internal Audit Department Activities (Aiyana Longoria, Director of Internal Audit)
18. Update and discussion regarding Wheatley Choice Neighborhood activities relating to People, Housing and Neighborhood (Timothy E. Alcott, Real Estate and Legal Services Officer; Lorraine Robles, Director of Development Services and Neighborhood Revitalization; Adrian Lopez, Director of Community Development Initiatives; Arrie Porter, Assistant Director of Choice Neighborhood)
19. President's Report
- Dale Watson Benefit Concert
 - SAHA Participates in MLK March
 - Golden Gala and Senior Expo
 - San Antonio Spur Surprises Springview Families
 - Holiday Food Distribution
 - KIPP Hosts Christmas Dinner at Cassiano
 - SAHA Celebrates FSS Program Graduates
 - SAHA Transformed Into Santa's Workshop
 - Update on Government Shutdown
20. *Closed Session:
- Real Estate/Consultation with Attorney**
- Deliberate the management, purchase, exchange, lease or value of certain real properties and obtain legal advice regarding related legal issues pursuant to Texas Government Code Sec. 551.072 (real property) and Texas Government Code Sec. 551.071 (consultation with attorney).
- Discussion of Real Estate Developments
21. **Citizens to be Heard at approximately 2:00 p.m.** (may be heard after this time) Citizens wishing to speak on issues not related to items posted on the agenda should personally request to be placed on the Citizens to be Heard roster prior to 1:45 p.m. Citizens will be given three minutes to speak. Only one appearance per speaker will be permitted at any regular Board Meeting. If present, a speaker may cede time to another speaker, but no speaker may have the floor for more than 9 minutes. Groups of citizens from the same organization are asked to share nine minutes to address the Board on certain items. Organizations must be represented by an Officer or a Board member, and follow the same speaking rules as individuals.
22. 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.

"Pursuant to § 30.06, Penal Code, (trespass by holder license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a concealed handgun."

"Pursuant to § 30.07, Penal Code, (trespass by holder license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a handgun that is carried openly."

MINUTES
SAN ANTONIO HOUSING AUTHORITY
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
December 6, 2018

SCHEDULED: 1:00 p.m. at 818 S. Flores St., San Antonio, TX, 78204

COMMISSIONERS PRESENT:

Morris A. Stribling, DPM, Chair
Charles R. Munoz, Vice-Chair
Charles Clack, Commissioner
Thomas F. Adkisson, Commissioner
Marie R. McClure, Commissioner
Jessica Weaver, Commissioner

COMMISSIONERS ABSENT:

None

COUNSEL: Doug Poneck, Escamilla &
Poneck, LLP

TRANSLATOR: BCC Communications

STAFF:

David Nisivoccia, President and CEO
Muriel Rhoder, Chief Administrative Officer
Timothy E. Alcott, Real Estate and Legal Services
Officer
Janie Rodriguez, Director of Human Resources
Adrian Lopez, Director of Community
Development Initiatives
Jo Ana Alvarado, Director of Innovative
Technology
Michael Reyes, Director of Communications and
Public Affairs

Steven Morando, Director of Procurement and
General Services
Domingo Ibarra, Director of Security
Aiyana Longoria, Director of Internal Audit
Brandee Perez, Director of Federal Housing
Programs
Diana Kollodziej Fiedler, Director of Finance and
Accounting
Kristi Baird, Director of Beacon Communities
Thomas Roth, Director of Asset Management
Richard Milk, Director of Policy and Planning
Hector Martinez, Director of Construction Services and
Sustainability

Item 1: Meeting called to order

Chair Stribling, DPM, called the meeting to order at 1:05 p.m.

Item 2: Pledge of Allegiance/Moment of Silence

Recitation of pledge and moment of silence

Item 3: Minutes

- Approval of the November 1, 2018, Regular Board Meeting minutes

Motion: Commissioner Clack moved to approve the November 1, 2018, Regular Board Meeting minutes.
Commissioner Adkisson seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Morris A. Stribling, DPM, Chair	X			
Charles R. Munoz, Vice-Chair	X			
Thomas F. Adkisson, Commissioner	X			
Charles Clack, Commissioner	X			
Marie R. McClure, Commissioner	X			
Jessica Weaver, Commissioner			X	

COMMITTEE MEETING UPDATES

Item 4: Update and discussion regarding the November 15, 2018, Finance Committee Meeting

At Commissioner Adkisson's request, Mr. David Nisivoccia, President and CEO, provided brief highlights regarding the Financial Committee Meeting held on November 15, 2018.

The following topics were discussed at the committee meeting:

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

Ms. Diana Kollodziej Fiedler, Director of Finance and Accounting, reported and provided the financial highlights of the San Antonio Housing Authority for the three months ended September 30, 2018. The results of operations reflect a surplus before non-cash items of \$3.1 million, which was \$134,000 below budgeted projections.

The total Operating Revenue was approximately \$1.5 million below budget, due primarily to an unfavorable variance of \$1.5 million in Grants revenue, which was affected by the timing of Choice grant expenditures. Ms. Fiedler further reported that the total Operating Expenses ended the period \$1.1 million below budget, due primarily to favorable variances of \$751,000 in Salaries and Benefits, and \$1.2 million in Other Expenses.

The Comparative Balance Sheet reflects an overall increase in Total Net Position of \$6.1 million from September 30, 2017, to September 30, 2018. Total Assets increased \$7.5 million due to increases of \$7.2 million in Fixed Assets and \$1.8 million in Other Non-Current Assets, offset by a decrease of \$1.5 million in Current Assets.

Update and discussion regarding the Internal Audit Department (Helen Madison, Acting Director of Internal Audit, Aiyana Longoria, Director of Internal Audit)

Ms. Aiyana Longoria, Director of Internal Audit, provided information and insight regarding SAHA's Internal Audit Department via a presentation. The presentation included the first quarter Internal Audit activities in support of the SAHA Strategic Goals; the status of 2017-2018 Internal Audit Plan; the status of 2018-2019 Internal Audit Plan; Action Items; and the status of Third Party Audits for SAHA.

Item 5: Update and discussion regarding the November 15, 2018, Operations and Choice Neighborhood Committee Meeting

Chair Stribling, DPM, provided an update and discussion regarding the November 15, 2018, Operations and Choice Neighborhood Committee Meeting. The items discussed during the meeting included the following topics:

Update and discussion regarding Wheatley Choice Neighborhood activities

An update for the Wheatley Choice Neighborhood was provided by Ms. Lorraine Robles, Director of Development Services and Neighborhood Revitalization, Adrian Lopez, Director of Community Development Initiatives and Ms. Arrie Porter, Assistant Director of Choice Neighborhood.

The following resolution was pulled from the agenda by Mr. Nisivoccia for further internal discussion:

Resolution 5857, authorizing the selection of Hogan Properties Company, Inc. dba HomeSpring Realty Partners (Hogan) as development partner for 5700 Culebra Road and 4847 Callaghan Road and authorizing the President and CEO, and his designated staff to: further clarify and enhance the developer's proposal; negotiate a development agreement; submit applications for financing; create any legal entities; execute contracts for conveyance of land; retain legal counsel; and ensure performance of all other matters in connection therewith

The following resolutions were approved to move forward to the Board meeting:

Resolution 5858, authorizing the President and CEO to approve and proceed with adjustments totaling \$2,400.00, to the approved self-funded, third-party provider of SAHA employee medical and dental plans plus fully insured vision, short-term disability, long-term disability, life insurance benefit plans and an electronic benefits enrollment platform for calendar year 2019, for a total adjusted cost not to exceed \$5,872,462.00 was presented by Muriel Rhoder, Chief Administrative Officer; Janie Rodriguez, Director of Human Resources

Resolution 5859, authorizing the award of a contract for Blanco basement structural concrete repairs and drainage improvements to Structural Concrete Systems, LLC for an amount not to exceed \$521,167.38 was presented by Steven Morando, Director of Procurement and General Services; Hector Martinez, Director of Construction Services and Sustainability

Resolution 5860, authorizing the award of a contract for T.L. Shaley Burn Unit Duplex Reconstruction to Bougambillas Construction, LLC (HABE, HUB) for an amount not to exceed \$254,699.99 was presented by Steven Morando, Director of Procurement and General Services; Hector Martinez, Director of Construction Services and Sustainability

Resolution 5861, authorizing the expenditure of additional funds for Roof and HVAC Replacement at Woodhill Apartments to Garland/DBS, Inc., through U.S. Communities Government Purchasing Alliance, in the amount of \$69,139.00 was presented by Steven Morando, Director of Procurement and General Services; Hector Martinez, Director of Construction Services and Sustainability

Resolution 5862, authorizing the award of contracts for mowing and ground maintenance services for select Public Housing properties to the following companies: B&T Dependable Services, LLC (AABE, DBE, ESBE, MBE, SBE, HUB, Section 3 Business) for an amount not to exceed \$28,800.00, C&M Quality Landscaping Maintenance for an amount not to exceed \$114,768.00, Champion Lawn Care (WBE, Section 3 Business) for an amount not to exceed \$102,757.82, and R&C Landscape, LLC (ESBE, HABE, MBE, SBE, Section 3 Business) for an amount not to exceed \$37,269.79; all for a period of one year with the option to extend on a

prorated month to month basis not to exceed a period of six months was presented by Steven Morando, Director of Procurement and General Services; Brandee Perez, Director of Federal Housing Programs

Update and discussion regarding the Federal Housing Programs Quarterly Report

Ms. Brandee Perez, Director of Federal Housing Programs, provided the FHP Quarterly Report for the July 2018 to September 2018 quarter, and reported on the following data: demographics, waitlist totals, termination totals, voucher utilization rates, and Public Housing occupancy rates.

Update and discussion regarding the Real Estate Assessment Center Scores

Ms. Perez provided the average Real Estate Assessment Center Scores across SAHA's portfolio within the past five years and informed the Board that HUD implemented new industry standards for repairs that critically impacted inspections scores for subsequent years. Effective July 1, 2016, three Maintenance Technician, two Porter and one Maintenance Supervisor positions were eliminated, which also affected staff's ability to maintain units at HUD standards. Since the implementation of this requirement and reduction in staff, REAC scores have steadily decreased. Ms. Perez reported that this year's REAC inspections resulted in a reduced average score for all properties and then provided a breakdown of the scores for each property inspected this year.

CONSENT ITEMS

- Item 6: Consideration and approval regarding Resolution 5858, authorizing the President and CEO to approve and proceed with adjustments totaling \$2,400.00, to the approved self-funded, third-party provider of SAHA employee medical and dental plans plus fully insured vision, short-term disability, long-term disability, life insurance benefit plans and an electronic benefits enrollment platform for calendar year 2019, for a total adjusted cost not to exceed \$5,872,462.00**
Consent
- Item 7: Consideration and approval regarding Resolution 5859, authorizing the award of a contract for Blanco basement structural concrete repairs and drainage improvements to Structural Concrete Systems, LLC for an amount not to exceed \$521,167.38**
Consent
- Item 8: Consideration and approval regarding Resolution 5860, authorizing the award of a contract for T.L. Shaley Burn Unit Duplex Reconstruction to Bougambillas Construction, LLC (HABE, HUB) for an amount not to exceed \$254,699.99**
Consent
- Item 9: Consideration and approval regarding Resolution 5861, authorizing the expenditure of additional funds for Roof and HVAC Replacement at Woodhill Apartments to Garland/DBS, Inc., through U.S. Communities Government Purchasing Alliance, in the amount of \$69,139.00**
Consent
- Item 10: Consideration and approval regarding Resolution 5862, authorizing the award of contracts for mowing and ground maintenance services for select Public Housing properties to the following companies: B&T Dependable Services, LLC (AABE, DBE, ESBE, MBE, SBE, HUB, Section 3 Business) for an amount not to exceed \$28,800.00, C&M Quality Landscaping Maintenance for an amount not to exceed \$114,768.00, Champion Lawn Care (WBE, Section**

3 Business) for an amount not to exceed \$102,757.82, and R&C Landscape, LLC (ESBE, HABE, MBE, SBE, Section 3 Business) for an amount not to exceed \$37,269.79; all for a period of one year with the option to extend on a prorated month to month basis not to exceed a period of six months

Consent

Motion: Commissioner Adkisson moved to approve Consent Items 6, 7, 8, 9 and 10. Commissioner Clack seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Morris A. Stribling, DPM, Chair	X			
Charles R. Munoz, Vice-Chair	X			
Thomas F. Adkisson, Commissioner	X			
Charles Clack, Commissioner	X			
Marie R. McClure, Commissioner	X			
Jessica Weaver, Commissioner			X	

INDIVIDUAL ITEMS FOR CONSIDERATION

Item 11: Update and discussion regarding the Procurement Activity Report

Mr. Steven Morando, Director of Procurement and General Services, reported through the calendar quarter ended September 30, 2018, the San Antonio Housing Authority's Procurement Department issued sixteen formal and fifteen informal solicitations, receiving a total of 216 responses. This resulted in an average of 6.5 responses per formal solicitation and 7.5 responses per informal solicitations, for an overall average response rate of 6.97 per solicitation. New contracts awarded through the third quarter were \$5,238,428.33; Blanket awards in the amount of \$7,875,000.00 and contract renewals in the amount of \$8,045,577.49, which resulted in a grand total awarded of \$21,159,005.82. Of this total, \$2,632,212.37 or 12.4 percent, were awarded to Small, Women-Owned and Minority Business Enterprises (SWMBE), and \$1,408,848.59 or 6.7 percent, were awarded to Section 3 business concerns.

For the 3rd calendar quarter ending September 30, 2018, SAHA contractors reported sixteen of their thirty new hires qualified as Section 3 individuals, which represented 53.3 percent of all new hires. The new hires were composed of ten male and six female individuals. For the year-to-date, SAHA has hired 19 of its Section 3 temporary employees into full time positions within the agency. The weighted average wage rate for these Section 3 individuals is \$14.15 per hour. Mr. Morando also reported that a department Section 3 Coordinator has been hired.

Mr. Morando reported on current solicitations. The Invitation for Bids is for Automated/Automatic Gate Maintenance, Repair, and Replacement Agency-Wide; the Requests for Proposals are for President and CEO Annual Evaluation and Compensation Review Services and Financial Consulting and HUD Guidance Services; the Request for Qualifications is for Wheatley Infill New Home Construction and the Quick Quote is for Utility Billing Services for Beacon Communities. The closed/pending solicitations include Operational and Organizational Assessment of the SAHA Development Services and Neighborhood Revitalization (DSNR) Department, Development Partner for 5700 Culebra Road, Phillis Wheatley Park Hardscape Construction,

JDE Administrator - Consulting, Fair Avenue Burned Unit #704 Rehabilitation and HUD AMP Configuration Consulting.

The department is also currently working on a number of solicitations for advertisement. The solicitations in development generated several questions and discussion regarding the Sale of 1310 S. Brazos Street Warehouse; Rehabilitation of Seven Offline Burn Units at Cassiano Homes; and Laundry Concession Services.

Item 12: President's Report

- SAHA to Dispose of Scattered Sites Units
- Our Lady of Victory School
- Dale Watson Benefit Concert
- Golden Gala and Senior Expo
- 4th Annual Toy Drive
- CEO Townhall Meetings
- EIF Poster Contest Judging
- SAHA Honors Veterans
- Health Fair
- Halloween Stroll
- SAHA Winter Holiday Closure
- List of 2019 Board and Committee Meetings

Item 13: *Closed Session:

Consultation with Attorney

Deliberate the management, purchase, exchange, lease or value of certain real properties and obtain legal advice regarding related legal issues pursuant to Texas Government Code Sec. 551.072 (real property) and Texas Government Code Sec. 551.071 (consultation with attorney).

- Litigation Updates

Personnel/Consultation with Attorney

Deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee or to hear a complaint or charge against an officer or employee and obtain legal advice regarding legal issues pursuant to Texas Government Code Sec. 551.074 (personnel) and Texas Government Code Sec. 551.071 (consultation with attorney).

- President and CEO Performance Evaluation Process

Chair Stribling, DPM, recessed for closed session at 2:08 p.m.

The regular Board meeting was reconvened at 3:14 p.m.

Motion: After returning from Closed Session, Commissioner Clack moved to retain Segal Waters Consulting Company as discussed in Closed Session. Commissioner Adkisson seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Charles A. Stribling, DPM, Chair	X			
Charles R. Munoz, Vice-Chair	X			

Thomas F. Adkission, Commissioner	X			
Charles Clack, Commissioner	X			
Marie R. McClure, Commissioner	X			
Jessica Weaver, Commissioner	X			

Item 14: Citizens to be Heard

There was only one Citizen to be Heard.

Item 24: Adjournment

With no objections, Chair Stribling, DPM, adjourned the meeting at 3:16 p.m.

ATTEST:

Morris A. Stribling, DPM
Chair

Date

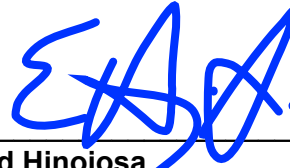
David Nisivoccia
President and CEO

Date

BOARD OF COMMISSIONERS

**RESOLUTION 5900, ACCEPTING THE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR
ENDING JUNE 30, 2018**

David Nisivoccia
President and CEO



Ed Hinojosa
Chief Financial Officer

REQUESTED ACTION:

Consideration and approval regarding Resolution 5900, accepting the Independent Auditor's Report for the year ending June 30, 2018.

FINANCIAL IMPACT:

None.

SUMMARY:

The audit for the Housing Authority of the City of San Antonio and its component units for the year ended June 30, 2018, has been completed. In planning the audit, RSM US LLP met with staff to coordinate audit engagement details, establish auditor and client responsibilities, and determine any significant changes in SAHA's structure and personnel, as well as determine any new companies and new agreements that may impact the audit approach. RSM US LLP also verified any new accounting or audit requirements published by the U.S. Department of Housing and Urban Development, the Government Accounting Standards Board, or the American Institute of Certified Public Accountants, which would affect the audits.

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

RSM US LLP performed the following tasks during interim fieldwork:

- Tested certain internal controls for the following significant SAHA transaction cycles: cash receipts, procurement, disbursements and payroll
- Reviewed reports prepared by the internal audit department to identify and assess any accounting issues
- Tested major federal financial assistance program(s) for compliance with federal requirements
- Reviewed organizational structure and selected a sample of employees who were interviewed about risks to SAHA including fraud

RSM US LLP performed the following year-end tasks:

- Conducted and evaluated preliminary analytical reviews to determine the nature and extent of procedures to be performed
- Established the audit approach, including preparation of a tailored audit work program
- Computed audit materiality to obtain reasonable assurance of detecting misstatements that could be material to the financial statements taken as a whole

- Reviewed and mailed SAHA-prepared confirmations to customers, creditors, legal counsel and banks
- Performed substantive procedures for the various financial statement account balances as of year-end as deemed necessary in the following areas: cash, investments, notes receivable, grant and rent revenue, capital assets, payroll and related liabilities, escrow accounts and long-term debt
- Reviewed the SAHA-prepared financial statements and utilized a disclosure checklist to ensure all significant disclosures are made
- Finalized analytical review procedures to assess the conclusions reached and evaluate the overall financial statement presentation
- Followed up on prior year comments and recommendations included in the Report on Conduct of Audit
- Prepared the Report on Conduct of Audit for the current year

RSM US LLP will also issue audit reports as required by HUD or other contractual agreements for the following component units, all of which contained unmodified (clean audit) opinions:

- San Antonio Housing Facility Corporation
- Sendero I Public Facility Corporation
- Springhill/Courtland Heights Public Facility Corporation
- Woodhill Public Facility Corporation
- Converse Ranch, LLC

STRATEGIC GOAL:

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

ATTACHMENTS:

Resolution 5900

Financial Statements and Independent Auditor's Report

Report of Conduct of Audit and Management Letter Comments

CERTIFICATE FOR RESOLUTION 5900

The undersigned officer of the Housing Authority of the City of San Antonio, Texas, a Texas housing authority created pursuant to the laws of the State of Texas (SAHA), hereby certifies as follows:

1. In accordance with Chapter 551, Texas Government Code, as amended (Open Meetings Act), and the bylaws of SAHA, the Board of Commissioners of SAHA (Board) held a meeting on February 7, 2019 (Meeting) of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

RESOLUTION 5900, ACCEPTING THE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDING JUNE 30, 2018

(Resolution) was duly introduced for the consideration of the Board and discussed. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of the Resolution, prevailed and carried by a majority vote of the Board.

2. A true, full, and correct copy of the Resolution adopted at the Meeting is attached to and follows this Certificate; the Resolution has been duly recorded in the Board's minutes of the Meeting; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting; and the Meeting was held and conducted in accordance with the Open Meetings Act and the Bylaws of SAHA.

SIGNED February 7, 2019.



David Nisivoccia
President and CEO

**San Antonio Housing Authority
Resolution 5900**

RESOLUTION 5900, ACCEPTING THE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDING JUNE 30, 2018

WHEREAS, the agency planning requirements of the Quality Housing and Work Responsibility Act of 1998 (QHWRA), and the U.S. Department of Housing and Urban Development's (HUD) February 18, 1999 Interim Rule contains implementing instructions for agency planning requirements; and

WHEREAS, the Office of Management and Budget under 2 Code of Federal Regulations (CFR) Part 200, Subpart F and the HUD regulations require that all Public Housing Authorities conduct a financial and compliance audit and submit it to the HUD local field office annually; and

WHEREAS, SAHA has contracted with independent auditors that have conducted a financial and compliance audit of SAHA and its related entities and have presented said report to the SAHA Board of Commissioners on February 7, 2019; and

WHEREAS, the Independent Auditor's Report indicates an unmodified (clean audit) opinion on the Financial Audit Results, an unmodified (clean audit) opinion on the Compliance Audit Results, and no material weaknesses or significant deficiencies for SAHA; and

WHEREAS, staff requests that the Board of Commissioners review and accept the annual Independent Auditor's Report for the year ending June 30, 2018.

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

Approves Resolution 5900, accepting the Independent Auditor's Report for the year ending June 30, 2018.

Passed and approved the 7th day of February 2019.

Morris A. Stribling, DPM
Chair, Board of Commissioners

Attested and approved as to form:

David Nisivoccia
President and CEO

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

PRESENTATION TO THE FINANCE COMMITTEE OF THE SAN ANTONIO HOUSING AUTHORITY

Audit Results for the Year Ended June 30, 2018



February 7, 2019

Engagement Team

- RSM

- Santos Fraga, Overall Engagement Partner
- Marc Sewell, Audit Partner
- Corey Topp, Concurring Review Partner (Housing Authority SME)
- Kane Wells, Engagement Manager
- Rebekah Goodner, Lead In-Charge
- Audit Staff

- Robert Williams, CPA

- Robert Williams, Partner (Subcontractor)

Audit Scope

- Financial Audits –
 - San Antonio Housing Authority
 - Separately Issued Reports
 - San Antonio Housing Facility Corporation (issued 12/21/18)
 - Springhill / Courtland Heights PFC (issued 12/21/18)
 - Woodhill PFC (issued 12/21/18)
 - Sendero I PFC (issued 12/21/18)
 - Converse Ranch (issued 9/28/18)
- Compliance Audits –
 - San Antonio Housing Authority (Uniform Guidance)
 - Springhill / Courtland Heights PFC (Uniform Guidance)
 - Converse Ranch (HUD Consolidated Audit Guide)

Financial Audit Overview and Results

- SAHA – Business Type Organization (single column)
- Audit Results –
 - Opinion on the SAHA Financial Statements: **Unmodified**
 - Opinions on Separately Issued Financial Statements: **Unmodified**
- Management Discussion and Analysis Letter
- Basic Financial Statements
- Notes to Financial Statements
- Compliance Section

Financial Key Performance Indicators

- **Current Ratio: Current Assets / Current Liabilities**
 - SAHA's ability to pay current liabilities
 - SAHA's ratio is 3.3 (3.7 in 2017)
 - Anything greater than 1 means that SAHA has the ability to pay off their current liabilities quickly, if necessary
- **Debt Ratio: Total Debt / Total Assets**
 - Percentage of SAHA's debt that are provided by assets
 - SAHA's ratio is 0.2 (0.2 in 2017)
 - Anything less than 1 means that SAHA has more assets than debt

Financial Key Performance Indicators (continued)

- Months Expendable Net Assets Ratio:
 $(\text{Current Assets} - \text{Current Liabilities}) / \text{Average Monthly Operating Expenses}$
 - Available net current assets to cover monthly operating expenses
 - SAHA's ratio is 6.4 (5.8 in 2017)
 - Anything greater than 2 is recommended by HUD to meet operating needs

Internal Control Deficiency Definitions

- A **deficiency** in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.
- A **material weakness** is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.
- A **significant deficiency** is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Management Letter Comments

- Material Weaknesses – **None**
- Significant Deficiencies – **None**
- Control Deficiencies – **None**
- Status of Prior Year Internal Control Recommendations -
 - Management has prepared detail status included in the financial statements –
 - Information Technology (IT) Controls (SD) – Adequately addressed
 - Capital Asset Impairment (SD) – Adequately addressed
 - Bank Reconciliation (SD) – Adequately addressed
 - Accounts Payable (CD) – Adequately addressed
 - Revenue Recognition (CD) – Adequately addressed
 - Blended Component Unit Reporting (CD) – Adequately addressed

Federal Grants Audit Overview and Results

- Major Program Tested
 - Moving to Work Demonstration Program (made up of Section 8, Public Housing, and Capital Fund Program) – SAHA
 - Section 8 New Construction & Substantial Rehabilitation – (Springhill)
 - HUD Consolidated Audit Guide (Converse Ranch)
 - Represents \$136,934,217 in federal assistance (92%)
- Opinions on Federal Compliance Audits: **Unmodified**
- Compliance Findings and Internal Control over Compliance
 - Moving to Work (SAHA) - None
 - Springhill – None
 - Converse Ranch – None

Required Communications

- Auditors' Responsibility Under Auditing Standards Generally Accepted in the United States
- Qualitative Aspects of Significant Accounting Practices
 - Significant Estimates – estimated useful lives of capital assets, the allowance for uncollectible receivables, and the fair value of investments and interest rate swaps.
- Significant Difficulties Encountered During the Audit – None
- Uncorrected – None reported
- Corrected – None reported
- Disagreements with Management – None
- Representations Requested from Management
- Management's Consultations with Other Accountants – None

Required Communications

- Representations Requested from Management
- Management's Consultations with Other Accountants – None

THANK YOU FOR
YOUR TIME AND
ATTENTION

QUESTIONS AND ANSWERS?

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Housing Authority of the City of San Antonio

Financial Report and Compliance Report
June 30, 2018

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Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City of San Antonio

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Housing Authority of the City of San Antonio (the Authority), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the aggregate remaining information of the Authority as of June 30, 2018, and the respective changes in financial position and where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16 to the financial statements, effective July 1, 2017, the Authority merged the assets, liabilities and operations of the San Antonio Housing Opportunity Corporation (SAHOC). This merger required beginning equity to be restated in the amount of SAHOC's prior-year deficit net position of \$436,530. Our opinion is not modified with respect to this matter.

Other Matters—Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters—Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Schedule of Modernization Costs, Schedule of Development Costs and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Schedule of Modernization Costs, Schedule of Development Costs and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Modernization Costs, Schedule of Development Costs and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2019, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

San Antonio, Texas
February 7, 2019

Housing Authority of the City of San Antonio

Management's Discussion and Analysis—Unaudited Year Ended June 30, 2018

This section of the Housing Authority of the City of San Antonio's (the Authority) annual financial report presents management's discussion and analysis (MD&A) of the Authority's financial performance during the fiscal year (FY) ended June 30, 2018, related to its business-type activities, as compared to the FY ended June 30, 2017. The business-type activities of the Authority include the following: Public Housing Programs, Section 8 Voucher Programs, Capital Fund Programs, Community Development Initiatives Programs, Beacon Communities and the San Antonio Housing Facility Corporation. The MD&A is designed to assist the reader in focusing on significant financial issues, provide an overview of the Authority's financial activity, identify changes in the Authority's financial position and identify individual fund issues or concerns. The information presented for the year ended June 30, 2017, has not been adjusted in the MD&A for the merger discussed in Note 16.

Since the MD&A is designed to focus on the current-year activities, resulting changes and currently known facts, we encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which follow this section.

Overview of the Housing Authority of the City of San Antonio, Texas

The Authority is a municipal housing authority organized under the laws of the state of Texas (now Chapter 392 of the Texas Local Government Code) and by a resolution of the City Council of the City of San Antonio, Texas, adopted on June 17, 1937. The Authority's purpose is to provide and promote safe and sanitary housing for low-income persons residing in San Antonio, Texas. A seven-member Board of Commissioners (the Board), appointed by the Mayor of the City of San Antonio, governs the Authority.

The Authority is one of 39 public housing authorities nationwide with a Moving to Work (MTW) designation from the United States Department of Housing and Urban Development (HUD). The Authority received its MTW designation from HUD in 1999 and approved a restated MTW agreement in June 2009, which extended the program for 10 additional years. During FY 2016, HUD issued a letter to all participating MTW agencies modifying and extending their existing contracts through 2028. The MTW agreement grants the Authority flexibility to develop policies outside the limitations of certain HUD regulations and provisions. As an MTW agency, the Authority's three primary goals are to promote and increase self-sufficiency among public housing and Section 8 residents, to increase housing choices for low-income families and to achieve programmatic efficiencies and reduce costs. Every year, an MTW plan is developed, describing how flexibilities will be applied to best meet community needs with input from stakeholders, residents and landlords. The MTW agreement also allows for funding fungibility by pooling the Public Housing operating subsidy, Section 8 Housing Choice Voucher subsidy and Capital Funds.

Highlights

- The Authority received 15 Awards of Merit for various innovative programs and initiatives from the National Association of Housing and Redevelopment Officials.
- The Authority's Education Investment Foundation presented 189 R.E.A.C.H. (Rewarding Educational Achievement, Cultivating Hope) Awards to Authority students for achieving perfect attendance and/or A-B honor roll. In addition, 43 Authority youth received college scholarships.
- The Authority celebrated the opening of the Wheatley Park Senior Living Apartments, Phase II of the Wheatley Choice Neighborhood Initiative. A \$15.5 million project, the Wheatley Park Senior Living mixed-income community offers 80 affordable one- and two-bedroom apartments.

Housing Authority of the City of San Antonio

Management's Discussion and Analysis—Unaudited Year Ended June 30, 2018

- The Authority won \$10,000 and received an honorable mention for the creative design of a low-cost Wi-Fi network for residents from the National Science Foundation and tech company, Mozilla, through their Wireless Innovation for a Networked Society challenge.
- The Authority sold 12 single-family homes, the first batch in an 88-home spread for developments in and around what was formerly known as Mirasol Homes. The Authority has billed this as the largest reconstruction effort on the city's west side in a decade and aspires to turn renters into homeowners and enable them to build generational wealth.
- The Authority received a 9 percent tax credit investment for the final phase of the Wheatley Choice Neighborhood Development from the Texas Department of Housing and Community Affairs. The \$15.0 million total tax credit investment will be used to complete East Meadows II.
- The Authority issued a promissory note in the amount of \$6.8 million to Frost Bank to refinance the existing debt on the Monterrey Park Apartments and to finance capital repairs and improvements to the Monterrey Park Apartments and La Providencia Apartments. The refinance increased the mortgage debt on the Monterrey Park Apartments; however, the net refinancing proceeds of approximately \$5.2 million will be utilized to preserve and extend the useful life of both properties.
- The Authority's current ratio that measures liquidity was 4.14 at June 30, 2018. The ratio is an indicator of the Authority's strong capacity to meet its short-term financial obligations.
- The Authority's debt-to-net position ratio was 0.36 at June 30, 2018, demonstrating the Authority's strong long-term solvency position.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements, which are comprised of two components: (1) basic financial statements and (2) notes to financial statements. The basic financial statements include the operations of the Authority and its blended component units.

The statement of net position presents financial information on the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how the Authority's net position changed during the most recent FY. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

Basic Financial Statements

As provided for under accounting principles generally accepted in the United States of America, the Authority uses the accrual basis of accounting to prepare its basic financial statements. Under this basis of accounting, revenues are recognized in the period in which they are earned and expenses, including depreciation and amortization, are recognized in the period in which they are incurred. All assets and liabilities associated with the operation of the Authority are included in the statement of net position. The Authority presents its activities as a single enterprise proprietary fund. The basic financial statements begin on page 16 of this report.

Housing Authority of the City of San Antonio

Management's Discussion and Analysis—Unaudited Year Ended June 30, 2018

Pension Plan Trust Fund—Fiduciary Fund

The Housing Authority of the City of San Antonio Employees' Money Purchase Pension Plan and Trust, a component unit of the Authority, is accounted for as fiduciary activity in the fiduciary fund financial statements. The basic fiduciary fund financial statements begin on page 22 of this report.

The Authority's Major Funds

San Antonio Housing Authority

The Authority operates the following programs:

- **Housing Choice Voucher (HCV) Program**—a HUD-funded program that provides rent subsidies to families residing in privately owned rental properties.
- **Capital Improvement Programs**—HUD-funded programs that include the Capital Fund Program and the Capital Fund Financing Program, which provide funds for new construction and the rehabilitation of existing housing units.
- **Public Housing Program**—a HUD-funded program under which the Authority manages and maintains 6,137 public housing rental units for eligible low-income families, seniors and individuals with disabilities.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to the full understanding of the data provided in the fund financial statements. The notes to financial statements begin on page 25 of this report.

Financial Analysis

General

Over time, net position may serve as a useful indicator of a government's financial position. At June 30, 2018, the Authority's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$261,140,537. By far, the largest portion of net position is the Authority's investment in capital assets (e.g., land, buildings, furniture and equipment and construction in progress) less any related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to provide services and housing to its clients. Consequently, these assets are not available for future spending. Although the Authority's investment in capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Housing Authority of the City of San Antonio

Management's Discussion and Analysis—Unaudited Year Ended June 30, 2018

Condensed Statements of Net Position Information

Presented below is the Authority's condensed statements of net position for FY 2018 compared to FY 2017. This information reflects the economic resources of the Authority, as well as its economic obligations at the end of the FYs shown. See notes to financial statements.

Condensed Statements of Net Position

	FY 2018	FY 2017	Increase (Decrease)	Percentage Change
Assets:				
Unrestricted current assets	\$ 62,348,569	\$ 53,670,119	\$ 8,678,450	16.2%
Restricted current assets	20,625,264	29,741,485	(9,116,221)	(30.7%)
Net capital assets	198,103,875	189,006,428	9,097,447	4.8%
Other assets	73,436,453	68,962,432	4,474,021	6.5%
Total assets	354,514,161	341,380,464	13,133,697	3.8%
Deferred outflows of resources:				
Deferred charges on refunding	725,789	839,999	(114,210)	(13.6%)
Deferred swap outflow	-	210,250	(210,250)	(100.0%)
Total deferred outflows of resources	725,789	1,050,249	(324,460)	(30.9%)
Liabilities:				
Current liabilities	18,702,840	14,528,969	4,173,871	28.7%
Current liabilities payable from restricted assets	1,354,072	1,114,946	239,126	21.4%
Noncurrent liabilities	73,807,113	71,908,424	1,898,689	2.6%
Total liabilities	93,864,025	87,552,339	6,311,686	7.2%
Deferred inflows of resources:				
Deferred swap inflow	235,388	-	235,388	100.0%
Total deferred inflows of resources	235,388	-	235,388	100.0%
Net position:				
Net investment in capital assets	134,924,476	130,740,548	4,183,928	3.2%
Restricted net position	14,086,373	21,186,276	(7,099,903)	(33.5%)
Unrestricted net position	112,129,688	102,951,550	9,178,138	8.9%
Total net position	\$ 261,140,537	\$ 254,878,374	\$ 6,262,163	2.5%

Assets

The Authority's total assets at June 30, 2018 and 2017, amounted to \$354.5 million and \$341.4 million, respectively, representing an increase of 3.8 percent. Unrestricted current assets increased by \$8.7 million, or 16.2 percent due primarily to an increase in unrestricted cash received a result of the refinancing of the Monterrey Park and La Providencia properties. Restricted current assets decreased by \$9.1 million, or 30.7 percent due primarily to cash disbursed for Blueidge Subdivision construction costs and roofing replacement and repairs at various properties. Net capital assets increased by \$9.1 million, or 4.8 percent due primarily to capitalized roof replacements at various properties and significant capital work completed for the Westway Apartments which included sewer, site drainage and solar lighting improvements. The increases were partially offset by the demolition of 28 homes in the Villas de Fortuna Subdivision. Additionally, the Authority added \$24.3 million in construction in progress, which was offset by \$13.9 million in accumulated depreciation. Other assets increased by \$4.5 million, or 6.5 percent due primarily to increases in notes receivable from the Wheatley Park Senior Living Limited Partnership and accrued interest receivable on notes due from various limited partnerships.

Housing Authority of the City of San Antonio

Management's Discussion and Analysis—Unaudited Year Ended June 30, 2018

Liabilities

Total liabilities of the Authority were \$93.9 million and \$87.6 million at June 30, 2018 and 2017, respectively, an increase of 7.2 percent. Current liabilities experienced an increase of \$4.2 million, or 28.7 percent due primarily to an increase in accounts payable, which was partially offset by the amortization of ground leases and paydown of the line of credit. Noncurrent liabilities increased by \$1.9 million, or 2.6 percent due to the refinance of the Monterrey Park Apartments and Castle Point Apartments, which resulted in new debt of \$6.8 million. The increase was partially offset by \$4.7 million in principal payments on mortgage obligations and loans payable, and amortization of unearned ground leases.

Net Position

The Authority's net position totaled \$261.1 million at June 30, 2018, and is comprised of net investment in capital assets of \$134.9 million; restricted net position of \$14.1 million and unrestricted net position of \$112.1 million. Total net position increased by \$6.3 million, or 2.5 percent as a result of operations for the FY. The balance in unrestricted net position represents resources available to meet the Authority's ongoing obligations to tenants, citizens and creditors.

Condensed Statements of Revenues, Expenses and Changes in Net Position Information

Presented on the following page is the condensed statements of revenues, expenses and changes in net position information for FY 2018 compared to FY 2017. The information reflects the results of operations for the Authority and displays the sources of revenue, the nature of expenses for the year and the resulting change in net position. All revenues and expenses are accounted for on an accrual basis. See notes to financial statements.

Housing Authority of the City of San Antonio

Management's Discussion and Analysis—Unaudited Year Ended June 30, 2018

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	FY 2018	FY 2017	Increase (Decrease)	Percentage Change
Operating revenues:				
Tenant	\$ 29,137,386	\$ 28,409,791	\$ 727,595	2.6%
Operating grants	40,736,705	40,943,875	(207,170)	(0.5%)
Other revenue	3,881,531	4,680,619	(799,088)	(17.1%)
Total operating revenues	73,755,622	74,034,285	(278,663)	(0.4%)
Operating expenses:				
Administrative	30,813,048	30,166,136	646,912	2.1%
Tenant services	2,432,372	3,230,037	(797,665)	(24.7%)
Utilities	7,462,928	6,804,072	658,856	9.7%
Ordinary maintenance and operations	22,264,542	21,700,606	563,936	2.6%
Protective services	711,537	790,918	(79,381)	(10.0%)
Insurance	2,469,754	2,144,643	325,111	15.2%
Bad debts	(377,545)	287,708	(665,253)	(231.2%)
Other	2,209,756	1,103,634	1,106,122	100.2%
Depreciation	13,940,131	14,550,627	(610,496)	(4.2%)
Total operating expenses	81,926,523	80,778,381	1,148,142	1.4%
Operating loss	(8,170,901)	(6,744,096)	(1,426,805)	21.2%
Nonoperating revenues (expenses):				
Investment income	500,006	135,410	364,596	269.3%
Mortgage interest income	2,035,919	1,903,253	132,666	7.0%
HUD housing assistance grants	102,271,764	76,224,071	26,047,693	34.2%
Recovery of Section 8 funds	195,678	169,451	26,227	15.5%
Housing assistance payments	(93,109,076)	(89,416,345)	(3,692,731)	(4.1%)
Interest expense	(2,691,984)	(2,503,085)	(188,899)	(7.5%)
Gain (loss) on disposition/retirement of capital assets	(2,531,210)	1,962,677	(4,493,887)	(229.0%)
Insurance recoveries, net of impairment losses	-	6,180,133	(6,180,133)	100.0%
Gain (loss) on investments	(181)	259	(440)	(1.7%)
Amortization and trustee expense	(309,957)	(478,407)	168,450	35.2%
Total nonoperating revenues (expenses)	6,360,959	(5,822,583)	12,183,542	209.2%
Decrease in net position before capital contributions and special item	(1,809,942)	(12,566,679)	10,756,737	85.6%
Capital contributions	8,508,635	9,029,487	(520,852)	(5.8%)
Special item	-	600,000	(600,000)	100.0%
Changes in net position	6,698,693	(2,937,192)	9,635,885	328.1%
Net position at beginning of year	254,878,374	257,815,566	(2,937,192)	(1.1%)
Net position (deficit) from merged government	(436,530)	-	(436,530)	(100.0%)
Net position at end of year	\$ 261,140,537	\$ 254,878,374	\$ 6,262,163	2.5%

Housing Authority of the City of San Antonio

Management's Discussion and Analysis—Unaudited Year Ended June 30, 2018

Operating Revenues and Expenses

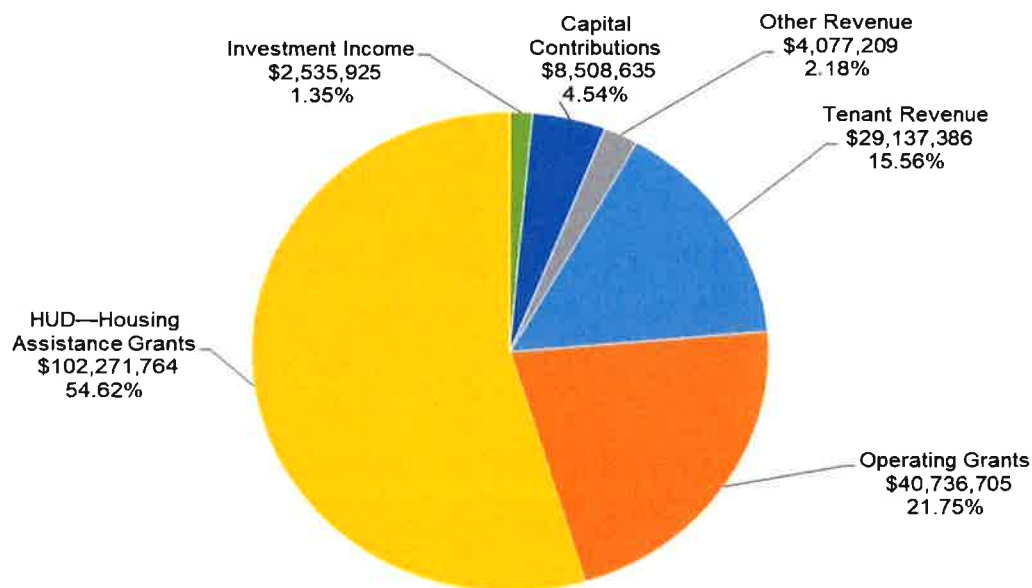
Operating revenues decreased by \$0.3 million, or 0.4 percent over the previous year and operating expenses increased by \$1.1 million, or 1.4 percent. The primary source of revenue, other than HUD funding, is tenant income, which increased by \$0.7 million, or 2.6 percent over the prior year. The \$0.8 million, or 17.1 percent decrease in other revenue was due primarily to less revenue related to insurance proceeds and fewer cash flow distributions from limited partnerships during FY 2018. The most significant increases in operating expenses were administrative, utilities and other expenses. The three categories combined for an increase of \$2.4 million. The other expenses category more than doubled due to the write-off of accounts receivable for insurance holdbacks related to the 2016 hail damage claim, as well as demolition costs related to the former Mirasol Homes site. Partially offsetting this increase were decreases of \$0.8 million and \$0.7 million in tenant services and bad debts, respectively. Depreciation expense, which does not require cash expenditures, but impacts the total operating expenses, totaled \$13.9 million for FY 2018.

Nonoperating Revenues, Expenses and Changes in Net Position

There was an increase of \$9.6 million for the changes in net position primarily due to an increase in HUD Housing Assistance Grants of \$26.0 million. During FY 2017, the Authority was required to use Section 8 reserve funds to disburse housing assistance payments for August, September and a portion of October. Partially offsetting the large overall increase were decreases of \$6.2 million in insurance recoveries, net of impairment losses, and \$4.5 million in gain (loss) on disposition/retirement of capital assets. During FY 2017, the Authority recognized insurance proceeds, net of impairment losses, of \$6.2 million for a severe hail storm that struck San Antonio and caused extensive damage to several of the Authority's properties. In FY 2018, the Authority recognized a \$2.5 million loss on disposition/retirement of capital assets, which resulted from the demolition of 28 homes in the Villas de Fortuna Subdivision and a net loss from the sale of 12 homes in the Blueridge Subdivision. Additionally, there was a \$3.7 million increase in HUD Housing Assistance Payments.

Revenue by Source—Business-Type Activities

Total Revenue—\$187,267,624

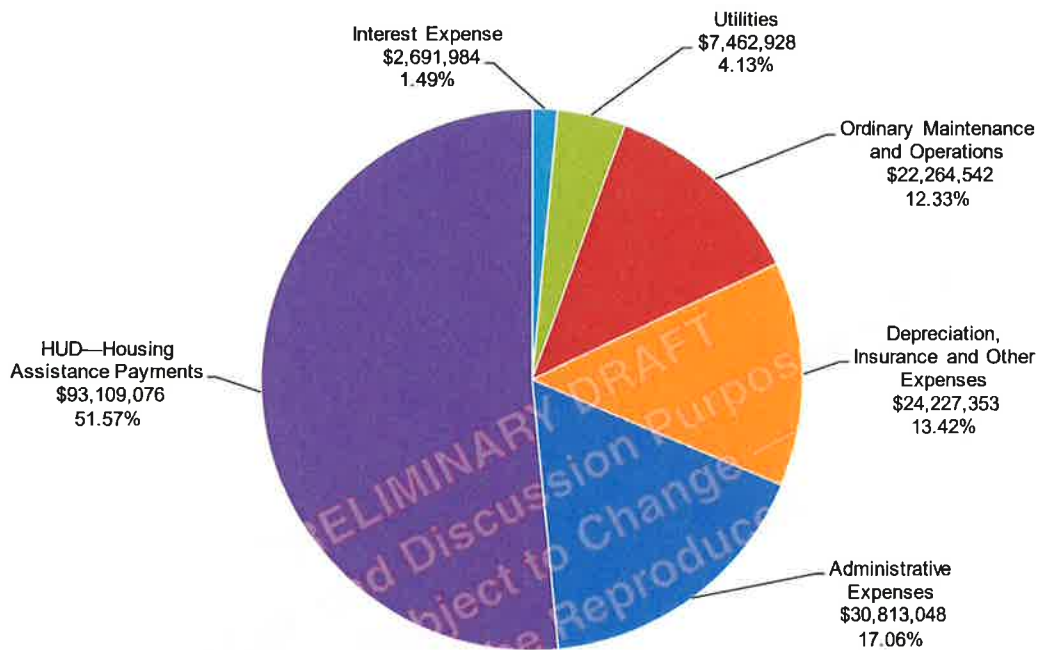


Housing Authority of the City of San Antonio

Management's Discussion and Analysis—Unaudited Year Ended June 30, 2018

Expenses by Use—Business-Type Activities

Total Expenses—\$180,568,931



Capital Assets and Debt Administration

Net Capital Assets

At the end of FY 2018, the Authority had invested \$198,103,875 in a broad range of capital assets, including land, buildings, furniture, equipment, vehicles and construction in progress. The schedule below reflects the changes in capital assets, net of depreciation, during FY 2018:

Schedule of Changes in Capital Assets—FY 2018

Beginning net capital assets	\$ 189,032,762
Additions and transfers in/out	26,193,435
Deletions, net	(3,182,191)
Depreciation	(13,940,131)
Ending net capital assets	<u>\$ 198,103,875</u>

Net capital assets increased by \$9.1 million in FY 2018 when compared to FY 2017. Additions and transfers totaled \$26.2 million, while deletions totaled \$3.2 million. Total depreciation expense for FY 2018 was \$13.9 million. The majority of the additions were attributable to construction in progress. Additional information on the Authority's capital assets can be found in Note 6 of the notes to financial statements.

Housing Authority of the City of San Antonio

Management's Discussion and Analysis—Unaudited Year Ended June 30, 2018

Long-Term Debt

At the end of FY 2018, the Authority had total long-term debt of \$67.8 million. Of this amount, \$21.6 million represents bonds that were issued to purchase or rehabilitate properties owned by component units of the Authority. The Authority's debt increased by \$2.3 million when compared to FY 2017.

Additional information on the Authority's long-term debt can be found in Note 8 of the notes to financial statements.

Economic Factors and Next Year's Budget

Significant economic factors affecting the Authority's budget in the next year are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and, therefore, the amount of rental income
- Inflationary pressure on utility rates, housing costs, supplies and other costs
- Current trends in the housing market
- Local and national property rental markets that determine Housing Assistance Payments

The Authority is primarily dependent upon HUD for the funding of its Low Rent Public Housing, Housing Choice Voucher and Capital Fund programs; therefore, the Authority is affected more by the federal budget than by local economic conditions.

The operating budgets for the Authority's 2018-2019 FY were approved by the Board of Commissioners on June 7, 2018, and became effective July 1, 2018. The Authority's budget is balanced, with estimated revenues of \$178.3 million, with these funds being used primarily for Section 8 payments to landlords, public housing operations, salaries and benefits, upgrades, repairs and maintenance of the Authority's housing communities, as well as other operating costs.

The Authority's goal remains to continue to provide housing to over 65,000 children, adults and senior citizens served through its three core housing programs: Section 8, Public Housing and Nonprofit properties. In FY 2019, the Authority looks forward to continuing to work on the Wheatley Choice Neighborhood revitalization; significantly enhancing property management and housing operations; expanding educational, job training and health services to residents and implementing additional efficiencies across the Authority.

Housing Authority of the City of San Antonio

**Management's Discussion and Analysis—Unaudited
Year Ended June 30, 2018**

Requests for Information

This financial report is designed to provide our citizens, taxpayers, tenants, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the funds it receives. Questions concerning any of the information provided in this report, or the Authority's component units, or requests for additional information should be addressed to:

San Antonio Housing Authority
Attn: Diana Kollodziej Fiedler, CPA, CGMA
Director of Finance and Accounting
P.O. Box 1300
San Antonio, Texas 78295-1300

Basic Financial Statements

Housing Authority of the City of San Antonio

Statement of Net Position June 30, 2018

Assets and Deferred Outflows of Resources

Assets:

Current assets:

Unrestricted assets:

Cash and cash equivalents:	
Unrestricted	\$ 42,830,866
Tenant security deposits	105,972
Accounts receivable—HUD	3,760,136
Accounts receivable—miscellaneous	1,696,481
Accounts receivable—insurance holdback	1,588,485
Accounts receivable—tenants	704,324
Allowance for doubtful accounts—tenants	(163,439)
Notes and mortgages	15,429
Accrued interest receivable	13,783
Assets held for sale	415,811
Investments—unrestricted	3,602,135
Prepaid expenses and other assets	7,778,586
Total unrestricted assets	62,348,569

Restricted assets:

Cash and cash equivalents—modernization and development	5,713,048
Cash and cash equivalents—payment of current liabilities	1,475,002
Cash and cash equivalents—held by lender and trustee	2,319,732
Cash and cash equivalents—other	3,127,027
Investments	7,971,872
Accrued interest	18,583
Total restricted assets	20,625,264

Total current assets

82,973,833

Noncurrent assets:

Capital assets:

Land	45,621,567
Buildings and improvements	453,412,294
Furniture and equipment—dwellings	2,518,725
Furniture and equipment—administration	5,056,214
Leasehold improvements	1,265,302
Construction in progress	30,755,394
	538,629,496
Less accumulated depreciation	(340,525,621)
Net capital assets	198,103,875

Other noncurrent assets:

Notes and mortgages receivable	50,994,762
Accrued interest receivable	13,103,141
Interest rate swap assets	235,388
Other assets and developer fees receivable	3,908,626
Allowance for doubtful accounts—developer fees	(2,242,285)
Noncurrent receivable—insurance holdback	191,718
Equity in partnership investments	7,245,103
Total noncurrent assets	73,436,453

Total assets

354,514,161

Deferred outflows of resources:

Deferred charges on refunding	725,789
Total deferred outflows of resources	725,789

See notes to financial statements.

Liabilities, Deferred Inflows of Resources and Net Position**Liabilities:****Current liabilities:****Unrestricted current liabilities:**

Accounts payable	\$ 7,120,883
Construction payable	3,308,068
Accrued wages and payroll taxes	1,193,637
Accrued compensated absences	1,158,395
Accrued contingencies	194,672
Accounts payable—HUD PHA projects	122,704
Tenant security deposits	1,478,073
Unearned revenue—tenants	363,999
Unearned revenue—ground leases and other	896,926
Current portion of long-term debt	2,347,851
Line of credit	70,616
Other current liabilities	361,782
Accrued liabilities	85,234
Total unrestricted current liabilities	18,702,840

Current liabilities payable from restricted assets:

Long-term debt—current portion	1,090,314
Accrued interest payable	115,807
Family Self-Sufficiency (FSS) escrow	147,951
Total current liabilities payable from restricted assets	1,354,072

Total current liabilities	20,056,912
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Noncurrent liabilities:

Long-term debt, less unamortized discount	64,338,771
FSS escrow payable	2,296,040
Accrued compensated absences	338,909
Unearned revenue—ground leases and other	6,793,022
Other noncurrent liabilities	40,371
Total noncurrent liabilities	73,807,113

Total liabilities	93,864,025
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Deferred inflows of resources:

Deferred swap inflow	235,388
Total deferred inflows of resources	235,388

Net position:

Net investment in capital assets	134,924,476
Restricted net position	14,086,373
Unrestricted net position	112,129,688
Total net position	\$ 261,140,537

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Housing Authority of the City of San Antonio

Statement of Revenues, Expenses and Changes in Net Position Year Ended June 30, 2018

Operating revenues:	
Charges for services:	
Net tenant rental revenue	\$ 28,116,008
Tenant revenue—other	1,021,378
HUD operating grants and housing assistance payments	40,448,920
Other government grants	287,785
Other revenue	3,881,531
Total operating revenues	73,755,622
Operating expenses:	
Administrative	30,813,048
Tenant services	2,432,372
Utilities	7,462,928
Ordinary maintenance and operations	22,264,542
Protective services	711,537
Insurance	2,469,754
Bad debts	(377,545)
Other	2,209,756
Depreciation	13,940,131
Total operating expenses	81,926,523
Operating loss	(8,170,901)
Nonoperating revenues (expenses):	
Investment income—unrestricted	320,740
Investment income—restricted	179,266
Mortgage interest income	2,035,919
HUD housing assistance grants	102,271,764
Recovery of Section 8 funds	195,678
Housing assistance payments	(93,109,076)
Interest expense	(2,691,984)
Loss on disposition/retirement of capital assets	(2,531,210)
Loss on investments	(181)
Amortization and trustee expense	(309,957)
Total nonoperating revenues (expenses)	6,360,959
Decrease in net position before capital contributions	(1,809,942)
Capital contributions	8,508,635
Change in net position	6,698,693
Net position at beginning of year	254,878,374
Net position (deficit) from merged government	(436,530)
Net position at end of year	\$ 261,140,537

See notes to financial statements.

Housing Authority of the City of San Antonio

Statement of Cash Flows Year Ended June 30, 2018

Cash flows from operating activities:	
Cash received from tenants	\$ 72,983,116
Cash received from developers	317,220
Cash payments to suppliers for goods and services	(35,925,658)
Cash payments to employees	(32,683,722)
Net cash provided by operating activities	4,690,956
Cash flows from noncapital financing activities:	
HUD housing assistance grants	102,271,764
Housing assistance payments	(93,109,076)
Recovery of Section 8 funds	198,169
Net cash provided by noncapital financing activities	9,360,857
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(24,069,810)
Refinancing and closing costs	(160,666)
Trustee fees	(11,500)
Proceeds from capital grants	8,508,635
Principal payments on mortgage and notes payable	(4,704,256)
Proceeds from acquisition of debt	6,800,000
Interest paid on long-term debt and line of credit	(2,595,337)
Line of credit drawdowns	2,087,031
Line of credit principal payments	(2,556,078)
Homeownership and FSS escrow	311,002
Proceeds from sale of capital assets	1,903,678
Net cash used in capital and related financing activities	(14,487,301)
Cash flows from investing activities:	
Collections on notes receivable	409,931
Issuance of notes receivable	(2,241,467)
Investment income received	513,716
Sale/maturity of investment securities	6,800,000
Purchases of investment securities	(11,593,863)
Interest on notes and mortgages receivable	12,807
Net cash used in investing activities	(6,098,876)
Net decrease in cash and cash equivalents	(6,534,364)
Cash and cash equivalents at beginning of year	62,106,011
Cash and cash equivalents at end of year	\$ 55,571,647
Noncash capital and related financing activities:	
Acquisition of capital assets through construction payables	\$ 3,308,068
Unpaid interest capitalized into long-term debt	\$ 4,400

(Continued)

Housing Authority of the City of San Antonio

Statement of Cash Flows (Continued)
Year Ended June 30, 2018

Reconciliation to statement of net position:	
Unrestricted cash and cash equivalents	\$ 42,830,866
Tenant security deposits	105,972
Restricted cash and cash equivalents—modernization and development	5,713,048
Restricted cash and cash equivalents—payment of current liabilities	1,475,002
Restricted cash and cash equivalents—held by lender and trustee	2,319,732
Restricted cash and cash equivalents—other	3,127,027
	<u>\$ 55,571,647</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (8,170,901)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	13,940,131
Earned revenue/amortization of unearned revenue—ground lease and other	(1,028,038)
Bad debt recovery	(325,398)
Expensed debt issuance costs	2,102
Net changes in assets and liabilities:	
Assets held for sale	(415,811)
Tenants receivable, net	6,548
HUD receivable	(1,275,148)
Miscellaneous receivables	(261,213)
Other assets and developer fees	222,272
Allowance for doubtful accounts—other	(357,242)
Prepaid expenses and other	(564,956)
Accounts payable	3,644,833
Accrued wages and payroll taxes	(59,346)
Accrued compensated absences	886
Accrued contingencies	(352,921)
Tenant security deposits	(27,971)
Unearned revenue—tenants	(211,354)
Other current liabilities	(141,375)
Accrued liabilities	65,858
Net cash provided by operating activities	<u>\$ 4,690,956</u>

See notes to financial statements.

Housing Authority of the City of San Antonio

**Statement of Plan Net Position—Fiduciary Fund
December 31, 2017**

Assets:

Investments:

Common stock	\$ 14,332,617
Mutual funds—equity	14,463,138
Mutual funds—fixed income	<u>13,397,522</u>
Total investments	<u>42,193,277</u>

Cash and cash equivalents	<u>1,989,122</u>
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Receivables:

Employee contributions	33,404
Employer contribution	73,487
Accrued investment income	<u>35,664</u>
Total receivables	<u>142,555</u>

Total assets	44,324,954
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Liabilities:

Accrued investment manager expenses	<u>43,038</u>
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Net position restricted for pension benefits	<u><u>\$ 44,281,916</u></u>
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See notes to financial statements.

Housing Authority of the City of San Antonio

**Statement of Changes in Plan Net Position—Fiduciary Fund
Year Ended December 31, 2017**

Additions to fiduciary net position:

Contributions:

Employee	\$ 884,220
Employer	<u>1,884,678</u>
Total contributions	<u><u>2,768,898</u></u>

Investment income (expenses):

Interest and dividends	780,683
Net appreciation in fair value of investments	4,393,376
Investment manager expenses	<u>(103,465)</u>
Net investment income	<u><u>5,070,594</u></u>

Total additions	<u><u>7,839,492</u></u>
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Deductions from fiduciary net position:

Benefits paid to participants	(2,224,152)
Administrative expenses	<u>(256,846)</u>
Total deductions	<u><u>(2,480,998)</u></u>

Net increase in fiduciary net position	5,358,494
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Net position restricted for pension:

Fiduciary net position at beginning of year	<u>38,923,422</u>
Fiduciary net position at end of year	<u><u>\$ 44,281,916</u></u>

See notes to financial statements.

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Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies

The financial statements of the Housing Authority of the City of San Antonio (the Authority) have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for government entities. The Governmental Accounting Standards Board (GASB) is the governing body for establishing governmental accounting and financial reporting standards. The more significant of the Authority's accounting policies are described below.

A. Reporting Entity

The Authority was created by the City of San Antonio in 1937, under the provisions of the United States Housing Act of 1937, as a public benefit corporation. The Board of Commissioners (the Board), a seven-member group appointed by the Mayor, has governance responsibility over all activities related to the Authority. These financial statements present the Authority and its component units: entities for which the Authority is considered to be financially accountable and which serve as the Authority's instruments to enhance its purpose to build and maintain affordable housing for low- and moderate-income families.

Blended component units, although legally separate entities are, in substance, part of the Authority's operations. Thus, blended component units are appropriately presented as funds of the primary government. Each blended component unit has a June 30 year-end. The governing boards of the following component units are the same as the primary government's governing board. Additionally, management of the primary government has operational responsibility for the component units; therefore, making them blended component units.

Because members of the Board have the authority to make decisions, appoint administrators and managers, and significantly influence operations and have primary accountability for fiscal matters, the Authority is not included in any other governmental "reporting entity" as defined by GASB Codification Section 2100, *Defining the Financial Reporting Entity*.

Blended Component Units—Enterprise Funds

The following component units are combined with the Authority's activities.

San Antonio Housing Facility Corporation (SAHFAC)

SAHFAC is organized under section 501(c)(3) of the IRC. SAHFAC owns nine multi-family rental developments with 975 units. SAHFAC serves as the general partner for Homestead Redevelopment Partnership, Ltd. (Homestead) and is the sole member of various limited liability companies that are general partners of tax credit limited partnerships. Additionally, SAHFAC leases the Central Office Building to the Authority with a lease term of 40 years, expiring in 2035.

San Antonio Housing Development Corporation (SAHDC)

SAHDC, organized in 1977 under section 501(c)(3) of the Internal Revenue Code (IRC), owns three multi-family rental developments with 254 apartments and manages one senior citizen development that is a component unit of the Authority. SAHDC also serves as the developer and general partner of three limited partnerships created with private investors to expand housing opportunities for low-income families and senior citizens. SAHDC serves as the general partner for Vera Cruz Redevelopment Partnership, Ltd. (Vera Cruz).

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

San Antonio Housing Finance Corporation (SAHFC)

SAHFC was created under the Texas Housing Finance Corporations Act as a vehicle through which tax-exempt housing revenue bonds are issued to finance the construction, acquisition and renovation for occupancy by low- and moderate-income families. The users of the bond proceeds are liable for repayment of the bonds. SAHFC retains no liability relating to the bond issues.

San Antonio Homeownership Opportunities Corporation

In July 1994, the Authority created San Antonio Homeownership Opportunities Corporation under section 501(c)(3) of the IRC to redevelop single-family properties to provide opportunities for lower income families to buy their first home through lease-purchase and other programs.

Las Varas PFC (LVPFC)

Las Varas PFC, created in September 2005, is a Texas nonprofit public corporation and public instrumentality under section 103 of the IRC and was organized to act on behalf of the Authority, as provided by the Texas PFC Act. It serves as the sole member of various limited liability companies that are general partners of tax credit limited partnerships.

Springhill/Courtland Heights (Springhill/Courtland Heights) Public Facility Corporation (PFC)

Springhill/Courtland Heights PFC, created in 1998, is a Texas nonprofit public corporation and public instrumentality under section 103 of the IRC. It was organized to act on behalf of the Authority, as provided by the Texas PFC Act, as amended, for financing the acquisition, rehabilitation, renovation, repair, equipping and furnishing of three multi-family apartment complexes with 505 units. Springhill/Courtland Heights PFC receives rental subsidies pursuant to a Housing Assistance Payment (HAP) contract with HUD for persons of low-to-moderate income.

Woodhill PFC

Woodhill PFC, created in 1999, is a Texas nonprofit public corporation and public instrumentality under section 103 of the IRC. It was organized to act on behalf of the Authority, as provided by the Texas PFC Act, as amended, for financing the acquisition, rehabilitation, renovation, repair, equipping and furnishing of one multi-family apartment complex with 532 units.

Refugio Street PFC (RSPFC)

Refugio Street PFC, created in December 2001, is a Texas nonprofit public corporation and public instrumentality under section 103 of the IRC and organized to act on behalf of the Authority, as provided by the Texas PFC Act, as amended. Refugio Street PFC serves as general partner for Refugio Street Limited Partnership. The partnership was formed for the purpose of financing the acquisition and development of one multi-family apartment complex with 210 units.

Sendero I PFC

Sendero I PFC, created in 2002, is a Texas nonprofit public corporation and public instrumentality under section 103 of the IRC. It was organized to act on behalf of the Authority, as provided by the Texas PFC Act, as amended, for the purpose of financing the acquisition and development of a 192-unit affordable housing project. Affordable rents shall not exceed certain thresholds based on percentages of area median income.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

Vera Cruz Redevelopment Partnership, Ltd. (Vera Cruz)

Vera Cruz (a Texas limited partnership) is an investment of SAHDC (as general partner). Vera Cruz was formed on October 31, 1991, to acquire, own, develop, improve and lease the 29-unit Villa de San Alfonso Senior Citizens Apartments to low-income tenants and is operated in a manner to qualify for federal low-income housing tax credits. In October 2009, SAHFAC acquired a 99 percent interest in the partnership. The partnership is now a wholly owned entity of an Authority affiliate.

Homestead Redevelopment Partnership, Ltd. (Homestead)

Homestead (a Texas limited partnership) is an investment of SAHFAC (as general partner). Homestead was formed on October 31, 1991, to acquire, own, develop, improve and lease the 158-unit Homestead Apartments to low-income tenants and is operated in a manner to qualify for federal low-income housing tax credits. In September 2009, SAHDC acquired a 75 percent interest in the partnership. SAHDC acquired an additional 24 percent interest in June 2011. The partnership is now a wholly owned entity of an Authority affiliate.

Converse Ranch, LLC

Converse Ranch, LLC was organized as a Texas limited liability company on April 5, 2007, to acquire the 124-unit apartment complex known as Converse Ranch Apartments. Currently, the Authority serves as the sole owner of Converse Ranch, LLC.

Converse Ranch II, LLC

Converse Ranch II, LLC was organized as a Texas limited liability company on May 27, 2009, to acquire the 104-unit apartment complex known as Converse Ranch Apartments (Phase II). Currently, SAHFAC serves as the sole owner of Converse Ranch II, LLC.

Sunshine Plaza Apartments, Inc.

Sunshine Plaza Apartments, Inc. was formed in 1988 under section 501(c)(3) of the IRC to serve as owner of the Sunshine Plaza Apartments, a 100-unit senior citizens housing development, built under HUD Section 8—New Construction Program.

Pecan Hill Apartments, Inc.

Pecan Hill Apartments, Inc. was formed in 1988 under section 501(c)(3) of the IRC to serve as owner of the Pecan Hill Apartments, a 100-unit senior citizens housing development, built under HUD Section 8—New Construction Program.

Education Investment Foundation, Inc.

Education Investment Foundation, Inc., created in 1991 pursuant to section 501(c)(3) of the IRC, supports the residents of public housing and Section 8-assisted units through educational scholarships, recreational activities and family self-sufficiency (FSS) training programs.

Presented on the following pages are condensed financial statements for the blended component units. Included are condensed statements of net position; condensed statements of revenues, expenses and changes in net position and condensed statements of cash flows.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

Condensed Statements of Net Position (Deficit) June 30, 2018

	San Antonio Housing Facility Corporation	San Antonio Housing Development Corporation	San Antonio Housing Finance Corporation	San Antonio Homeownership Opportunities Corporation	Las Varas PFC	Springhill/ Courtland Heights PFC
Assets:						
Current assets	\$ 12,066,196	\$ 1,241,040	\$ 235,956	\$ 17,142	\$ 29	\$ 818,607
Restricted current assets	4,508,160	82,781	-	-	-	151,870
Net capital assets	18,356,305	3,314,908	250,716	64,575	12,977,912	7,173,523
Other assets	29,359,222	3,750,520	10,577	206,135	830,509	94,586
Total assets	64,289,883	8,389,249	497,249	287,852	13,808,450	8,238,586
Deferred outflows of resources:						
Deferred charges on refunding	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Liabilities:						
Unrestricted current liabilities	1,814,865	394,927	585	51,855	339,099	741,758
Liabilities payable from restricted assets	419,050	97,952	-	-	-	167,238
Long-term debt	20,655,470	3,984,987	-	-	1,466,667	5,588,815
Other long-term liabilities	6,590,942	-	-	-	202,079	40,371
Total liabilities	29,480,327	4,477,866	585	51,855	2,007,845	6,538,182
Deferred inflows of resources:						
Deferred swap inflow	140,802	-	-	-	-	94,586
Total deferred inflows of resources	140,802	-	-	-	-	94,586
Net position (deficit):						
Net investment in capital assets	1,443,904	2,341,843	250,716	64,575	12,977,913	1,417,470
Restricted	676,895	72,837	-	-	-	151,870
Unrestricted (deficit)	32,547,955	1,496,703	245,948	171,422	(1,177,308)	36,478
Total net position (deficit)	\$ 34,668,754	\$ 3,911,383	\$ 496,664	\$ 235,997	\$ 11,800,605	\$ 1,605,818

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

Condensed Statements of Net Position (Deficit) June 30, 2018

	Woodhill PFC	Refugio Street PFC	Sendero I PFC	Vera Cruz Redevelopment Partnership Ltd.	Homestead Redevelopment Partnership Ltd.	Converse Ranch, LLC
Assets:						
Current assets	\$ 3,895,185	\$ 69	\$ 1,950,674	\$ 176,802	\$ 383,363	\$ 984,405
Restricted current assets	874,733	-	232,034	-	39,600	459,380
Net capital assets	15,944,855	-	7,269,076	760,707	859,148	6,640,958
Other assets	-	8,809,336	-	-	-	-
Total assets	20,714,773	8,809,405	9,451,784	937,509	1,282,111	8,084,743
Deferred outflows of resources:						
Deferred charges on refunding	141,311	-	406,443	-	-	178,034
Total deferred outflows of resources	141,311	-	406,443	-	-	178,034
Liabilities:						
Unrestricted current liabilities	1,451,254	-	139,445	20,476	168,184	243,967
Liabilities payable from restricted assets	281,922	-	274,323	4,723	97,952	-
Long-term debt	7,281,070	-	8,662,583	955,788	3,215,369	6,798,180
Other long-term liabilities	-	-	-	-	-	-
Total liabilities	9,014,246	-	9,076,351	980,987	3,481,505	7,042,147
Deferred inflows of resources:						
Deferred swap inflow	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Net position (deficit):						
Net investment in capital assets	8,563,655	-	(1,261,388)	316,300	684,818	(93,488)
Restricted	834,252	-	232,034	-	39,600	459,380
Unrestricted (deficit)	2,443,931	8,809,405	1,811,230	(359,778)	(2,923,812)	854,738
Total net position (deficit)	\$ 11,841,838	\$ 8,809,405	\$ 781,876	\$ (43,478)	\$ (2,199,394)	\$ 1,220,630

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

Condensed Statements of Net Position (Deficit) June 30, 2018

	Converse Ranch II, LLC	Sunshine Plaza Apartments, Inc.	Pecan Hill Apartments, Inc.	Education Investment Foundation Inc.
Assets:				
Current assets	\$ 155,720	\$ 1,088,801	\$ 750,097	\$ 100
Restricted current assets	166,369	-	-	-
Net capital assets	6,302,596	1,242,079	1,251,040	13,123
Other assets	55,746	-	19,995	-
Total assets	6,680,431	2,330,880	2,021,132	13,223
Deferred outflows of resources:				
Deferred charges on refunding	-	-	-	-
Total deferred outflows of resources	-	-	-	-
Liabilities:				
Unrestricted current liabilities	693,034	120,893	82,249	420,440
Liabilities payable from restricted assets	-	-	-	-
Long-term debt	4,915,297	-	-	-
Other long-term liabilities	-	-	-	-
Total liabilities	5,608,331	120,893	82,249	420,440
Deferred inflows of resources:				
Deferred swap inflow	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Net position (deficit):				
Net investment in capital assets	1,226,014	1,242,079	1,251,040	13,123
Restricted	166,369	-	-	-
Unrestricted (deficit)	(376,029)	967,908	687,843	(420,340)
Total net position (deficit)	\$ 1,016,354	\$ 2,209,987	\$ 1,938,883	\$ (407,217)

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

Condensed Statements of Revenues, Expenses and Changes in Net Position (Deficit) Year Ended June 30, 2018

	San Antonio Housing Facility Corporation	San Antonio Housing Development Corporation	San Antonio Housing Finance Corporation	San Antonio Homeownership Opportunities Corporation	Las Varas PFC	Springhill/ Courtland Heights PFC
Operating Income:						
Net tenant rental revenue	\$ 7,118,798	\$ 1,664,225	\$ -	\$ -	\$ -	\$ 2,047,210
Tenant revenue—other	107,252	190,629	-	-	-	48,263
HUD operating grants and housing assistance payments	-	-	-	-	-	1,134,377
Other government grants	41,512	-	-	-	-	-
Other revenue	1,240,541	74,004	89,350	11,080	1,165,692	43,191
Operating expenses	(5,960,393)	(2,610,290)	(44,259)	(100,814)	(238,378)	(2,259,121)
Depreciation expense	(569,573)	(305,789)	-	(485)	-	(239,531)
Total operating income (loss)	1,978,137	(987,221)	45,091	(90,219)	927,314	774,389
Nonoperating revenues (expenses):						
Investment income	94,517	10,730	962	46	512	7,072
Mortgage interest income	591,322	281,493	823	12,812	-	-
Interest expense	(699,571)	(245,953)	-	-	-	(197,912)
Gain on disposition/retirement of assets	39,116	1,865	49,715	28,131	4,743	-
Amortization and trustee expense	(160,666)	(23,580)	-	-	-	-
Total nonoperating revenues (expenses)	(135,282)	24,555	51,500	40,989	5,255	(190,840)
Transfers	1,289,720	1,069,245	(150,000)	-	147,767	-
Change in net position	3,132,575	106,579	(53,409)	(49,230)	1,080,336	583,549
Net position (deficit) at beginning of year	31,536,179	3,804,804	550,073	285,227	10,720,269	1,022,269
Net position (deficit) at end of year	\$ 34,668,754	\$ 3,911,383	\$ 496,664	\$ 235,997	\$ 11,800,605	\$ 1,605,818

Condensed Statements of Cash Flows Year Ended June 30, 2018

	San Antonio Housing Facility Corporation	San Antonio Housing Development Corporation	San Antonio Housing Finance Corporation	San Antonio Homeownership Opportunities Corporation	Las Varas PFC	Springhill/ Courtland Heights PFC
Net cash provided by (used in):						
Operating activities	\$ 3,083,148	\$ (986,129)	\$ 78,185	\$ (94,448)	\$ (148,250)	\$ 377,000
Capital and related financing activities	3,411,116	976,370	(93,755)	67,342	147,767	(2,423,965)
Investing activities	(6,122,051)	10,777	5,471	27,022	512	7,072
Net increase (decrease) in cash and cash equivalents	372,213	1,018	(10,099)	(84)	29	(2,039,893)
Cash and cash equivalents at beginning of year	11,572,354	1,197,363	78,425	86	-	2,564,917
Cash and cash equivalents at end of year	\$ 11,944,567	\$ 1,198,381	\$ 68,326	\$ 2	\$ 29	\$ 525,024

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

Condensed Statements of Revenues, Expenses and Changes in Net Position (Deficit) Year Ended June 30, 2018

	Woodhill PFC	Refugio Street PFC	Sendero I PFC	Vera Cruz Redevelopment Partnership Ltd.	Homestead Redevelopment Partnership Ltd.	Converse Ranch, LLC
Operating Income:						
Net tenant rental revenue	\$ 4,011,289	\$ -	\$ 2,082,864	\$ 170,785	\$ 1,001,369	\$ 961,083
Tenant revenue—other	96,856	-	183,891	1,210	172,719	11,013
HUD operating grants and housing assistance payments	-	-	-	-	-	-
Other government grants	-	-	-	-	-	59,552
Other revenue	46,854	-	14,071	1,515	19,312	9,346
Operating expenses	(3,005,837)	(303)	(905,537)	(169,014)	(981,464)	(758,550)
Depreciation expense	(644,058)	-	(317,486)	(45,391)	(168,258)	(196,938)
Total operating income (loss)	505,104	(303)	1,057,803	(40,895)	43,678	85,506
Nonoperating revenues (expenses):						
Investment income	66,418	69	18,418	1,338	2,901	12,218
Mortgage interest income	-	411,338	-	-	-	-
Interest expense	(287,268)	-	(428,411)	(10,229)	(197,454)	(225,255)
Gain on disposition/retirement of assets	97,388	-	-	-	-	-
Amortization and trustee expense	(39,915)	-	(79,399)	-	-	(6,396)
Total nonoperating revenues (expenses)	(163,377)	411,407	(489,392)	(8,891)	(194,553)	(219,433)
Transfers	-	(229,117)	-	-	-	-
Change in net position	341,727	181,987	568,411	(49,786)	(150,875)	(133,927)
Net position (deficit) at beginning of year	11,500,111	8,627,418	213,465	6,308	(2,048,519)	1,354,557
Net position (deficit) at end of year	\$ 11,841,838	\$ 8,809,405	\$ 781,876	\$ (43,478)	\$ (2,199,394)	\$ 1,220,630

Condensed Statements of Cash Flows Year Ended June 30, 2018

	Woodhill PFC	Refugio Street PFC	Sendero I PFC	Vera Cruz Redevelopment Partnership Ltd.	Homestead Redevelopment Partnership Ltd.	Converse Ranch, LLC
Net cash provided by (used in):						
Operating activities	\$ 1,082,406	\$ (303)	\$ 1,364,545	\$ 5,725	\$ 268,261	\$ 365,181
Capital and related financing activities	(4,604,931)	(229,117)	(840,008)	(4,698)	(84,143)	(694,250)
Investing activities	66,237	229,487	(982,139)	1,338	2,901	(792,055)
Net increase (decrease) in cash and cash equivalents	(3,456,288)	67	(457,602)	2,365	187,019	(1,121,124)
Cash and cash equivalents at beginning of year	7,343,223	2	1,521,864	157,190	229,967	1,644,340
Cash and cash equivalents at end of year	\$ 3,886,935	\$ 69	\$ 1,064,262	\$ 159,555	\$ 416,986	\$ 523,216

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

Condensed Statements of Revenues, Expenses and Changes in Net Position (Deficit) Year Ended June 30, 2018

	Converse Ranch II, LLC	Sunshine Plaza Apartments, Inc.	Pecan Hill Apartments, Inc.	Education Investment Foundation Inc.
Operating Income:				
Net tenant rental revenue	\$ 799,493	\$ 262,172	\$ 292,390	\$ -
Tenant revenue—other	9,956	1,722	20,906	-
HUD operating grants and housing assistance payments	-	467,063	615,416	-
Other government grants	41,512	-	-	-
Other revenue	7,194	1,295	111	180,525
Operating expenses	(505,360)	(703,383)	(602,759)	(319,795)
Depreciation expense	(184,268)	(79,821)	(79,769)	(3,210)
Total operating income (loss)	168,527	(50,952)	246,295	(142,480)
Nonoperating revenues (expenses):				
Investment income	2,643	12,810	6,043	115
Mortgage interest income	-	-	-	-
Interest expense	(167,259)	-	-	-
Gain on disposition/retirement of assets	-	1,725	1,716	-
Amortization and trustee expense	-	-	-	-
Total nonoperating revenues (expenses)	(164,616)	14,535	7,759	115
Transfers	-	-	-	-
Change in net position	3,911	(36,417)	254,054	(142,365)
Net position (deficit) at beginning of year	1,012,443	2,246,404	1,684,829	(264,852)
Net position (deficit) at end of year	\$ 1,016,354	\$ 2,209,987	\$ 1,938,883	\$ (407,217)

Condensed Statements of Cash Flows Year Ended June 30, 2018

	Converse Ranch II, LLC	Sunshine Plaza Apartments, Inc.	Pecan Hill Apartments, Inc.	Education Investment Foundation Inc.
Net cash provided by (used in):				
Operating activities	\$ 556,771	\$ 102,360	\$ 359,920	\$ (3,690)
Capital and related financing activities	(694,840)	(36,820)	(64,120)	-
Investing activities	2,643	9,088	6,042	115
Net increase (decrease) in cash and cash equivalents	(135,426)	74,628	301,842	(3,575)
Cash and cash equivalents at beginning of year	316,711	198,378	440,704	3,675
Cash and cash equivalents at end of year	\$ 181,285	\$ 273,006	\$ 742,546	\$ 100

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

Fiduciary Component Units

Housing Authority of the City of San Antonio Employees' Money Purchase Pension Plan and Trust (the Plan)

The Plan, established in 1948, is a public retirement system authorized by section 810.001 of the Texas Government Code, and a governmental plan within the meaning of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan was established as a defined contribution plan covering all regular full-time employees of the Authority who have completed one year (at least 1,000 hours) of service.

The Plan is included as a component unit since the primary government has fiduciary responsibility for the Plan and the Plan serves only the Authority's employees or retirees. The Plan's fiscal year-end is December 31, 2017.

Separately Issued Financial Statements

Separate financial statements have been issued for the following component units:

- Converse Ranch, LLC
- Springhill/Courtland Heights PFC
- Woodhill PFC
- Sendero I PFC
- San Antonio Housing Facility Corporation
- Housing Authority of the City of San Antonio Employees' Money Purchase Pension Plan and Trust

The reports may be obtained at the Authority's administrative offices located at 818 South Flores Street, San Antonio, Texas 78204.

Limited Partnerships—Joint Ventures

Various limited partnership entities, as described below, are considered joint ventures of the component units. A joint venture is an organization that results from a contractual arrangement and that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain an ongoing financial interest or responsibility. A component unit of the Authority has contributed capital to the following partnerships:

SPII Limited Partnership

SAHDC and Carleton Development, Ltd. are co-developers of a 120-unit senior community at the Legacy at Science Park Apartments.

O'Connor Road Limited Partnership

SAHDC and Carleton Development, Ltd. are co-developers of a 150-unit senior community at the Legacy on O'Connor Road Apartments.

San Juan Square, Ltd.

SAHFAC and NRP San Juan Square, LLC are co-developers of a 143-unit multi-family project at the San Juan Square Apartments.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

The Alhambra Apartments, Ltd.

SAHFAC and NRP Alhambra, LLC are co-developers of a 140-unit multi-family project at the Alhambra Senior Apartments.

Midcrowne Senior Pavilion, LP

SAHFAC and American Affordable Homes, LP are co-developers of a 196-unit senior apartment project at the Midcrowne Pavilion Apartments.

ARDC Sutton, Ltd.

SAHFAC and Franklin Development Properties, Ltd. are co-developers of a 208-unit multi-family project at the Park at Sutton Oaks.

Various component units of the Authority serve as general partner for 19 other limited partnerships that are listed in the schedule to Note 5. For those partnerships, the general partner was not required to make a capital contribution at inception.

Authority Programs

In addition to the operation of the above component units, the Authority operated the following programs during the current year.

Public Housing

The Authority manages and maintains 6,137 public housing rental units for eligible low-income families, seniors and people with disabilities. The rental units are located in 37 developments for families, 36 developments for seniors and disabled persons and a number of scattered site single-family homes throughout the City of San Antonio.

Section 8—Housing Assistance Payment Programs

The Housing Assistance Payment Programs provide rent subsidies for approximately 13,000 families residing in privately owned rental properties.

Not-For-Profit

Section 8—Project Based Management

Section 8 Project Based Management properties provide housing to low- and moderate-income elderly and nonelderly families. These properties include: Villa de Valencia Apartments, Reagan West Apartments, Sunshine Plaza Apartments, Pecan Hill Apartments and Cottage Creek Apartments.

Other Not-For-Profit Activities

Other not-for-profit activities include the activities of various programs and corporations. These include SAHFC; San Antonio Homeownership Opportunities Corporation; Sendero I PFC; Las Varas PFC; Education Investment Foundation, Inc.; Refugio Street PFC; Central Office Building; SAHDC; SAHFAC; Woodhill PFC; Converse Ranch, LLC and the Central Office Cost Center, which is the Authority's "management company arm."

Capital Improvement Programs

HUD-Funded Capital Fund and Capital Fund Financing Programs

HUD-Funded Capital Fund and Capital Fund Financing Programs provide funds for new construction and the rehabilitation of existing housing units.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

Energy Performance Contracting

Energy Performance Contracting is a capital improvement program for designing, installing and financing energy improvement projects where the savings achieved by the project are expected to reduce energy costs of the project over the term of the agreement.

Other Capital Improvement Programs

Other Capital Improvement Programs may include HUD Empowerment Zones and Community Development Block Grant Funds passed through the City of San Antonio to supplement infrastructure improvements.

Community Initiatives

Resident and Opportunity Supportive Services Program

The Resident and Opportunity Supportive Services Program addresses the needs of public housing residents by providing supportive services, resident empowerment activities and/or assisting residents in becoming economically self-sufficient. The primary focus of the program is on "welfare to work" and on independent living for the elderly and persons with disabilities.

Jobs Plus Grant

The Jobs Plus Grant is a welfare to work demonstration aimed at significantly increasing employment and income of public housing residents through intensive employment focused programs targeting every able-bodied, working-welfare recipient at a public housing development in selected cities. The initiative is also a response to new national policies, such as time-limited welfare and cuts in public housing subsidies, which endanger the ability of public housing residents to pay rent.

B. Basic Financial Statements—Fund Financial Statements

All activities of the Authority are reported as business-type activities (enterprise funds), with the exception of the Plan, which is reported as a fiduciary-type activity, since it accumulates resources for pension benefit payments to qualified Authority employees, and the resources reported in that fund are not available to support the Authority's programs. The effect of interfund activity has been removed from the proprietary statements. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through fees and user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement Focus and Basis of Accounting

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the grantor have been met and qualifying expenditures have occurred.

Capital grant funds used to acquire or construct capital assets are recognized as a receivable and a capital contribution (revenues) in the period when all applicability requirements have been met.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

The Plan's financial statements are prepared using the accrual basis of accounting. Employer and Plan member contributions are recognized in the period that the contributions are due.

Financial Statement Presentation

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise funds are tenant rental revenue, HUD operating grants and Housing Assistance Payments, since they are used to subsidize rents at Authority-owned properties. Operating expenses for enterprise funds include the cost of the ordinary maintenance and operation expenses, utilities, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Deposits and Investments

Authority's Deposits and Investments

For purposes of the statement of cash flows, the Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, money market funds and short-term investments with original maturities of three months or less from the date of acquisition.

Portions of the Authority's cash, cash equivalents and investments are restricted by "use" limitations externally imposed by creditors, funding source agreements or legislation. Restricted cash includes HUD Family Self-Sufficiency (FSS) escrow amounts for residents in the FSS program. Restricted cash and cash equivalents also include amounts set aside for debt service in accordance with debt covenants and funds that are only allowed to be expended for certain specified modernization and development activities.

Investments are accounted for at either amortized cost or at fair value, which is the price that would be received to sell the investment in an orderly transaction between market participants at the measurement date. Fair value of actively traded securities is determined by the reported market value of securities and mutual funds trading on national exchanges. Values of securities not actively traded are based on observable inputs of similar financial instruments or on the fair value of the underlying assets. Realized gains and losses are determined on the specific-identification method. Accrued income on investments is recorded as earned, since it is both measurable and available. Investment transactions are recorded on the settlement date.

Plan Investments

Investments in the Plan are administered by the Advisory Committee of the Plan and are held by the Frost Bank Trust Department (Trustee). Plan investments in marketable debt and equity securities are reported at fair value. Shares of registered investment companies (mutual funds) are reported at fair value based on the quoted market price of the fund, which represents the net position value of the shares held by the fund at year-end. The fair value of each fund is based on the fair value of each funds' underlying investments at the end of the reporting period. Plan interest is recorded on the accrual basis as earned, and dividends are accrued as of the ex-dividend date.

Purchases and sales of investments in the Plan are recorded on a trade-date basis and, accordingly, the related receivable and payable for any unsettled trades are recorded. At December 31, 2017, there were no unsettled trades.

Net appreciation in fair value of the Plan's assets includes the related gains and losses on sales of investments and the unrealized gains and losses (representing the change in market value).

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

E. Interprogram Receivables and Payables

The Authority pays all bills and salaries for its programs and component units through its centralized check-writing system. As a result, interprogram receivables and payables arise from interprogram and intercompany transactions and are recorded in all affected corporations in the period in which transactions are executed in the normal course of operations. Interprogram receivables, payables and transfers between programs and component units have been eliminated in the basic financial statements.

F. Accounts Receivable

Tenant receivables, other receivables and the allowance for doubtful accounts are shown separately on the financial statements. The allowance for doubtful accounts is established as losses are estimated to have occurred though a provision for bad debts charged to earnings. Losses are charged against the allowance when management believes the uncollectibility is confirmed. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is evaluated on a regular basis by management and is based on historical experience and specifically-identified questionable receivables. The evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available.

G. Notes and Mortgages Receivable

The majority of notes and mortgages receivable are due from tax credit partnerships in which the Authority serves as the general partner. The Authority evaluates the collectibility of the notes and mortgages receivable by reading the various tax credit partnerships' financial statements and determining projections for future cash flows. It has been the Authority's experience that once the tax credits expire, the limited partners will withdraw from the partnership and the Authority will become the sole owner. If a note payable remains outstanding at the time a partnership becomes wholly owned by the Authority, the amounts are still paid from the partnership to the Authority until they are fully paid. The Authority also has the ability to modify the terms of the notes once the Authority becomes the sole owner of the entire partnership. Thus, all amounts due under notes and mortgages receivable are considered collectible, and no allowance was recorded at June 30, 2018. A schedule of notes and mortgages receivable is provided in Note 3 to the financial statements.

H. Other Assets and Developer Fees Receivable

The Authority has several developer fees receivable from various tax credit partnerships. The developer fees generally include repayment terms based on excess cash flows from the developed property, which makes estimates of any potential allowance for uncollectible amounts difficult. The Authority evaluates the collectibility of these receivables on an annual basis using several methods, which include reading the developments' financial statements and projecting estimated cash flows to future periods, among others. As part of this process, the Authority compares the previous-year projections to the current-year collections in order to assure the allowance for uncollectible amounts is reasonable and reflects the latest cash flow trends. For additional information, see Note 4 to the financial statements.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

I. Restricted Assets

Certain proceeds of the Authority's enterprise fund debts, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because the repayment funds are maintained in separate bank accounts and/or maintained by trustees, as established by indenture agreements. The use of these funds is limited by third parties. The restricted investments include restricted assets to be used for the replacement of property and for other project expenditures or are held in escrow for families who successfully fulfill the FSS program requirements.

J. Capital Assets

Capital assets purchased or constructed that exceed \$2,500 and have a useful life of more than one year are capitalized at cost or estimated cost if historical cost is not available. Donated capital assets are recorded at fair value at the time of donation. The cost of site and building improvements that add value to the asset or materially extend the asset's life are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Depreciation on all exhaustible capital assets of the Authority is charged as an expense with accumulated depreciation being reported on the statement of net position. Depreciation is generally recorded on the straight-line basis over the estimated life of the assets. The estimated useful lives are as follows:

Buildings and leasehold improvements	10-40 years
Furniture, equipment and machinery	3-10 years

K. Compensated Absences

Paid Time Off (PTO)

The PTO policy is included in the Authority's Personnel Procedures Handbook. Under the current policy, PTO accrues for regular full-time employees upon employment, at a rate of 15 to 25 days annually, depending upon years of service, but cannot be used prior to six months of service. Employees must complete one year of service in order to be paid PTO upon termination. Effective December 20, 2014, the maximum PTO hours an employee can carry increased from 360 hours to 440 hours.

As of June 30, 2018, the current portion of accrued compensated absences was comprised of PTO totaling \$1,158,395 and the long-term portion of accrued compensated absences was comprised of PTO totaling \$338,909.

L. Long-Term Debt and Other Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Mortgage loan discounts are amortized over the life of the loans using the effective-interest method.

M. Capital Contributions

Capital contributions consist of funds received through various grants to assist in the acquisition or construction of capital assets. A major portion of these contributions comes from the Public Housing Capital Fund Program.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

N. Net Position

Net position is classified into three components:

- **Net investment in capital assets**—This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position**—This component of net position consists of external constraints placed on net position used by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position**—This component of net position consists of net position that does not meet the definition of “net investment in capital assets” or “restricted net position.” These funds are available to use for any lawful and prudent purpose of the Authority.

O. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

P. Restricted and Unrestricted Resources

Under the terms of grant agreements, the Authority funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Therefore, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is the Authority's policy to first apply cost-reimbursement grant resources to such programs and then operating revenues.

Q. Equity in Partnership Investments

Investments by certain component units in limited partnerships are accounted for as equity investments. The component units of the Authority recognize their share of the operating results of the limited partnerships based on their ownership share of the limited partnerships and the partnership agreements. Under this method, the investment is initially recorded at cost and then increased or decreased by the proportionate share of the partnerships' net earnings or losses. The Authority is not obligated to fund capital deficits; therefore, any total capital deficits related to the Authority are only recognized to the extent of the Authority's contributed capital. A schedule of equity in partnership investments is provided in Note 5.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

R. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has one item that qualifies for reporting in this category, which is deferred charges on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and the re-acquisition price. Each deferred charge is amortized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The Authority has one item that qualifies for reporting in this category, which is deferred swap inflows. The deferred swap inflow is recognized in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The Authority recognizes the fair value of the swap agreement as either an asset or liability on its statement of net position with the offsetting gain or loss as either a deferred inflow or outflow of resources, if deemed an effective hedge. The Authority has applied the synthetic instrument method to determine its swap agreement constitutes an effective cash flow hedge.

As of June 30, 2018, the Authority's deferred outflows/inflows of resources were comprised of the following:

Deferred charges on refunding:

Sendero I PFC	\$ 406,444
Converse Ranch I, LLC	178,034
Woodhill Apartments PFC	141,311
Total deferred outflows of resources	<u>\$ 725,789</u>

Deferred swap inflows:

Converse Ranch II, LLC	\$ 55,746
San Antonio Housing Facility Corporation (Castle Point Apartments)	63,057
Springhill/Courtland Heights PFC	94,586
San Antonio Housing Facility Corporation (Monterrey Park and La Providencia)	21,999
Total deferred inflows of resources	<u>\$ 235,388</u>

S. Unearned Revenue

Unearned revenue is generally comprised of various ground leases in which funds were provided for the purchase of land parcels which, in turn, were leased to project developments for periods ranging from 10 to 99 years. The Authority recognized the funds received for the prepaid leases as unearned revenue and will amortize the prepayments over the initial periods on a straight-line basis. For detailed information, see Note 7 to the financial statements.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 2. Cash, Cash Equivalents and Investments

A. The Authority's Cash, Cash Equivalents and Investments

Cash, cash equivalents and investments as of June 30, 2018, are classified in the accompanying financial statements as follows:

Unrestricted:	
Cash and cash equivalents	\$ 42,830,866
Tenant security deposits	105,972
Investments	3,602,135
Restricted:	
Cash and cash equivalents—modernization and development	5,713,048
Cash and cash equivalents—payment of current liabilities	1,475,002
Cash and cash equivalents—held by lender and trustee	2,319,732
Cash and cash equivalents—other	3,127,027
Investments	7,971,872
Total cash, cash equivalents, and investments	<u>\$ 67,145,654</u>

Cash, cash equivalents and investments as of June 30, 2018, consist of the following:

Petty cash	\$ 1,150
Deposits with financial institutions	53,250,765
Short-term investments—United States Treasury notes	11,574,007
Funds held by lender and trustee	2,319,732
Total cash, cash equivalents and investments	<u>\$ 67,145,654</u>

Investments Authorized by the Authority

Investment types that are authorized by the Authority include direct obligations of the federal government backed by the full faith and credit of the United States, including United States Treasury bills, notes and bonds; obligations of federal government agencies; securities of government-sponsored agencies; various types of deposits, demand and sweep accounts and certificates of deposit (CDs); municipal depository funds; certain types of repurchase agreements; certain separate trading of registered interest and principal securities and certain types of mutual fund investments. Each authorized investment has a maximum maturity of three years, a maximum portfolio percentage of 50 percent and is limited to a maximum investment of 50 percent in any one issuer. None of the specified limits have been exceeded. In addition, the Authority does not hold any unauthorized investments.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees are governed by the provisions of debt agreements of the Authority. The investment types authorized by the Authority's debt agreements include direct obligations of the federal government, including United States Treasury bills, notes and bonds; bonds, debentures, participation certificates or notes of the Government National Mortgage Association (GNMA); bonds, debentures, participation certificates or notes of certain government-sponsored agencies; direct and general obligation of any state of the United States of America or any municipality or political subdivision of such state; corporate obligations; negotiable or nonnegotiable CDs, time deposits or other similar banking arrangements with national or state chartered banks; certain types of mutual funds or money market funds; certain types of repurchase agreements; certain types of commercial paper of finance companies; certain types of investment agreements and certain types of tax-exempt obligations.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 2. Cash, Cash Equivalents and Investments (Continued)

The maximum maturity, maximum portfolio percentage and maximum investment in any one issuer are not limited, except for authorized types of commercial paper of finance companies and certain investment contracts, which are limited to a maximum maturity of 270 days. None of the specified limits have been exceeded, and the Authority held no unauthorized investments.

Investments Held by Lenders

Investment of funds held by lenders are governed by provisions of the debt agreements and HUD provisions for project accounts, rather than the investment requirements of the Public Funds Investment Act (PFIA). The Authority has replacement and residual reserve accounts that are held by the lender. Investing is performed in accordance with investment policies set forth by HUD. The mortgage company may invest funds in excess of \$250,000 in institutions under the control of, and whose deposits are insured by, the Federal Deposit Insurance Corporation, National Credit Union Association or other United States government insurance corporations under the following conditions:

- Mortgage companies must determine the institution has a rating consistent at all times with current minimally acceptable ratings as established and published by GNMA.
- Mortgage companies must monitor the institution's ratings no less than on a quarterly basis and change institutions when necessary. The mortgage companies must document the ratings of the institutions where the funds are deposited and maintain the documentation in the administrative record for three years, including the current year.

If the mortgage company does not perform the required quarterly review of the institutions where there are deposits in excess of \$250,000, and does not maintain the funds in an institution with a rating consistent with minimally acceptable ratings, as established and published by GNMA, and the institution fails, the mortgage company is held responsible for replacing any lost funds. HUD will seek all available remedies to recover whatever funds are lost as a result of the failed institution.

Required accounts that are held by the lender include project, residual receipts reserve and replacement reserve accounts that are not limited as to maximum maturity, maximum percentage of portfolio or maximum investment in any one issuer.

Fair Value Classification

The Authority categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs.

The Authority has investments in money market funds held with their bond trustee of \$1,203,660 that are recorded at amortized cost and has the following investments and other items requiring recurring fair value measurements as of June 30, 2018:

- **Debt securities**—United States Treasury securities of \$11,574,007 are valued using quoted market prices (Level 1 inputs).
- **Investment derivative instruments**—Interest rate swaps resulted in a total positive fair value of \$235,388 and were valued using a market approach that considers benchmark interest rates (Level 2 inputs).

Housing Authority of the City of San Antonio

**Notes to Financial Statements
Year Ended June 30, 2018**

Note 2. Cash, Cash Equivalents and Investments (Continued)

Investment Risks

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Exposure*, the following information addresses the interest rate risk exposure, credit risk, concentration of credit risk and custodial credit risk. The Authority does not hold any foreign securities; therefore, there is no foreign currency risk.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates may adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity the investment's fair value is to changes in market interest rates. The Authority manages its exposure to interest rate risk by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time, as necessary to provide the cash flow and liquidity needed for operations. The Authority does not place a limit on interest rate risk. Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations, including investments held by bond trustees, is provided in the following table, which shows the distribution of the Authority's investment by maturity:

Investment	Maturity Dates	Carrying Amount
United States Treasury notes—short term	July 15, 2018; July 31, 2018; October 15, 2018; April 15, 2019; April 30, 2019	\$ 11,574,007
Held by bond trustee:		
BlackRock Liquidity Funds FedFund Institutional Shares—money market fund	N/A	1,203,660
Total investments		<u>\$ 12,777,667</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Obligations of the United States Treasury are considered risk-free. Presented below is the minimum rating required by (where applicable) HUD, the Authority's investment policy, or debt agreements, and the actual rating by Moody's as of year-end:

Investment	Carrying Amount	Investment Minimum Rating
United States Treasury notes—short term	\$ 11,574,007	N/A
Funds held by bond trustee:		
BlackRock Liquidity Funds FedFund Institutional Shares— money market fund	1,203,660	Aaa-mf
Total investments	<u>\$ 12,777,667</u>	

Concentration of Credit Risk

The investment policy of the Authority or HUD contains no limitations on the amount that can be invested in any one issuer. There are no investments in any one issuer (other than United States Treasury securities and money market funds) that represent 5 percent or more of the total Authority's investments. The Authority does not place a limit on concentration of credit risk.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 2. Cash, Cash Equivalents and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, an owner or a holder will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Authority's investment policy requires collateralization of 100 percent of its deposits. All collateral should conform to those investment instruments listed in PFIA. The Authority does not place a limit on custodial credit risk.

As of June 30, 2018, the Authority's deposits were fully collateralized by the Authority's depository with United States government agency securities held by its safekeeping agent, the Federal Reserve Bank, in the name of the Authority.

As of June 30, 2018, all the Authority's investments held by the bank trustees and lenders were held by the same broker-dealer (counterparty) that was used by the Authority to buy the securities.

B. The Plan's Cash, Cash Equivalents and Investments

As of December 31, 2017, the Plan's portfolio was comprised of the following:

Description	Fair Value
Equity—common stock	\$ 14,332,617
Mutual funds—equity	14,463,138
Mutual funds—fixed income	13,397,522
Total investments	<u>\$ 42,193,277</u>

Investment Risks

In accordance with GASB Statement No. 40, the following disclosures address credit risk, concentration of credit risk and interest rate risk at December 31, 2017. The Plan does not hold any foreign securities; therefore, there is no foreign currency risk.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. However, investments issued or explicitly guaranteed by the United States government are excluded from this requirement. The Plan's Pension Advisory Committee defines risk in the Plan's investment policy as the possibility of losing money over the rolling 10-year time horizon. Generally, Plan assets may be invested only in investment grade bonds rated BBB (or equivalent) or better. Within the context of a managed portfolio or pooled account, an individual manager may position less than investment-grade bonds on an opportunistic basis.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 2. Cash, Cash Equivalents and Investments (Continued)

Presented below is the actual rating for each investment type as of December 31, 2017:

Investment Type	Fair Value	Not Rated
Brandywine Global—Global Unconstrained Bond Fund Class I	\$ 5,066,750	\$ 5,066,750
Metropolitan West Total Return Bond Fund	8,330,772	8,330,772
Total fixed income investments	<u>\$ 13,397,522</u>	<u>\$ 13,397,522</u>

Concentration of Credit Risk

The Plan is required to disclose investments in any one issuer that represent 5 percent or more of the total investments. However, investments issued or explicitly guaranteed by the United States government and investments in mutual funds, external investment pools and other pooled investments are excluded from this requirement. The Plan's investment policy limits the investment in securities of any one company to 15 percent of the total fund, and no more than 30 percent of the total fund should be invested in any one industry. At December 31, 2017, there were no investments in any one issuer that represent 5 percent or more of total Plan investments. Additionally, the Plan did not invest more than 15 percent of the investment portfolio in one company or more than 30 percent in one industry.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates may adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Plan does not place a limit on the maturity of its fixed income investments.

Presented below are the investments affected by interest rate risk and their applicable weighted-average maturities as of December 31, 2017:

Investment Type	Fair Value	Percentage of Total	Weighted-Average Duration (Years)
Brandywine Global—Global Unconstrained Bond Fund Class I	\$ 5,066,750	37.8%	7.20
Metropolitan West Total Return Bond Fund	8,330,772	62.2%	7.71
Total fixed income investments	<u>\$ 13,397,522</u>	<u>100.0%</u>	<u>7.46</u>

Fair Value Measurement

Plan investments at fair value as of December 31, 2017, using fair value measurements are as follows:

	Total Fair Value	Level 1	Level 2	Level 3
Equity—common stock	\$ 14,332,617	\$ 11,702,102	\$ 2,630,515	\$ -
Mutual funds—equity	14,463,138	14,463,138	-	-
Mutual funds—fixed income	13,397,522	13,397,522	-	-
	<u>\$ 42,193,277</u>	<u>\$ 39,562,762</u>	<u>\$ 2,630,515</u>	<u>\$ -</u>

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 2. Cash, Cash Equivalents and Investments (Continued)

Investments classified as Level 1 of the fair value hierarchy are valued using prices quoted in active exchange markets for those securities. Investments classified as Level 2 of the fair value hierarchy are valued using prices quoted in over-the-counter markets, which are traded less frequently than exchange markets.

Note 3. Notes and Mortgages Receivable

The following summarizes the notes and mortgages receivable and the related accrued interest receivable as of June 30, 2018:

	Due Within One Year	Due After One Year	Total
The Authority			
A. HUD Section 32 Homeownership Program	\$ -	\$ 39,900	\$ 39,900
B. San Juan Square II, Ltd.	-	2,537,798	2,537,798
C. ARDC San Marcos, Ltd.	-	1,142,305	1,142,305
D. ARDC Sutton, Ltd.	-	6,395,514	6,395,514
E. Durango Midrise, LP	-	15,970,644	15,970,644
F. ARDC Sutton II, Ltd.	-	2,288,816	2,288,816
G. San Juan III, Ltd.	-	4,488,759	4,488,759
SAHFAC			
H. Wheatley Family I, LP	-	19,283,984	19,283,984
SAHDC			
I. O'Connor Road, LP	-	1,597,247	1,597,247
J. SPII LP	-	1,237,865	1,237,865
San Antonio Homeownership Opportunities Corporation			
K. Real estate sales notes	6,357	166,515	172,872
L. Secondary lien notes	-	4,344	4,344
M. Home sales notes	9,072	35,277	44,349
Refugio Street PFC			
N. Refugio Street, LP	-	8,809,336	8,809,336
Las Varas PFC			
O. Second lien notes	-	99,599	99,599
Total	\$ 15,429	\$ 64,097,903	\$ 64,113,332

Note 4. Other Assets and Developer Fees

At June 30, 2018, other assets and developer fees receivable totaled \$3,908,626. This amount is made up of developer fees receivable totaling \$3,705,636 and other noncurrent receivables of \$202,990. Additionally, an allowance for doubtful accounts totaling \$2,242,285 is recorded for developer fees receivable.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 5. Equity in Partnership Investments

Various component units of the Authority serve as the general partner of various tax credit limited partnerships in which they have contributed capital. The investments in partnerships are accounted for under the equity method. Under this method, the investment is initially recorded at cost and is then increased or decreased by the proportionate share of the partnerships' net earnings or losses. The Authority is not required to fund capital deficits; therefore, any total capital deficits related to the Authority are only recognized to the extent of the Authority's contributed capital.

The general partners include SAHFAC, SAHDC, LVPFC and RSPFC. The general partners have ownership interests ranging from 0.0045 percent to 0.0100 percent.

A reconciliation of changes in the equity in partnership investments is presented below:

Limited Partnership	General Partner (GP)	GP % of Ownership	Balance at July 1, 2017	Cash Contributions From GP	Cash Distributions to GP	GP's Share of Profit (Loss)	Balance at June 30, 2018
ARDC Sutton, Ltd.	SAHFAC	0.005%	\$ 1,499,665	\$ -	\$ -	\$ (52)	\$ 1,499,613
Midcrown Senior Pavilion, LP	SAHFAC	0.01%	3,263,922	-	-	(31)	3,263,891
The Alhambra Apartments, Ltd.	SAHFAC	0.01%	660,592	-	-	(17)	660,575
San Juan Square, Ltd.	SAHFAC	0.01%	1,464,639	-	-	(66)	1,464,573
O'Connor Road, LP	SAHDC	0.01%	211,570	-	-	(24)	211,546
SP II, LP	SAHDC	0.01%	144,928	-	-	(23)	144,905
ARDC Military, Ltd.*	LVPFC	0.01%	-	-	-	-	-
ARDC Salado, Ltd.*	LVPFC	0.01%	-	-	-	-	-
ARDC San Marcos, Ltd.*	LVPFC	0.005%	-	-	-	-	-
Costa Almadena, Ltd.*	LVPFC	0.01%	-	-	-	-	-
Costa Mirada, Ltd.*	LVPFC	0.01%	-	-	-	-	-
Durango Midrise, LP*	LVPFC	0.01%	-	-	-	-	-
Enclave Gardens, Ltd.*	LVPFC	0.01%	-	-	-	-	-
Primrose SA IV Housing, LP*	LVPFC	0.01%	-	-	-	-	-
The Mirabella, Ltd.*	LVPFC	0.01%	-	-	-	-	-
TX Pleasanton Housing, LP*	LVPFC	0.01%	-	-	-	-	-
Refugio Street, LP*	RSPFC	0.01%	-	-	-	-	-
ARDC Sutton II, Ltd.*	SAHFAC	0.005%	-	-	-	-	-
Clark 05 Housing, LP*	SAHFAC	0.01%	-	-	-	-	-
Costa Valencia, Ltd.*	SAHFAC	0.01%	-	-	-	-	-
New Braunfels 2 Housing, LP*	SAHFAC	0.005%	-	-	-	-	-
San Juan III, Ltd.*	SAHFAC	0.01%	-	-	-	-	-
San Juan Square II, Ltd.*	SAHFAC	0.0045%	-	-	-	-	-
Wheatley Family I, LP*	SAHFAC	0.01%	-	-	-	-	-
Wheatley Family II, LP*	SAHFAC	0.01%	-	-	-	-	-
Wheatley Senior, LP*	SAHFAC	0.01%	-	-	-	-	-
			<u>\$ 7,245,316</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (213)</u>	<u>\$ 7,245,103</u>

*For all partnerships marked with an asterisk, the general partner was not required to make a capital contribution at inception. Additionally, as the general partners are not required to fund capital deficits and these entities have cumulative loss positions as of June 30, 2018, the general partners have not recorded the related deficit capital positions of these partnerships, as they exceed the general partners' contributed capital.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 6. Capital Assets

The Authority's Capital Assets

Capital asset activity for the year ended June 30, 2018, for the business-type activities was as follows:

	Balance at July 1, 2017	Additions	Deletions	Transfers/ Reclass	Balance at June 30, 2018
Capital assets not being depreciated:					
Land	\$ 44,857,722	\$ 1,035,780	\$ (271,935)	\$ -	\$ 45,621,567
Construction in progress	16,531,482	24,266,672	(616,680)	(9,426,080)	30,755,394
Total capital assets not being depreciated	61,389,204	25,302,452	(888,615)	(9,426,080)	76,376,961
Capital assets being depreciated:					
Buildings and improvements	447,541,352	820,333	(4,022,842)	9,073,451	453,412,294
Furniture and equipment:					
Dwellings	2,518,725	-	-	-	2,518,725
Administration	5,586,281	50,519	(776,409)	195,823	5,056,214
Leasehold improvements	1,088,365	20,131	-	156,806	1,265,302
Total capital assets being depreciated	456,734,723	890,983	(4,799,251)	9,426,080	462,252,535
Less accumulated depreciation:					
Buildings and improvements	(320,533,628)	(13,638,791)	1,731,019	-	(332,441,400)
Furniture and equipment:					
Dwellings	(2,420,224)	(74,111)	-	-	(2,494,335)
Administration	(5,193,647)	(179,968)	774,656	-	(4,598,959)
Leasehold improvements	(943,666)	(47,261)	-	-	(990,927)
Total accumulated depreciation	(329,091,165)	(13,940,131)	2,505,675	-	(340,525,621)
Total capital assets being depreciated, net	127,643,558	(13,049,148)	(2,293,576)	9,426,080	121,726,914
Business-type activities capital assets, net	\$ 189,032,762	\$ 12,253,304	\$ (3,182,191)	\$ -	\$ 198,103,875

Depreciation expense for the current year totaled \$13,940,131.

Note 7. Unearned Revenue

Ground Lease Agreements

Unearned revenue is generally comprised of various ground leases in which funds were provided for the purchase of land parcels which, in turn, were leased to project developments for periods ranging from 10 to 99 years. The Authority recognized the funds received for the prepaid leases as unearned revenue and will amortize the prepayments over the initial periods on a straight-line basis. As of June 30, 2018, prepaid ground leases totaled \$7,176,543, of which \$383,521 is classified as current unearned revenue. The remaining amount is reported as noncurrent unearned revenue. The book value of the land related to the prepaid ground leases totaled \$17,027,212 as of June 30, 2018.

On August 5, 2005, the Authority entered into a ground lease agreement with Clark 05 Housing, LP for a period of 55 years for the lease of land to construct and operate a rental project, comprised of 252 rental units. Clark 05 Housing, LP provided \$361,316 for the purchase of land, which is considered a prepayment of the annual rent for the initial period, often 10 years of the lease term. After the initial period, Clark 05 Housing, LP will provide an annual lease payment of \$100.

Housing Authority of the City of San Antonio

**Notes to Financial Statements
Year Ended June 30, 2018**

Note 7. Unearned Revenue (Continued)

SAHFAC entered into 11 ground lease agreements with various limited partnerships for a period of 52 to 99 years for the lease of land to construct and operate rental projects. The limited partnerships provided a total of \$10,442,196 for the purchase of land, which is considered prepayment of annual rents for the initial periods of 10 to 15 years of the lease terms. After the end of the initial period, the limited partnerships will provide annual lease payments of \$100.

Las Varas PFC entered into 10 ground lease agreements with various limited partnerships for a period of 75 years for the lease of land to construct and operate rental projects. The limited partnerships provided a total of \$13,081,271 for the purchase of land, which is considered prepayment of annual rents for the initial periods of 10 to 15 years of the lease terms. After the end of the initial period, the limited partnerships will provide annual lease payments of \$10 to \$100.

Unearned Revenue

Current unearned revenue consists of prepaid tenant rent of \$363,999 and HUD Housing Choice Vouchers and Public Housing Operating Subsidy grant revenue of \$513,405.

Note 8. Bonds and Notes Payable

A. The Authority's Bonds and Notes Payable

The Authority may, from time to time, issue bonds or other debt where it pledges income derived from the acquired or constructed assets to pay debt service. The Authority has pledged future revenues from Sendero I PFC and Woodhill Apartments PFC to repay revenue bonds as follows:

	Original Amount of Bonds	Debt Service Requirement	Debt Outstanding
Sendero I PFC	\$ 10,000,000	125%	\$ 8,936,906
Woodhill Apartments PFC	9,000,000	125%	7,562,992

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 8. Bonds and Notes Payable (Continued)

The long-term indebtedness of the Authority's business-type activities is presented as follows:

Program	Issue	Original Amount	Due Within One Year	Due After One Year	Balance Outstanding at June 30, 2018
SAHDC					
SAHDC entered into a mortgage loan with Column Guaranteed (now Walker & Dunlop) in the amount of \$1,060,000. The mortgage loan is dated January 21, 2005 (FNMA Commitment No. 999919), bears interest at 5.960% and matures February 1, 2035. Monthly installments of \$6,328 are payable beginning March 1, 2005. Secured by a deed of trust for Bella Claire Apartments.					
	Mortgage note	\$ 1,060,000	\$ 29,118	\$ 769,617	\$ 798,735
SAHFAC					
SAHFAC entered into mortgage loans bearing interest at 5.960%.					
The loans mature February 1, 2035, and are secured by deeds of trust, security agreements and assignment of rents and leases.					
	Mortgage note	3,430,000	94,222	2,490,363	2,584,585
SAHFAC issued \$5,600,000 of Multifamily Housing Revenue Bonds (Converse Ranch II Apartments Project)—Series 2014; bearing interest at a rate of 67.800% of the Wall Street Journal LIBOR plus 1.380% per annum. At closing, an interest rate swap contract was executed which fixed the rate at 3.250%. The note matures September 30, 2024, and is secured by a deed of trust, security agreement and assignment of rents and leases.					
	Revenue Bonds— Series 2014	5,600,000	161,285	4,915,297	5,076,582
SAHFAC entered into a mortgage loan with Frost Bank in the amount of \$4,000,000. The mortgage loan is dated December 6, 2016, and bears interest at a rate of 67.800% of the Wall Street Journal LIBOR plus 1.460% per annum. At closing, an interest rate swap contract was executed which fixed the rate at 3.090%. The note matures December 6, 2026, and is secured by a deed of trust, security agreement and assignment of rents and leases.					
	Mortgage note	4,000,000	111,492	3,725,877	3,837,369
SAHFAC entered into a mortgage loan with Frost Bank in the amount of \$6,800,000. The mortgage loan is dated December 19, 2017, and bears interest at a rate of 67.800% of the Wall Street Journal LIBOR plus 1.480% per annum. At closing, an interest rate swap contract was executed which fixed the rate at 3.320%. The note matures December 19, 2027, and is secured by a deed of trust, security agreement and assignment of rents and leases.					
	Mortgage note	6,800,000	179,271	6,521,759	6,701,030
SAHFAC assumed mortgage loans with the Texas Department of Housing and Community Affairs for the Claremont and Warren House Apartments. The loans mature on August 1, 2028, and are secured by deed of trusts, security agreements and assignment of rents and leases. The loans are noninterest bearing.					
	Mortgage note	191,200	6,373	58,423	64,796
	Mortgage note	262,500	8,750	78,749	87,499
SAHFAC entered into a loan with the City of San Antonio in the amount of \$900,000. The loan is a 30-year deferred, noninterest bearing, forgivable note; and matures September 30, 2039. The note is secured by deed of trust for real property improvements at the Sutton Oaks Apartments. Loan forbearance is subject to SAHFAC's compliance with the terms and conditions outlined in the loan agreement.					
	Sutton NSP note	900,000		900,000	900,000
		22,573,700	599,577	19,699,682	20,299,259
Section 8 Project Based					
On December 6, 2016, Springhill/Courtland Heights PFC retired its Series 1999-A Bonds through a refinance with Frost Bank in the amount of \$6,000,000. The mortgage loan bears interest at a rate of 67.800% of LIBOR plus 1.460% per annum. At closing, an interest rate swap contract was executed which fixed the rate at 3.090%. The note matures December 6, 2026, and is secured by a deed of trust, security agreement and assignment of rents and leases.					
	Mortgage note	6,000,000	167,238	5,588,815	5,756,053

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 8. Bonds and Notes Payable (Continued)

Program	Issue	Original Amount	Due Within One Year	Due After One Year	Balance Outstanding at June 30, 2018
Converse Ranch, LLC					
On May 1, 2013, Converse Ranch, LLC refinanced its mortgage loan with Greystone Servicing Corporation, Inc. in the amount of \$7,443,700; interest rate of 2.980%; payable in monthly installments of \$26,562; maturing June 1, 2053.					
	Mortgage note	\$ 7,443,700	\$ 114,300	\$ 6,798,180	\$ 6,912,480
Other Affordable Housing					
Sendero I PFC issued \$10,000,000 of Sendero I PFC Multifamily Housing Revenue Refunding Bonds—Series 2013; bearing interest at a rate of 4.305%; maturing January 1, 2024; and secured by a deed of trust, a security agreement and assignment of rents and leases. Principal and interest payments totaling \$54,915 are payable monthly.					
	Revenue Bonds— Series 2013	10,000,000	274,323	8,662,583	8,936,906
Woodhill PFC issued \$9,000,000 of Woodhill PFC Multifamily Housing Revenue Refunding Bonds—Series 2012; bearing interest at a rate of 3.400%; maturing September 1, 2022; and secured by a deed of trust, a security agreement and assignment of rents and leases. Principal and interest payments totaling \$44,852 are payable monthly.					
	Revenue Bonds— Series 2012	9,000,000	281,922	7,281,070	7,562,992
Capital Fund Financing Program (CFFP)					
\$27,828,627 CFFP loan agreement dated November 9, 2006, with Fannie Mae for the accelerated renovation and rehabilitation of eight public housing developments. The 4.850% loan is secured with pledged Capital Grant Funds and is paid directly by HUD in monthly payments of \$182,721 beginning April 1, 2007; maturing December 1, 2026. On June 14, 2012, Fannie Mae assigned its interest in the loan and the loan agreement to Deutsche Bank National Trust Company.					
	CFFP loan	27,828,627	1,556,557	12,265,962	13,822,519
Vera Cruz Redevelopment Partnership, Ltd.					
The San Antonio Housing Trust Foundation made a loan in November 1993 in the amount of \$350,000 to the partnership. The loan bears interest at 1.000%, and principal and interest are due monthly, determined by available cash flow. The loan matures on November 28, 2023, and is secured by land, buildings and improvements. Accrued interest has been added to the outstanding balance.					
	Loan	350,000	-	444,407	444,407
Homestead Redevelopment Partnership, Ltd.					
The Texas Department of Housing and Community Affairs made a loan in the amount of \$500,000 to the partnership. Monthly installments of principal and interest in the amount of \$2,109 began on May 1, 1996. The loan bears interest at 3.000%, compounded annually.					
	Loan	500,000	20,355	153,975	174,330
Energy Performance Contract Loan					
The Authority entered into an Equipment Lease/Purchase Agreement with Banc of America Public Capital Corp. to finance the implementation of the HUD Energy Performance Contract. The contract rate is 3.260% per annum and monthly principal and interest payments are to be made starting August 14, 2016. The monthly payments fluctuate and average \$25,183 over the term of the contract, which ends June 14, 2031.					
	Loan	3,637,964	394,775	2,674,480	3,069,255
		\$ 88,393,991	\$ 3,438,165	\$ 64,338,771	\$ 67,776,936

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 8. Bonds and Notes Payable (Continued)

The following table provides the annual principal and interest requirements of the Authority and its component units as of June 30, 2018, for long-term debt outstanding:

	Principal	Interest	Total
Years ending June 30:			
2019	\$ 3,438,165	\$ 2,524,805	\$ 5,962,970
2020	3,599,273	2,381,356	5,980,629
2021	3,693,153	2,224,265	5,917,418
2022	3,676,847	2,068,288	5,745,135
2023	9,792,813	1,750,891	11,543,704
2024-2028	34,025,393	3,538,636	37,564,029
2029-2033	3,233,001	1,273,595	4,506,596
2034-2038	1,583,667	676,973	2,260,640
2039-2043	2,000,956	492,738	2,493,694
2044-2048	1,277,614	316,080	1,593,694
2049-2053	1,456,054	111,075	1,567,129
	<u>\$ 67,776,936</u>	<u>\$ 17,358,702</u>	<u>\$ 85,135,638</u>

Long-term liability activity for the year ended June 30, 2018, was as follows:

	Balance at July 1, 2017	Additions	Reductions	Balance at June 30, 2018	Due Within One Year
Mortgages, bonds and notes	\$ 65,676,792	\$ 6,804,400	\$ 4,704,256	\$ 67,776,936	\$ 3,438,165
Compensated absences	1,496,418	1,733,433	1,732,547	1,497,304	1,158,395
	<u>\$ 67,173,210</u>	<u>\$ 8,537,833</u>	<u>\$ 6,436,803</u>	<u>\$ 69,274,240</u>	<u>\$ 4,596,560</u>

Note 9. Derivative Financial Instrument

Interest Rate Swaps

The Authority has four interest rate swap agreements (swaps) with one counterparty as of June 30, 2018. The objective of the agreements was to attain a synthetic fixed interest rate at a cost that was expected to be less than rates associated with fixed-rate debt. The swap agreement terms state the Authority is to make monthly fixed interest rate payments at a specified rate on a notional principal amount and in exchange receive monthly payments based upon a rate of 67.8 percent of the one-month London InterBank Offered Rate (LIBOR) plus a spread.

The swaps have an aggregate positive fair value of \$235,388 at June 30, 2018. The fair value was estimated using a proprietary valuation model developed by a counterparty. The swaps have been determined to constitute an effective hedge at June 30, 2018, by using the synthetic instrument method. The aggregate fair value is classified as an interest rate swap asset and a deferred inflows of resources.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 9. Derivative Financial Instrument (Continued)

The following contains the terms, fair values and credit ratings issued by Standard & Poor's of the swaps as of June 30, 2018:

Related Debt Issuance	Current Notional Amount	Effective Date of Swap	Fixed Rate Paid	Variable Rate Received	Fair Value	Swap Termination Date	Counterparty Credit Rating
Converse Ranch II, LLC	\$ 5,076,582	10/23/2014	3.25%	67.8% of 1-month LIBOR plus 1.38%	\$ 55,746	11/01/2024	A-
SAHFAC (Castle Point)	3,837,369	12/06/2016	3.09%	67.8% of 1-month LIBOR plus 1.46%	63,057	12/06/2026	A-
Springhill/Courtland Heights PFC	5,756,053	12/06/2016	3.09%	67.8% of 1-month LIBOR plus 1.46%	94,586	12/06/2026	A-
SAHFAC (Monterrey Park and La Providencia)	6,701,030	12/19/2017	3.32%	67.8% of 1-month LIBOR plus 1.48%	21,999	12/19/2027	A-
Totals	<u>\$ 21,371,034</u>				<u>\$ 235,388</u>		

Credit risk—The Authority is exposed to credit risk on swaps that have a positive fair value. At June 30, 2018, all four swaps have positive fair values totaling \$235,388. This amount represents the Authority's credit exposure to the related counterparty and the maximum loss that would be recognized at the reporting date if the counterparty failed to perform as contracted. Fair value is only a factor upon termination. The interest rate swap's counterparty has guaranteed all payments and is rated A- by Standard & Poor's. The interest rate swap agreements provide no collateral by the counterparty.

Interest rate risk—The interest rate swaps decrease the Authority's exposure to interest rate risk.

Basis risk—The interest rate swaps do not expose the Authority to basis risk because the interest rates on the loans and the swaps are the same, equal to a rate of 67.8 percent of one-month LIBOR plus the defined spread.

Termination risk—The interest rate swaps were issued pursuant to the International Swap Dealers Association Master Agreements, which include standard termination events, such as failure to pay and bankruptcy. The Authority or the counterparty may terminate an interest rate swap if the other party fails to perform under the terms of the contract. Also, if at the time of termination the interest rate swap has a positive fair value, the counterparty would be liable to the Authority for a payment equal to the swap's fair value. As of June 30, 2018, the interest rate swaps had a total fair value of \$235,388.

Note 10. Line of Credit

SAHFAC has a revolving line of credit with Frost Bank for \$3,000,000, which may be used for short-term borrowing needs. The line of credit bears interest at the applicable prime rate, as listed in *The Wall Street Journal*, plus 0.25 percent. As of June 30, 2018, the all-in rate was 5.25 percent. The line of credit was renewed October 14, 2017, and has a term of three years. As of June 30, 2018, \$70,616 was borrowed against the line of credit.

Line of credit activity for the year ended June 30, 2018, was as follows:

	Balance at July 1, 2017	Additions	Reductions	Balance at June 30, 2018
Line of credit	\$ 539,663	\$ 2,087,031	\$ 2,556,078	\$ 70,616

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 11. Conduit Debt

From time to time, SAHFC issues tax-exempt revenue bonds for the financing of residential developments for persons of low- and moderate-income families. The bonds are secured by the property financed and are payable solely from, and secured by, a pledge of rental receipts. The bonds do not constitute a debt or pledge of the faith and credit of SAHFC and, accordingly, have not been reported in the accompanying financial statements.

As of June 30, 2018, there were 17 series of tax-exempt revenue bonds outstanding with an aggregate principal amount payable of \$197,718,993.

Note 12. Defined Contribution Plan

A. Plan Description

The Plan provides pension benefits for all regular full-time employees through a defined contribution plan, established in 1948 and was last amended in 2016. The Plan constitutes a "public retirement system" within the meaning of section 810.001 of the Texas Government Code and a "governmental plan" within the meaning of Code section 414(d) and ERISA section 3(32). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All regular full-time employees are eligible to participate after one year of service. At December 31, 2017, there were 537 participants. Each eligible participant must contribute 5.0 percent and may elect to contribute up to 100.0 percent of eligible compensation, up to the maximum dollar limitation, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. The employer's contribution for each employee is 7.0 percent to 11.0 percent of compensation, excluding bonuses, commissions, overtime, contingent compensation or benefits plus 5.7 percent of such employee's compensation for the Plan year that exceeds the social security taxable wage base in effect at the beginning of the year. The employer's required contribution of \$1,884,678 and the employees' required contributions of \$884,220 were made to the Plan during the Plan year ended December 31, 2017. Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the remainder of their accounts is based on years of continuous service. A participant is fully vested after five years of credited service. Plan provisions and contributing requirements are established and may be amended by the Authority's Board.

B. Plan Amendments

Effective December 3, 2015, the Plan was amended to provide for a three- to five-person Plan Administrator consisting of, at a minimum, the Chief Executive Officer, the Chief Financial Officer and the Chief Legal Officer; and to amend section 4.1 of the Plan, Conditions of Eligibility, to make the early entry of certain classes of employees automatic instead of discretionary, and pursuant to the United States Supreme Court's decision in *Obergefell v. Hodges* (June 26, 2015), the Plan must treat same-sex spouses the same as opposite-sex spouses for all purposes.

Effective May 5, 2016, the Plan was amended to provide for a three- to five-person Plan Administrator consisting of, at a minimum, the Chief Executive Officer, the Chief Financial Officer and the Chief Administrative Officer (or the person serving in each capacity), to provide for the immediate entry into participation by existing eligible employees holding titles of Director or above, to reform the application of forfeitures under the Plan, and to create a priority list of default beneficiaries for those situations in which the participant is not survived by a designated beneficiary.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 12. Defined Contribution Plan (Continued)

C. Forfeitures

Participant forfeitures of nonvested balances will be used to reduce future employer contributions. During the Plan year ended December 31, 2017, employer contributions were reduced by \$57,751 from forfeited nonvested accounts. There were no unallocated forfeitures at December 31, 2017.

D. Plan Termination

Although it has not expressed any intent to do so, the Authority has the right under the Plan to discontinue its contribution at any time and to terminate the Plan. In the event of Plan termination, participants would become 100 percent vested in their employer contributions.

E. Tax Status

The Internal Revenue Service has determined and informed the Authority, by a letter dated May 29, 2001, that the Plan and related trust are designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the determination letter, the Plan Administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the requirements of the IRC.

F. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

Note 13. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees and natural disasters. The Authority carries commercial insurance for all risks of loss (with the exception of workers' compensation and employee health and accident insurance.). Settled claims resulting from other risks of loss have not exceeded commercial insurance coverage in any of the past two years.

Health and Dental Insurance Plan

On August 2, 2007, the Board approved a self-funded health insurance plan and contract with Humana as the third-party administrator for health and dental insurance. The plan went into effect January 1, 2008. The contract with Humana was terminated on December 31, 2017. The Board approved a contract with Blue Cross Blue Shield of Texas (BCBS) as the third-party administrator for health and dental insurance on September 7, 2017. BCBS began serving as the third-party administrator on January 1, 2018.

In a self-funded plan, the employee payroll deductions for health and dental insurance are collected and held by the Authority in a separate bank account specifically to pay health and dental claims. The Authority makes an initial deposit with the third-party administrator to start the plan. Thereafter, the third-party administrator processes claims and makes payments directly to health care providers. The Authority transfers funds weekly to the third-party administrator to cover the prior week's claims paid. The plan provides protection for the Authority against catastrophic claims with a \$100,000 individual stop-loss and a formula driven aggregate stop-loss limit.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 13. Risk Management (Continued)

The actuarially determined claims liability of \$194,672 is based on the requirements of GASB Statement No. 10, as amended by GASB Statement No. 30. The liability includes provisions for medical, dental and prescription drug claim reserves for incurred, but not paid, and incurred, but not reported, claims. No allowance was made for the expense of processing run-out claims, since it is assumed any expense related to run-out claims processing would be included as current administration expenses.

A reconciliation of changes in the liability for health and dental plan expenses for fiscal year 2017 and fiscal year 2018 were as follows:

	Liability at Beginning of Fiscal Year	Claims and Changes in Estimates in Current Year	Claim Payments	Balance at Fiscal Year-End
Years ended June 30:				
2017	\$ 496,971	\$ 4,664,209	\$ 4,640,471	\$ 520,709
2018	520,709	2,378,388	2,704,425	194,672

Note 14. Commitments and Contingencies

The Authority is exposed to the risk of contingent liabilities in the ordinary course of its operations. Specifically, such risks arise as a result of the Authority's participation in various state and federal grant programs and as a result of threatened and pending litigation. Disallowed costs could result if the Authority's expenditures made under its grants programs are found to be improper in that they violate state or federal regulations. Such disallowed costs would have to be paid back to the granting agency from the general funds of the Authority. The Authority is not aware of any costs that have been disallowed in the current year and does not anticipate any costs will be disallowed.

A. Grants

The Authority receives significant financial assistance from federal, state and local agencies in the form of grants and operating subsidies. HUD provided approximately 81 percent of the Authority's revenue in the current year. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the agreements and are subject to audit by the grantor agencies; therefore, to the extent the Authority has not complied with rules and regulations governing the grants, if any, refunds of any money received may be required. Management believes there are no significant contingent liabilities relating to compliance with grant rules and regulations.

B. Construction Contracts

The Authority entered into construction contracts for the rehabilitation of various low-income and multi-family housing projects that were in progress as of year-end. The unexpended balance of construction contracts is \$3,227,365 at June 30, 2018.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 14. Commitments and Contingencies (Continued)

C. Environmental Remediation

The Authority's revitalization activities for its developments are subject to extensive and evolving environmental laws and regulations. For the year ended June 30, 2018, the Authority has expended \$65,193 related to environmental remediation efforts. The annual level of future remediation expenditures is difficult to estimate due to the many uncertainties relating to conditions of individual sites, as well as uncertainties about the status of environmental laws and regulations and developments in remedial technology. Future information and developments will require the Authority to continually reassess the expected impact of these environmental matters.

D. Pending Litigation

The Authority is the subject of various claims and litigation that have arisen in the ordinary course of its operations. Management, in consultation with legal counsel, is of the opinion that the Authority's liabilities in these cases, if decided adversely to the Authority, will not be material.

E. Guarantees

SAHFAC and SAHDC are governed by Chapter 22 of the Texas Business Organizations Code, which requires each corporation to adopt bylaws, which are rules adopted to regulate or manage their actions. The initial bylaws were adopted by the Authority's Board. Per Article VII of both corporations' bylaws, the corporations shall issue obligations only upon approval of the Authority given not more than 60 days prior to the date of a proposed issue.

In July 2004, SP II LP and O'Connor Road LP, affiliated entities of SAHFAC and SAHDC, obtained permanent financing of \$3,432,000 and \$4,158,000, respectively. The SP II LP and O'Connor Road LP multi-family notes both mature on June 1, 2022. SAHFAC and SAHDC serve as key principals for both multi-family notes and have unconditionally guaranteed all amounts, of which SP II LP and O'Connor Road LP may become personally liable.

On August 1, 2012, SAHFAC guaranteed the payment of the 10-year, \$9,000,000 Series 2012 bond issuance of Woodhill PFC, an affiliated entity of SAHFAC. The bonds mature on September 1, 2022. In the event Woodhill PFC is unable to make a payment, SAHFAC will be required to make that payment.

On December 1, 2013, SAHFAC guaranteed the payment of the 10-year, \$10,000,000 Series 2013 bond issuance of Sendero I PFC, an affiliated entity of SAHFAC. The bonds mature on January 1, 2024. In the event Sendero I PFC is unable to make a payment, SAHFAC will be required to make that payment.

On December 6, 2016, SAHFAC guaranteed the payment of the 10-year, \$6,000,000 promissory note issued by Springhill/Courtland Heights PFC, an affiliated entity of SAHFAC. The note matures on December 1, 2026. In the event Springhill/Courtland Heights PFC is unable to make a payment, SAHFAC will be required to make that payment.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2018

Note 15. Related-Party Transactions

As stated in Note 1, the Authority is considered to be financially accountable to the component units, and the component units serve as the Authority's instruments to enhance its purpose to build and maintain affordable housing for low- and moderate-income families. Consequently, related transactions in the following areas occurred in the current year.

- Management fees of \$50,829 were paid to SAHDC by a component unit—Sunshine Plaza Apartments, Inc.
- Of the total notes receivable outstanding, \$63,752,267 is due from various partnerships, which are related parties of the Authority. During the fiscal year, the Authority received payments in the amount of \$164,809.

Note 16. Merger

In October 2017, the Authority's Board of Commissioners approved the merger of the real estate assets of the San Antonio Housing Opportunity Corporation (SAHOC) to the San Antonio Housing Facility Corporation (SAHFAC) and voted to dissolve and terminate SAHOC. The dissolution of SAHOC is treated as a government merger in accordance with GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, whereby one legally separate entity, SAHOC, is absorbed into a continuing government, SAHFAC. The merger has been reported effective July 1, 2017.

The following table summarizes the amounts recognized to reflect the merger of SAHOC with SAHFAC as of July 1, 2017:

	As Previously Reported	SAHOC Balances	Restated Balances
Unrestricted current assets	\$ 53,670,119	\$ 18,250	\$ 53,688,369
Restricted current assets	29,741,485	-	29,741,485
Capital assets, net	189,006,428	42,184	189,048,612
Noncurrent assets	68,962,432	44,286	69,006,718
Deferred outflow of resources	1,050,249	-	1,050,249
Unrestricted current liabilities	14,528,969	20,786	14,549,755
Current liabilities from restricted assets	1,114,946	-	1,114,946
Noncurrent liabilities	71,908,424	478,280	72,386,704
Net position	254,878,374	(436,530)	254,441,844

Housing Authority of the City of San Antonio

Notes to Financial Statements
Year Ended June 30, 2018

Note 17. Subsequent Events

On December 10, 2018, SAHFAC (a component unit of the Authority) issued a promissory note to Frost Bank in the amount of \$6,800,000 to finance capital repairs and improvements for the Burning Tree Apartments, Encanta Villa Apartments and other properties within the Beacon portfolio. The note bears interest at 80.700 percent of the monthly *The Wall Street Journal* LIBOR offered rate plus 1.480 percent and is secured by a Deed of Trust and Security Agreement. The promissory note matures on December 10, 2028, and requires monthly payments of principal based on a 25-year amortization schedule. At closing, SAHFAC also executed a swap agreement with Frost Bank, which fixed the interest rate at 3.935 percent. The swap agreement is for the full term of the loan and matures on December 10, 2028. However, the borrower has the option of canceling the swap at the end of five years without penalty.

Supplementary Information

Housing Authority of the City of San Antonio

Schedule of Modernization Costs

June 30, 2018

HUD Project Number	Approved Funds	Expended Funds	Disbursed Funds	Approved Funds Available to Expend	Expended Funds Available to be to be Disbursed
TX 59P006501-04	\$ 8,784,423	\$ 8,784,423	\$ 8,784,423	\$ -	\$ -
TX 59P006501-05	8,880,273	8,880,273	8,880,273	-	-
TX 59P006501-06	8,789,524	8,789,524	8,789,524	-	-
TX 59P006501-07	9,033,330	9,033,330	9,033,330	-	-
TX 59P006501-08	8,800,604	8,800,604	8,800,604	-	-
TX 59P006501-09	9,252,125	9,252,125	9,252,125	-	-
TX 59P006501-10	9,744,572	9,744,572	9,744,572	-	-
TX 59P006501-11	8,151,333	8,151,333	8,151,333	-	-
TX 59P006501-12	7,410,330	7,410,330	7,410,330	-	-
TX 59P006501-13	7,192,132	7,192,132	7,192,132	-	-
TX 59P006501-14	7,294,109	7,294,109	7,294,109	-	-
TX 59P006501-15	7,539,807	7,470,149	7,100,726	69,658	369,423
TX 59P006501-16	7,805,380	7,249,648	6,166,228	555,732	1,083,420
TX 59P006501-17	7,973,378	2,486,172	894,653	5,487,206	1,591,519
TX 59P006501-18	12,191,825	-	-	12,191,825	-
TX 59E006501-11	250,000	250,000	250,000	-	-
TX 59E006501-15	250,000	250,000	250,000	-	-
TX 59R006501-01	2,697,733	2,697,733	2,697,733	-	-
TX 59R006501-02	3,375,061	3,375,061	3,375,061	-	-
TX 59R006501-03	2,635,633	2,635,633	2,635,633	-	-
TX 59R006501-04	1,998,864	1,998,864	1,998,864	-	-
TX 59R006502-04	920,510	920,510	920,510	-	-
TX 59R006501-05	1,454,488	1,454,488	1,454,488	-	-
TX 59R006502-05	1,727,302	1,727,302	1,727,302	-	-
TX 59R006502-06	2,608,481	2,608,481	2,608,481	-	-
TX 59R006501-07	104,266	104,266	104,266	-	-
TX 59R006502-07	2,682,078	2,682,078	2,682,078	-	-
TX 59R006501-08	106,898	106,898	106,898	-	-
TX 59R006502-08	2,593,345	2,593,345	2,593,345	-	-
TX 59R006501-09	91,863	91,863	91,863	-	-
TX 59R006502-09	1,408,098	1,408,098	1,408,098	-	-
TX 59R006504-09	1,119,306	1,119,306	1,119,306	-	-
TX 59R006501-10	360,291	360,291	360,291	-	-
TX 59R006502-10	1,810,724	1,810,724	1,810,724	-	-
TX 59R006501-11	661,479	661,479	661,479	-	-
TX 59R006502-11	425,726	425,726	425,726	-	-
TX 59R006501-12	520,769	520,769	520,769	-	-
TX 59R006502-12	76,939	76,939	76,939	-	-
TX 59R006501-13	549,153	549,153	549,153	-	-
TX 59R006502-13	84,890	84,890	84,890	-	-
TX 59R006501-14	530,328	530,328	530,328	-	-
TX 59R006502-14	79,058	79,058	79,058	-	-
TX 59R006501-15	321,414	321,414	321,414	-	-
TX 59R006502-15	80,032	80,032	80,032	-	-
TX 59R006502-16	80,606	80,606	80,606	-	-
	\$ 160,448,480	\$ 142,144,059	\$ 139,099,697	\$ 18,304,421	\$ 3,044,362

Housing Authority of the City of San Antonio

**Statement of Development Costs
June 30, 2018**

	HUD Project Number TX6J006CNG112
Administration	\$ 1,523,521
Critical community improvements	1,393,398
Fees and costs	4,475,576
Dwelling structures	5,712,283
Site improvements	4,367,414
Relocation costs	242,561
Supportive services	3,032,620
Evaluation	275,845
Total development costs	<u>21,023,218</u>
HUD funds disbursed	<u>20,622,377</u>
Total development costs in excess of HUD funds disbursed	<u><u>\$ 400,841</u></u>

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Compliance Section

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**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With Government Auditing Standards**

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City of San Antonio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of the Housing Authority of the City of San Antonio (the Authority), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 7, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Antonio, Texas
February 7, 2019

**Report on Compliance for the Major Federal
Program and Report on Internal Control Over
Compliance as Required by the Uniform Guidance**

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City of San Antonio

Report on Compliance for a Major Federal Program

We have audited the Housing Authority of the City of San Antonio (the Authority), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended June 30, 2018. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination on the Authority's compliance.

Opinion on the Major Federal Program

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

San Antonio, Texas
February 7, 2019

Housing Authority of the City of San Antonio

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2018**

Section I—Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516(a)? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.881	Moving to Work Demonstration Program

Dollar threshold used to distinguish between type A and type B programs: \$ 3,000,000

Auditee qualified as low-risk auditee? X Yes No

(Continued)

Housing Authority of the City of San Antonio

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2018**

Section II—Financial Statement Findings

A. Internal Control Findings

No matters to report.

B. Compliance Findings

No matters to report.

Section III—Federal Award Findings and Questioned Costs

A. Internal Control Findings

No matters to report.

B. Compliance Findings

No matters to report.

Housing Authority of the City of San Antonio

Summary Schedule of Prior Audit Findings Year Ended June 30, 2018

2017-001: Information Technology (IT) Controls

Criteria: The internal controls surrounding the flow of accounting transactions and data in and out of the computer systems at the Authority are a critical component of the organization's system of internal controls over financial reporting.

Recommendation: We recommend the Authority implement or strengthen its internal controls related to IT policies, user access controls, transaction audit logs, unbalanced journal entries and application security patches that have a direct impact on significant financial applications.

Status: Many of the issues noted have been rectified, including the following:

- IT change management procedure implemented in August 2017, including documentation of all program changes and related approvals prior to changing production;
- Improved process now in place for timely completion of application security patches, including development and maintenance of a patch schedule and testing of all patches prior to adding to production;
- Use of security logs implemented in September 2017, to track network activity by user and changes in critical functions, such as critical application parameter settings and user configuration;
- Complete review of domain administrators conducted in August 2017, resulting in removal of staff that did not meet the new requirements;
- Routine user access reviews implemented in August 2017, to be performed on a quarterly basis going forward;
- Improved process for disabling of user accounts by IT, to be immediate upon notification by Human Resources (HR) of employee terminations; and
- Improved process for review and resolution of unbalanced journal entries, with goal to resolve existing errors as soon as possible, but no later than June 30, 2019.

It should also be noted that the auditors did not identify any findings of loss of data or breaches of IT security.

Housing Authority of the City of San Antonio

Summary Schedule of Prior Audit Findings Year Ended June 30, 2018

2017-002: Capital Asset Impairment

Criteria: GASB Board Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries (GASB Statement No. 42), specifies criteria for the determination of impairment of capital assets. Potential impairments should be evaluated timely to ensure the impairment is recognized in the period it was incurred.

Recommendation: We recommend the Authority implement policies and procedures to ensure future impairments are properly calculated in accordance with GASB Statement No. 42 and recorded in a timely manner.

Status: The Authority's existing Business and Financial Policies and Procedures, Section 1.0 "Business and Financial Administration" includes the following:

1.2 Business Financial Manuals and Guides

All business and accounting of SAHA is to conform to the following accounting principles and practices for Housing Authorities.

- Government Accounting Standards Board (GASB) - Accessible by subscription.

The Authority is committed to fully complying with all applicable standards, including GASB standards. Were a catastrophic event similar to the April 2016 hail storm to occur in the future, staff will provide their calculation and proposed entry to the external auditors to ensure that any such events are calculated and recorded in accordance with GASB Statement 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries." In addition, documentation of the corrected accounting for the impairment resulting from the April 2016 event will be maintained for future reference.

Housing Authority of the City of San Antonio

Summary Schedule of Prior Audit Findings Year Ended June 30, 2018

2017-003: Bank Reconciliation

Condition: During testing of bank reconciliations, we noted one bank reconciliation for a deposit-only account was not fully prepared timely. Although the net unreconciled items did not result in a material error, the overall reconciliation was not completed until several months after the end of the fiscal year.

Additionally, we noted some reconciliations originally prepared by the Authority did not agree to the final trial balance provided to the auditors due to additional entries prepared by the Authority that were not included on the reconciliation. Furthermore, certain cash transfers between bank accounts were reflected on the bank reconciliation, but not recorded in the general ledger.

Recommendation: We recommend the Authority implement procedures to ensure timely bank reconciliations are performed. Additionally, transfers between bank accounts should be recorded in the general ledger regardless if those monies are subsequently transferred back to the original bank account to allow for adequate documentation and audit trail.

Status: The bank reconciliation that resulted in Finding 2017-003 is the most voluminous and most time-consuming to perform of all of the Authority's bank reconciliations, and requires an experienced accountant to keep the reconciliations current. Due to that accountant position being vacant for a time, this reconciliation was reassigned. The aforementioned accountant position has now been filled; the individual selected began training in July 2018. Detailed procedures for all bank reconciliations are included in the Authority's *Business and Financial Policies and Procedures*, Section 6.0 *Cash Management*, specifically sub-section 6.13 *Bank Account Reconciliations* (see Attachment). With regard to the transfers between bank accounts, steps have been taken to ensure that all such transfers are individually recorded in the general ledger, as recommended by the auditors.

Housing Authority of the City of San Antonio

Schedule of Expenditures of Federal Awards Year Ended June 30, 2018

Federal Grantor/Pass-Through/Grantor/Program Title	Federal CFDA Number	Grant Number	Expenditures
Direct Programs			
United States Department of Housing and Urban Development:			
HOPE VI Cluster:			
Choice Neighborhoods Implementation Grant	14.889	TX6J006CNG112	\$ 4,243,001
Total HOPE VI Cluster			4,243,001
Section 8 Project-Based Cluster:			
Section 8 Moderate Rehabilitation	14.856	FW-4045K	1,706,933
Section 8 New Construction/Subs Rehab:			
Villa de Valencia	14.182	TX59E000020	315,300
Reagan West	14.182	TX59E000018	49,884
Total Section 8 New Construction/Subs Rehab			365,184
Total Section 8 Project-Based Cluster			2,072,117
Housing Voucher Cluster:			
Section 8 Veterans Affairs Supportive Housing—VASH	14.871		2,778,019
DHAP-IKE to HCV Temporary Vouchers	14.871		40,888
Total Section 8 Housing Choice Vouchers			2,818,907
Section 8 Mainstream Program	14.879	FW-4045DV	492,480
Total Housing Voucher Cluster			3,311,387
Moving to Work (MTW) Demonstration Program:			
MTW—Low Rent Public Housing Authority Owned Housing	14.881	FW-1247	22,332,845
MTW—Section 8 Housing Choice Voucher Program	14.881	FW-4045V	105,064,281
MTW—2014 Capital Fund Program	14.881	TX59P006501-14	10,700
MTW—2015 Capital Fund Program	14.881	TX59P006501-15	2,530,961
MTW—2016 Capital Fund Program	14.881	TX59P006501-16	4,509,258
MTW—2017 Capital Fund Program	14.881	TX59P006501-17	2,486,172
Total MTW Demonstration Program			136,934,217
Family Self-Sufficiency Program:			
2016 HCV/PH Combined FSS Grant	14.896	TX006FSH643A016	361,425
2017 HCV/PH Combined FSS Grant	14.896	TX006FSS17TX0306	339,336
Total Family Self-Sufficiency Program			700,761
Resident Opportunity and Supportive Services (ROSS)—Service Coordinator Grant:			
2015 ROSS—Service Coordinator	14.870	TX006RPS098A015	161,903
Total ROSS—Service Coordinator Grant			161,903
Job-Plus Pilot Initiative	14.895	TX006FJP000815	678,324

(Continued)

Housing Authority of the City of San Antonio

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2018

Federal Grantor/Pass-Through/Grantor/Program Title	Federal CFDA Number	Grant Number	Expenditures
Direct Programs (Continued)			
Special Needs Assistance Program (SNAP):			
SNAP	14.267	TX0233L6J001602	\$ 98,804
SNAP	14.267	TX0233L6J001608	811,950
Total SNAP			<u>910,754</u>
Total United States Department of Housing and Urban Development			<u>149,012,464</u>
United States Department of Justice:			
Byrne Criminal Justice Innovation Program—BCJI	16.817		77,150
Total United States Department of Justice			<u>77,150</u>
Pass-Through Programs			
United States Department of Housing and Urban Development:			
City of San Antonio:			
Community Development Block Grant	14.218		100,000
Total United States Department of Housing and Urban Development			<u>100,000</u>
United States Department of Health and Human Services:			
Alamo Community College District:			
Alamo College HPOG Grant	93.093		42,130
Alamo College HPOG Grant	93.093		68,504
Total United States Department of Health and Human Services			<u>110,634</u>
Total Federal Financial Assistance			<u>\$ 149,300,248</u>

See notes to schedule of expenditures of federal awards.

Housing Authority of the City of San Antonio

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2018

Note 1. Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Summary of Significant Accounting Policies

Expenditures reported in the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where in certain types of expenditures are not allowable or are limited as to reimbursement.

Subrecipients: There were no subrecipients in the current year.

Low-rent expenditures represent the current-year operating subsidy from HUD.

Section 8 and Shelter Plus Care Program expenditures represent the current year earned annual contribution from HUD.


De minimis election: The Authority has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

A reconciliation of the SEFA to the statement of revenues, expenses and changes in net position for the year ended June 30, 2018, is as follows:

Total Federal Financial Assistance per SEFA	<u>\$ 149,300,248</u>
A. Federal Assistance per statement of revenues, expenses and changes in net position:	
HUD operating grants and housing assistance payments	\$ 40,448,920
Other government grants	287,785
HUD Housing Assistance Grants	102,271,764
Capital contributions	8,508,635
B. Less grant revenue for multifamily properties separately reported to REAC:	
a. Sunshine Plaza—HUD Project No. 115-94026	(467,063)
b. Pecan Hill—HUD Project No. 115-94027	(615,416)
c. Springhill I PFC—HUD Grant No. TX59E000035	(600,982)
d. Springhill II PFC—HUD Grant No. TX59E000036	<u>(533,395)</u>
	<u>\$ 149,300,248</u>

BOARD OF COMMISSIONERS

RESOLUTION 5901, CERTIFYING THAT THE SAN ANTONIO HOUSING AUTHORITY'S INVESTMENT POLICY AND INVESTMENT STRATEGIES HAVE BEEN REVIEWED IN ACCORDANCE WITH THE REQUIREMENTS SET FORTH IN SECTION 2256.005 (E) OF THE TEXAS PUBLIC FUNDS INVESTMENT ACT



David Nisivoccia
President and CEO



Ed Hinojosa
Chief Financial Officer

REQUESTED ACTION:

Consideration and approval regarding Resolution 5901, certifying that the San Antonio Housing Authority's Investment Policy and Investment Strategies have been reviewed in accordance with the requirements set forth in section 2256.005 (e) of the Texas Public Funds Investment Act.

PURPOSE:

The purpose of the review is to ensure SAHA remains in compliance with requirements set forth in Section 2256.005 (e) of the Texas Public Funds Investment Act (PFIA).

FINANCIAL IMPACT:

None.

SUMMARY:

Section 2256.005 (e) of the Texas Public Funds Investment Act requires that the governing body of each covered entity review its Investment Policy and Investment Strategies not less than annually and adopt a written instrument by rule, order, ordinance, or resolution stating such.

The Investment Policy denotes the allowed investment activities, which must conform to all federal, state, and local statutes governing the investment of public and non-public funds. The policy contains relevant information to guide responsible personnel regarding authorized investment activities.

There are no proposed changes to the Investment Policy at this time.

STRATEGIC GOAL:

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

ATTACHMENTS:

Resolution 5901
2019 Investment Policy

CERTIFICATE FOR RESOLUTION 5901

The undersigned officer of the Housing Authority of the City of San Antonio, Texas, a Texas housing authority created pursuant to the laws of the State of Texas (SAHA), hereby certifies as follows:

1. In accordance with Chapter 551, Texas Government Code, as amended (Open Meetings Act), and the bylaws of SAHA, the Board of Commissioners of SAHA (Board) held a meeting on February 7, 2019, (Meeting) of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

**RESOLUTION 5901, CERTIFYING THAT THE SAN ANTONIO HOUSING
AUTHORITY'S INVESTMENT POLICY AND INVESTMENT STRATEGIES
HAVE BEEN REVIEWED IN ACCORDANCE WITH THE REQUIREMENTS**

**SET FORTH IN SECTION 2256.005 (e) OF THE TEXAS PUBLIC FUNDS
INVESTMENT ACT**

(Resolution) was duly introduced for the consideration of the Board and discussed. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of the Resolution, prevailed and carried by a majority vote of the Board.

2. A true, full, and correct copy of the Resolution adopted at the Meeting is attached to and follows this Certificate; the Resolution has been duly recorded in the Board's minutes of the Meeting; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance of the time, place, and purpose of the Meeting; and the Meeting was held and conducted in accordance with the Open Meetings Act and the Bylaws of SAHA.

SIGNED February 7, 2019.



David Nisivoccia
President and CEO

**San Antonio Housing Authority
Resolution 5901**

RESOLUTION 5901, CERTIFYING THAT THE SAN ANTONIO HOUSING AUTHORITY'S INVESTMENT POLICY AND INVESTMENT STRATEGIES HAVE BEEN REVIEWED IN ACCORDANCE WITH THE REQUIREMENTS SET FORTH IN SECTION 2256.005 (e) OF THE TEXAS PUBLIC FUNDS INVESTMENT ACT

WHEREAS, the State of Texas has passed legislation requiring written Investment Policies for all public agencies; and

WHEREAS, the State requires the governing body of an investing entity review its Investment Policy and Investment Strategies not less than annually and adopt a resolution stating such; and

WHEREAS, staff of the Authority has previously prepared the Investment Policy to meet the requirements of the State of Texas Law; and

WHEREAS, there are no proposed changes to this policy at this time.

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

Approves Resolution 5901, certifying that the San Antonio Housing Authority's Investment Policy and Investment Strategies have been reviewed in accordance with the requirements set forth in section 2256.005 (e) of the Texas Public Funds Investment Act.

Passed and approved the 7th day of February 2019.

Morris A. Stribling, DPM
Chair, Board of Commissioners

Attested and approved as to form:

David Nisivoccia
President and CEO

INVESTMENT POLICY

February 7, 2019

1.0 POLICY:

It is the policy of the Housing Authority of the City of San Antonio, Texas to invest all funds in a manner that will provide the highest investment return with the maximum security while assuring sufficient liquidity to meet the daily cash flow demands of the Housing Authority. Investment activities must conform to all federal, state and local statutes governing the investment of public and non-public funds.

2.0 SCOPE:

This investment policy applies to all financial assets of the Housing Authority and related entities. These funds are accounted for in the Housing Authority Annual Audit Reports and include:

- 2.1 Operating Funds and Reserves for Public Housing, Section 8, and all programs
- 2.2 Development Reserves, Bond Proceeds, and Escrow Accounts
- 2.3 Any newly acquired or special funds
- 2.4 Non-Profit and Partnership Funds

3.0 OBJECTIVE:

As required by the Act, the investment of funds shall be governed by the following investment objectives, in order of preference:

- 3.1 Preservation and safety of principal: Investment decisions of the Authority shall be undertaken in a manner that seeks to ensure the preservation and safety of capital in the overall portfolio. To obtain this goal, adequate diversification is required to assure that potential losses on individual investments do not exceed the income generated from the remainder of the portfolio. There shall be a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis.
- 3.2 Liquidity: The investment portfolio will remain sufficiently liquid to enable the Authority to meet all operating requirements that might be reasonably anticipated. Investment in securities with an active secondary market are preferred investments.

- 3.3 Yield and Return on Investment: The San Antonio Housing Authority investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the Authority's investment risk constraints and cash flow characteristics of the portfolio.
- 3.4 Legal Limitations: Direct specific investment parameters for the investment of public funds in Texas are found in the Public Funds Investment Act, Chapter 2256, Texas Government Code and the U. S. Department of Housing and Urban Development Public and Indian Housing Notice 95-27 issued May 11, 1995.
- 3.5 Administrative Cost: In choosing an investment, the San Antonio Housing Authority shall consider the administrative work involved, particularly with regards to investments of short duration.

4.0 PRUDENCE:

The standard of prudence to be used in the investment function shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. Prudence shall be measured by considering the investment of all funds or funds under the entity's control over which the officer had responsibility rather than a consideration as to the prudence of a single investment.

This standard states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived." The investment officer and those delegated with investment authority under this policy, when acting in accordance with the written procedures and this policy in accord with the Prudent Person Rule, shall be relieved of personal responsibility and liability in the management of the portfolio, provided that deviations from expectations for a specific security's credit risk or market price change or portfolio shifts are reported in a timely manner and that appropriate action is taken to control adverse market effects.

5.0 DELEGATION OF AUTHORITY:

The Board of Commissioners of the Housing Authority of the City of San Antonio retains the ultimate responsibility as fiduciaries over the assets of the organization. The Board hereby delegates to the CEO and the CEO's designated staff the day-to-day responsibility of managing the Housing Authority's investment activities. The CEO will report the investment activities to the Board of Commissioners on at least a quarterly basis as required by the Public Funds Investment Act.

The CEO, with assistance from the CEO's designated staff, will establish the system of procedures and controls to regulate the investment activities. No officer or designee may engage in an investment transaction except as provided under the terms of this policy and the procedures established and approved by the President and CEO.

The CEO designates the Chief Financial officer as responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. The Chief Financial Officer will also oversee all investment activities and assure that appropriate internal controls are in place and being followed.

The CEO also designates the Director of Finance and Accounting as the Investment Officer of the Housing Authority to be responsible for the day to day operating decisions related to investment decisions and activities. In addition, the Investment Officer shall be responsible for all transactions undertaken and together with the Chief Financial Officer, shall establish a system of procedures and controls to regulate the activities of subordinate officials and staff. The CEO, Chief Financial Officer and Director of Finance and Accounting shall be authorized to make investment decisions and place investment orders. All participants in the investment process shall act responsibly as custodians of the public trust.

6.0 ETHICS AND CONFLICTS OF INTEREST:

Officers, employees, board members, and investment officials involved in the investment process shall refrain from personal business activity that could conflict, or could reasonably be perceived as a conflict, with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Officers, employees, board members, and investment officials shall disclose to the President and CEO, in writing, any material financial interests in financial institutions that conduct business with this Authority. Officers, employees, board members, and investment officials shall further disclose any large personal financial investment positions that could be related to the investment activities of the Housing Authority, particularly with regard to the time of purchases and sale of investments. All Federal, State of Texas, and Housing Authority Ethics Policies shall be strictly followed.

7.0 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS:

The Investment Officer shall maintain a list of all financial institutions authorized to provide investment services for the Housing Authority.

7.1 All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Investment Officer with annual financial statements and certification in writing that the financial institution or the broker/dealer has read and will follow all Federal and State of Texas laws and regulations regarding investments made by the San Antonio Housing Authority.

- 7.2 An annual review of the financial statements will be completed by the Investment Officer.
- 7.3 A current audited financial statement is required to be on file for each financial institution and broker/dealer with which the Housing Authority transacts business.
- 7.4 The board or designated investment committee of the San Antonio Housing Authority shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the San Antonio Housing Authority.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS:

- 8.1 HUD Funds: The San Antonio Housing Authority is required to invest HUD sourced funds in investments approved by the U.S. Department of Housing and Urban Development. These investments must be fully collateralized. ATTACHMENT A is applicable to HUD funds and contains a listing and description of approved investments.
- 8.2 Non-HUD Funds: Funds in excess of HUD funds, unrestricted funds, reserves, partnership funds, bond proceeds, foundation funds, and other funds are not subject to ATTACHMENT A; however, these funds shall be invested in accordance with the Public Funds Investment Act.

9.0 COLLATERALIZATION:

Full collateralization is required for all Housing Authority investments. In order to protect the Housing Authority assets collateralization of one-hundred percent (100%) is required at all times. All collateral shall conform to those investment instruments listed in ATTACHMENT A of the Public Funds Investment Act.

Collateral will always be held by an independent third party with whom the financial institution or broker/dealer has a current custodial agreement. A clearly marked evidence of ownership or safekeeping receipt must be available to the Housing Authority.

Collateral substitution may be allowed when the substituted collateral is on the approved list of investments listed in ATTACHMENT A or the Public Funds Investment Act.

10.0 DIVERSIFICATION:

The San Antonio Housing Authority will diversify its investments by security type and institution. With the exception of U. S. Treasury securities and authorized investment pools, no more than 50% of the San Antonio Housing Authority total investment

portfolio will be invested in a single security type or in securities issued by a single financial institution or broker/dealer.

11.0 MAXIMUM MATURITIES:

11.1 Operating Funds: To the extent possible the San Antonio Housing Authority will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Authority will not directly invest in securities maturing more than three years (3) from the date of purchase. This maximum maturity policy applies to all operating funds.

11.2 Non-operating or excess funds: Funds in excess of operating needs, unrestricted funds, foundation funds, bond proceeds, reserves, escrow funds, and other funds not required for operations may be held in securities without regard to the three year (3) limitation referenced in Section 11.1. The Investment Officer shall assure that sufficient liquidity exists at all times to meeting operating commitments.

12.0 INTERNAL CONTROL:

The Investment Officer shall establish an annual process of independent review as part of the annual audit. This review will provide internal control by assuring compliance with policies and procedures.

13.0 PERFORMANCE STANDARDS AND REPORTING:

As required by Section 2256 of the Public Funds Act, at least quarterly, the Investment Officer or designee will prepare an investment report for the Housing Authority Board of Commissioners. The report shall contain the name of the financial institution or broker/dealer holding the investment, the investment position, the cost of the investment, the fair market value, the purchase date, maturity date, and any interest accrued. Investment performance will be measured by standards set by the U.S. Department of Housing and Urban Development.

14.0 INVESTMENT POLICY ADOPTION:

The San Antonio Housing Authority investment policy shall be adopted by resolution of the Board of Commissioners. The policy shall be reviewed on a periodic basis and revised by the Investment Officer as necessary. It is the intent of the Housing Authority that if any changes of federal or State of Texas laws affect this policy, the new law or change becomes effective as stated and this policy is automatically conformed to existing law.

15.0 EXEMPTION:

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements contained herein. At maturity or liquidation, such funds shall be reinvested only as provided by this policy.

ATTACHMENT A

INVESTMENT INSTRUMENTS APPROVED BY HUD

1. DIRECT OBLIGATION OF THE FEDERAL GOVERNMENT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES
 - a. U.S. Treasury Bills
 - b. U. S. Treasury Notes and Bonds
 - (1) U.S. Treasury Notes
 - (2) U.S. Treasury Bonds
2. OBLIGATIONS OF FEDERAL GOVERNMENT AGENCIES
 - a. Federal Financing Bank (FFB)
 - b. Government National Mortgage Association (GNMA). Mortgage-Backed Securities (GNMA I and GNMA II)
 - c. GNMA Participation Certifies
 - d. Maritime Administration Merchant Marine Bonds, Notes, and Obligations
 - e. Small Business Administration (SBA). Small Business Investment Corporation (SBIC) Debentures
 - f. Tennessee Valley Authority (TVA) Power Bonds and Notes

3. SECURITIES OF GOVERNMENT-SPONSORED AGENCIES

- a. Farm Credit Consolidated System-Wide Discount Notes
- b. Federal Farm Credit Banks Consolidated System-Wide Bonds
- c. Federal Home Loan Banks Consolidated Obligations

These securities are the secured joint and several obligations of the Federal Home Loan Banks comprised of:

- (1) Bonds
 - (2) Notes
 - (3) Discount Notes
- d. FHLMC Mortgage Participation Certificates (PC) (Guaranteed)
 - e. FHLMC Collateralized Mortgage Obligations (CMOs)
 - f. Federal National Mortgage Association (FNMA) Debentures
 - g. FNMA Notes
 - h. FNMA Short-Term Discount Notes
 - i. FNMA Capital Debentures
 - j. Student Loan Marketing Associations (SLMA) Obligations

SLMA issues obligations comprises of guaranteed student loans as follows:

(1) Floating Rate and Master Notes

(2) The Series E and F Floating Rate Notes

(3) Zero Coupon Notes

4. DEMAND AND SAVINGS DEPOSITS

5. MONEY-MARKET DEPOSIT ACCOUNT

6. MUNICIPAL DEPOSITORY FUND

7. SUPER **NOW** ACCOUNTS

8. CERTIFICATES OF DEPOSIT

- a. Certificates of Deposit are permitted at depository institutions that are insured by an agency of the Federal Government. Caution must be exercised for certificates exceeding the \$250,000 insurance limit or when the term is longer than 30-90 days. The new FDIC limit of \$250,000 is in effect through December 2013. Although the certificates' rate of return may be attractive for larger amounts and longer terms, U. S. treasury Securities offer superior safety and liquidity for the same amounts and terms. Certificates shall be in the HA's name. In addition a General Depository Agreement must be executed by each financial institution that issues a Certificate of Deposit.
- b. Certificate amounts above \$250,000 are permitted provided that the excess is 100 percent collateralized by clearly identified (not pooled) U.S. Government securities. Possession of the collateral securities and a continuous perfected

security interest may be the only sure protection against loss in case of bank failure.

- c. Brokered deposits should be avoided because it is impossible to get \$100,000 federal insurance on a number of deposits placed by brokers.

9. REPURCHASE AGREEMENTS

Repurchase (repos) agreements for a term not to exceed 30 days may be entered into with Federally insured depository institution to purchase and sale of securities identified under subparagraphs b, c and d. A repurchase agreement is an agreement negotiated with a bank usually for a short period (1 to 7 days) where in securities approved for investment are purchased from that bank at a stated price with the bank agreeing to repurchase them on a specified date for a specified amount. The minimum may vary, although it is usually \$100,000. There are three main types: (1) fixed term, where both parties are bound to the negotiated time period; (2) demand, where the agreement stays in effect until terminated by either party, and; (3) day-to-day, where daily renewal is by mutual consent and 24-hour notice is required for termination. The HA should review existing and future repos for compliance with the following certifications. Prior approval by HUD is not necessary, however, the repos seller depository or its agency must provide a written certification to HUD, Assistant Secretary for Public and Indian Housing (Office of Finance and Budget), the Area Office, and to the HA.

- a. that the depository's repo program complies with applicable Federal and State statutes and regulations and that the program does not involve sales or loans of Federal securities by securities dealer that are not regulated or that report to the Federal Reserve Board;
- b. that the depository owns the underlying Federal securities (approved for repurchase under HUD guidelines) when the repo interest is sold and that the value of the securities is equal to or greater than the amount the HA pays for the repo;
- c. that the HA has possession of the securities (or the HA will take possession of the securities on behalf of the HA) as a bailee (evidenced by a safe keeping receipt and a written bailment for hire contract), from the time the repo interest is sold to the HA and will be (or is expected to be) maintained for the full term of the repo;
- d. that the repo agreement and any related documents identify specific Federal securities related to the specific repo purchased by the HA;
- e. that the repo interest does not represent any interest in a pool or fund of Federal securities for which registration under the Investment Company Act of 1940 may be required;

- f. that the HA will have a continuous perfected security interest in the underlying Federal securities under State or Federal law for the full term of the repo (disclosing the method by which perfection has or will be accomplished, i.e., by possession, filing, registration of book-entry securities) and/or Federal preemption of State law by Federal regulation;
- g. that the depository or a reporting dealer selling the repo has not received any adverse financial report from a credit reporting agency, State or Federal regulatory agency; and
- h. that the depository will not substitute other securities as collateral, except to increase the value of the repo security to match the repo's purchase price.

10. SWEEP ACCOUNTS

11. SEPARATE TRADING OF REGISTERED INTEREST AND PRINCIPAL OF SECURITIES (STRIPS)

12. MUTUAL FUNDS

A Mutual Fund (Fund) is an investment company that makes investments on behalf of individuals and institutions. The Fund pools the money of the investors and buys various securities that are consistent with the Fund's objective.

- a. Mutual Fund Criteria: The Fund shall be organized as a no-load, open-end, diversified management company and its shares shall be registered under the Securities Act of 1933. The Fund shall be under the control of the Securities Exchange Act of 1934, Investment Adviser Act of 1940 and the Investment Company Act of 1940. The investment objective of the Fund shall be to obtain as much income as possible consistent with the preservation, conservation and stability of capital. The mutual fund objective cannot be changed without the prior approval of fund shareholders.
- b. The securities purchased by the Fund shall be on the HUD-approved list of investment securities. The fund will not engage in options or financial futures. The HA shall limit the amount of funds invested in the Fund to no more than 20 percent of the HA's available investment funds. The Fund shall disclose clearly the basis of earnings and how they are distributed. The HA shall obtain a statement of potential default and risk. The HA's invested funds shall be accessible to the HA daily. It shall be demonstrated that any limitations on withdrawals will not impair the HA's day-to-day cash management needs.

- c. The management fee shall be fixed at a reasonable amount. The Fund shall disclose the relationships of the investment advisor, manager, trustee, custodian and transfer agent. The Fund shall clearly state all services (such as wire transfers and check writing privileges) and charges.
- d. Investment in the Fund shall be authorized by a Board Resolution. A certified copy of the resolution shall accompany the initial application for the Fund.

13. EFFECT OF LOSS OF REQUIRED RATING

An investment that requires a minimum rating under this section does not qualify as an authorized investment during the period the investment does not have the minimum rating. Management has the authority to waive the minimum portfolio credit quality if the quality decline is due to a downgrade or default of U.S. Government securities. The San Antonio Housing Authority shall take all prudent measures that are consistent with its investment policy to liquidate an investment that does not have the minimum rating.

BOARD OF COMMISSIONERS

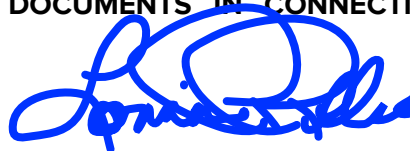
RESOLUTION 5904, AUTHORIZING THE AWARD OF A CONTRACT FOR WHEATLEY INFILL NEW HOME CONSTRUCTION TO TERRAMARK INTERESTS, LLC; AUTHORIZING THE PRESIDENT AND CEO, AND HIS DESIGNATED STAFF TO NEGOTIATE TERMS WITH BUILDER ON BEHALF OF THE AGENCY; AND EXECUTE ALL DOCUMENTS IN CONNECTION THEREWITH



David Nisivoccia
President and CEO



Steven Morando
Director of Procurement
and General Services



Lorraine Robles
Director of Development
Services and Neighborhood
Revitalization

REQUESTED ACTION:

Consideration and approval regarding Resolution 5904, authorizing the award of a contract for Wheatley Infill New Home Construction to Terramark Interests, LLC; authorizing the President and CEO, and his designated staff to negotiate terms with builder on behalf of the agency; and execute all documents in connection therewith.

FINANCIAL IMPACT:

The contractor is fully responsible for all costs associated with the financing, construction and sale of the houses. SAHA will convey the land at no cost to the builder.

SAHA is requesting Board approval for Resolution 5905, authorizing the conveyance of fifteen lots to Terramark Interests, LLC for the construction of affordable single-family houses, as part of the Wheatley Choice Neighborhood Infill Strategy.

The U.S. Department of Housing and Urban Development (HUD), has approved both the strategy, and the use of conveyance of the lots, as an incentive to Developers, who will be responsible for construction and sale of the single family homes to families earning up to 120% of area median income. The total to acquire the lots was \$156,485.00. SAHA utilized Choice CCI, Citibank, and DSNR funds to acquire the lots for purposes of implementing the CCI plan. The current appraised value of the fifteen lots is approximately \$450,000.00.

SUMMARY:

SAHA requires the services of a contractor to construct single family homes on fifteen lots as part of the Wheatley Choice Neighborhood Implementation Grant. SAHA will contribute the land at no cost to the contractor. The contractor is responsible for all costs associated with financing, building and selling the homes. The homes must be sold to buyers with target income levels of no more than 120% of Area Median Income (AMI) for San Antonio. In order to preserve affordability, if the home is sold by the initial buyer within the first twenty years of home ownership, it must be sold to a buyer whose income also does not exceed 120% of AMI (percentage of AMI adjusted to year of sale). The contractor shall agree to place restrictive covenants on the deed to buyers, which will remain on the property for twenty years from the original date of sale.

On November 9, 2018, SAHA issued a “Request For Qualifications” (RFQ) #1811-909-23-4858 for Wheatley Infill New Home Construction, which closed on December 4, 2018. The RFQ was published on the SAHA website, Electronic State Business Daily (ESBD), The Hart Beat, posted on NAHRO, Public Purchase and direct solicited to 216 contractors. SAHA received one response to this solicitation from Terramark Interests, LLC. Initially, the selection process for the awarded builder was to include two parts: proposals received in response to the RFQ were to be evaluated on experience in residential construction and building of affordable housing, financial capability, project management approach, and sales plan for the new homes. After scoring the responses, SAHA intended to develop a short list of qualified entities who would be asked to respond to a Request For Proposals that would also be scored. SAHA’s evaluation committee for this project would then conduct interviews with the highest rated responsive and responsible proposers. Since there was only one response received to the solicitation, and since Terramark Interests, LLC met all the requirements of the RFQ, staff from SAHA’s Development Services, Legal, and Procurement Departments met with Terramark Interests on January 8, 2018. SAHA discussed project goals and schedule with Terramark to ensure the program’s successful implementation.

Terramark Urban Homes is the residential development division of The Terramark Companies, a Houston, TX, based group of affiliated real estate development enterprises founded in 1986. They also have an office in San Antonio. Terramark Urban Homes was established as the successor to Terramark Homes, founded in 2001. Terramark Urban Homes focuses primarily on urban infill development, having extensive experience in design and development of townhomes, patio homes, single family homes and affordable housing. Terramark purchased six lots on Leigh Street from SAHA and developed six two-story homes (three of which had to meet affordability standards). Their San Antonio projects include, but are not limited to, the following: sixteen single-family, three and four bedroom homes and townhomes in the Terra Del Sol and Mira Vista subdivisions; four contemporary three bedroom, freestanding townhomes in the King William area; eleven contemporary two and three bedroom free-standing townhomes in Tobin Hill; nine three bedroom free-standing patio homes in Tobin Hill; twelve contemporary two and three bedroom free-standing patio homes in the Dignowity Hill Historic District; twelve contemporary three bedroom free-standing townhomes with roof balconies in Tobin Hill; four single family homes in the Historic Tobin Hill Community; twenty Spanish-style two and three story patio homes near the Pearl Brewery; twelve single family townhomes northeast of downtown San Antonio; six two-story single family homes on Mistletoe Avenue and N. St. Mary’s Street; eight two-story homes (six of the eight are constructed as duplexes) in the Monte Vista Terrace neighborhood; and six two-story homes in the Lavaca neighborhood on Leigh Street. Terramark’s Section 3 Good Faith Effort Plan includes teaching a first-time home buyer seminar for buyers purchasing any Wheatley Infill home developed by Terramark. The seminar will cover basic exterior and interior home maintenance.

CONTRACT OVERSIGHT:

Contract oversight will be provided by Lorraine Robles, Director of Development Services and Neighborhood Revitalization, who will monitor the vendor’s adherence to contract requirements and performance and Linda Deatrick, a contract consultant for DSNR, will act as project manager, working directly with Terramark on design and construction issues. The Procurement Department will be responsible to ensure the vendor submits the Contractor’s Section 3 Compliance report on a monthly basis.

STRATEGIC GOAL:

Strategically expand the supply of affordable housing.

ATTACHMENTS:

Resolution 5904

Presentation

Advertisement List

**San Antonio Housing Authority
Resolution 5904**

RESOLUTION 5904, AUTHORIZING THE AWARD OF A CONTRACT FOR WHEATLEY INFILL NEW HOME CONSTRUCTION TO TERRAMARK INTERESTS, LLC; AUTHORIZING THE PRESIDENT AND CEO, AND HIS DESIGNATED STAFF TO NEGOTIATE TERMS WITH BUILDER ON BEHALF OF THE AGENCY; AND EXECUTE ALL DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, on November 9, 2018, SAHA issued a “Request For Qualifications” (RFQ) #1811-909-23-4858 for Wheatley Infill New Home Construction, which closed on December 4, 2018; and

WHEREAS, one response was received to the RFQ from Terramark Interests, LLC; and

WHEREAS, Terramark Interests, LLC met all the requirements of the RFQ and is being recommended for contract award. Staff from SAHA’s Development Services, Legal, and Procurement Departments met with Terramark Interests on January 8, 2018, to discuss project goals and schedule to ensure the program’s successful implementation; and

WHEREAS, the contractor is fully responsible for all costs associated with the financing, construction and sale of the houses. SAHA will convey the land at no cost to the builder.

SAHA is requesting Board approval for Resolution 5905, authorizing the conveyance of fifteen lots to Terramark Interests, LLC for the construction of affordable single-family houses, as part of the Wheatley Choice Neighborhood Infill Strategy.

The U.S. Department of Housing and Urban Development has approved both the strategy and the use of conveyance of the lots, as an incentive to Developers, who will be responsible for construction, and sale of the single family homes to families earning up to 120% of area median income. The total to acquire the lots was \$156,485.00. SAHA utilized Choice CCI, Citibank, and DSNR funds to acquire the lots for purposes of implementing the Infill Strategy. The current appraised value of the fifteen lots is approximately \$450,000.00; and

WHEREAS, staff requests the Board of Commissioners authorize the President and CEO, or designee, to execute all documents associated with this contract.

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

- 1) Approves Resolution 5904, authorizing the award of a contract for Wheatley Infill New Home Construction to Terramark Interests, LLC; authorizing the President and CEO, and his designated staff to negotiate terms with builder on behalf of the agency; and execute all documents in connection therewith.
- 2) Authorizes the President and CEO, or designee, to execute all necessary documents associated with this contract.

Passed and approved the 7th day of February 2019.

Morris A. Stribling, DPM
Chair, Board of Commissioners

Attested and approved as to form:

David Nisivoccia
President and CEO



TERRAMARK URBAN HOMES
SAHA Operations Presentation

WHEATLEY INFILL NEW HOME CONSTRUCTION

Submitted to Housing Authority of
The City of San Antonio, Texas And Affiliated Entities

RFQ# 1811 - 909 - 23 - 4858



CEO & Founder: Charles H. Turner

Founded in 2010, Terramark Urban Homes began to develop urban infill homes in San Antonio. Terramark strives to continue to design and construct affordable, modern homes throughout the San Antonio area, focusing on the city's urban core.

Departments:

- Land Acquisition
- Entitlement
- Design
- Construction

Projects completed: 17

Projects in construction: 8

Neighborhood Housing Services Homes completed: 16

SAHA Leigh Street Homes completed: 6



Tobin Hill Urban Bungalow's
435 Paschal St



Urban at Olive
603 Burleson



Melrose Place
200 & 204 Melrose Place



RFQ# 1811 - 909 - 23 - 4858

WHEATLEY INFILL NEW HOME CONSTRUCTION



NHS of San Antonio

A collection of 16 single-family, three and four bedrooms homes and townhomes in the Terra Del Sol and Mira Vista subdivisions in San Antonio, Texas.



Cevallos Modern

A collection of 4 contemporary three bedroom, freestanding townhomes located on Cevallos Street in the King Williams / South Town area of San Antonio, Texas.



Ogden Modern

A collection of 11 contemporary two and three bedroom free-standing townhomes located in Tobin Hill, San Antonio, Texas.



Cherry Modern

A collection of 12 contemporary two and three bedroom free-standing patio homes located in the Dignowity Hill Historic District, San Antonio, Texas.



Uptown Modern

A collection of 9 contemporary three-bedroom freestanding patio homes located two blocks north of the Ogden Modern project in Tobin Hill, San Antonio, Texas.



City View Modern

A collection of 12 contemporary three-bedroom free-standing townhomes with roof balconies located in Tobin Hill, San Antonio, Texas.



Carree Court

A collection of 9 free-standing homes with luxurious master bathrooms, hardwood flooring throughout, and spacious closets located in Houston's Midtown, surrounded by Downtown, Montrose, Medical Center and the Museum District.



Kendall Urban Bungalows

A collection of 4-bungalow style three-bedroom detached patio homes located in the Tobin Hill Historic District, San Antonio, Texas.



Tobin Hill Urban Bungalow

An innovative collection of 4 single-family homes to be constructed in the historic Tobin Hill community, located north of downtown San Antonio.



Urban at Olive

A collection of a 22 single-family housing development located at Burleson and North Olive Street in the Dignowity Hill neighborhood.



Westfort Urban Villas

A collection of 23 Spanish style, two & three-story patio homes, located one block east of Broadway on Brahan Boulevard in the historic Westfort community near the acclaimed Pearl Brewery, San Antonio Texas.



The District Lofts

A collection of 12 three-story, single-family townhomes on newly developed lots, within walking distance of the Pearl Brewery, just northeast of downtown San Antonio.



The Modern at Crockett

A collection of a 14 three story, single-family housing located at Lewis and Cypress Street in Tobin Hill, overlooking the city and minutes away from bars, restaurants and parks.



Mistletoe Lane

A collection of a 6 two-story, single-family homes located on Mistletoe Avenue. The development is right off San Antonio's N. St. Mary's St, which is known for its nightlife.



Melrose Place

A collection of 8 two-story homes. Six of the eight homes are constructed as a duplex. Melrose Place is located in the historical neighborhood of Olmos Park, right of McCullough.



Leigh Street

Leigh Street Residences is a collection of 6 two-story homes located in the heart of Lavaca neighborhood in San Antonio. Homes are in close proximity to downtown, the Alamodome and the flourishing Hemisfair Park.



Tobin Hill Urban Bungalow

Pine at Hays is a collection 3 two-story homes located near the Hays Street bridge in the historic neighborhood of Dignowity Hill.



Urban at Olive

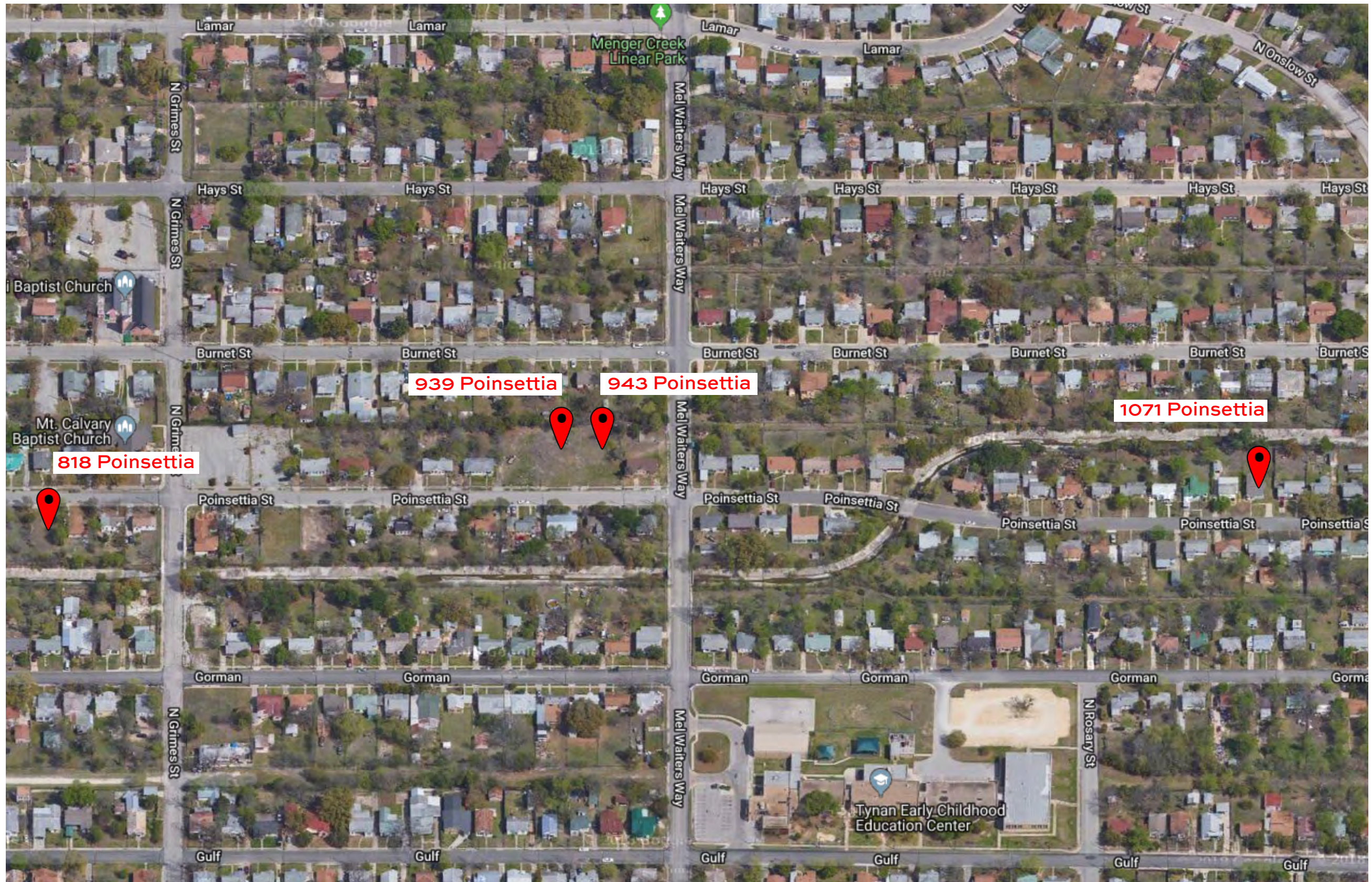
A set of three-story homes nestled between the neighborhoods of Tobin Hill and Monte Vista. These homes offer a unique view of downtown San Antonio from their roofdeck and close to local eateries, trails and parks.

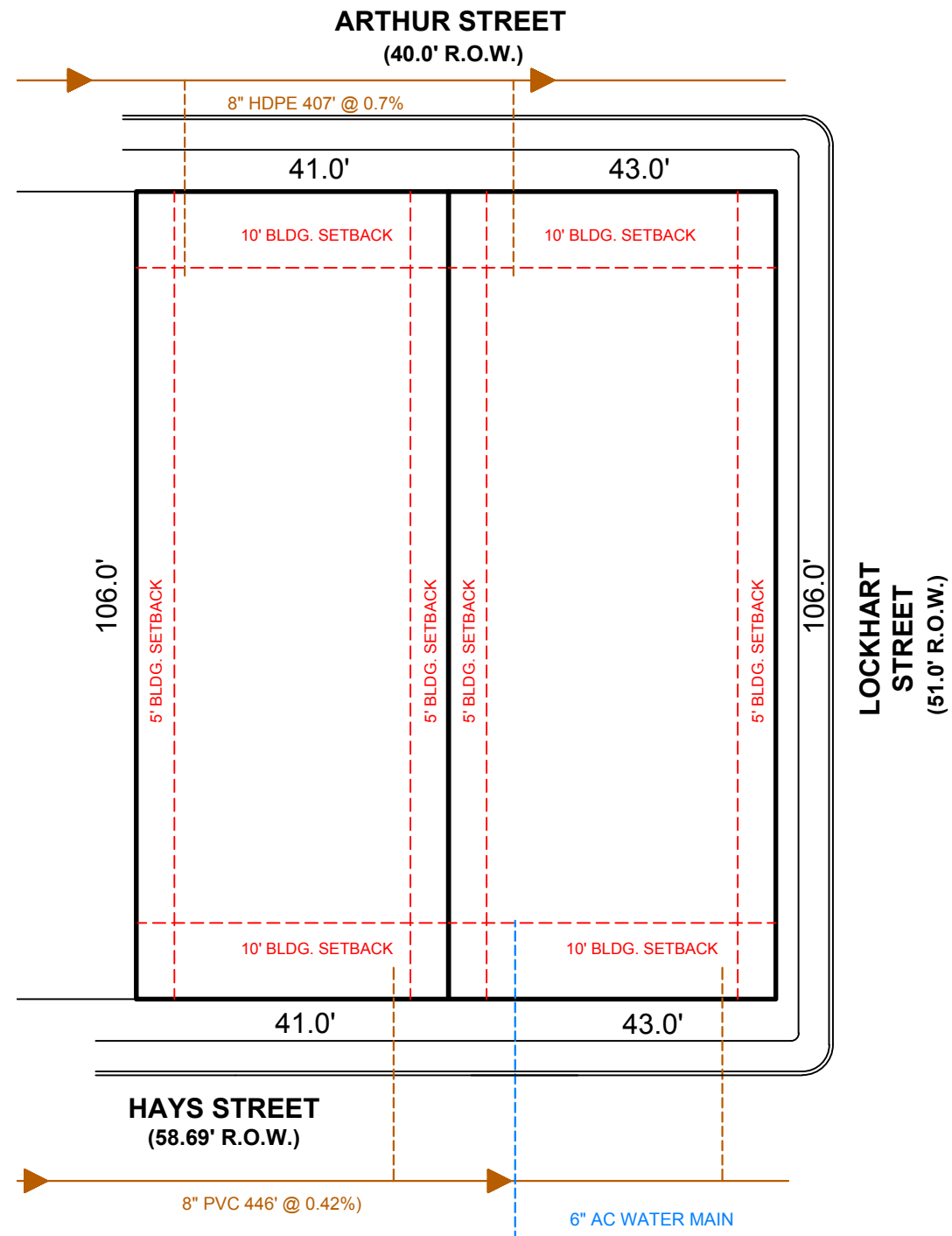


Westfort Urban Villas

City Center Lofts is a first-of-its-kind brownstone development near historic downtown San Antonio. The Live-Work units feature downstairs flex rooms that can be a 3rd bedroom or office with street frontage. Construction will begin in the Spring of 2019 on Phase 1 of the 28 unit development.







1533 & 1535 Hays St. (Zone: MF-33)

San Gabriel

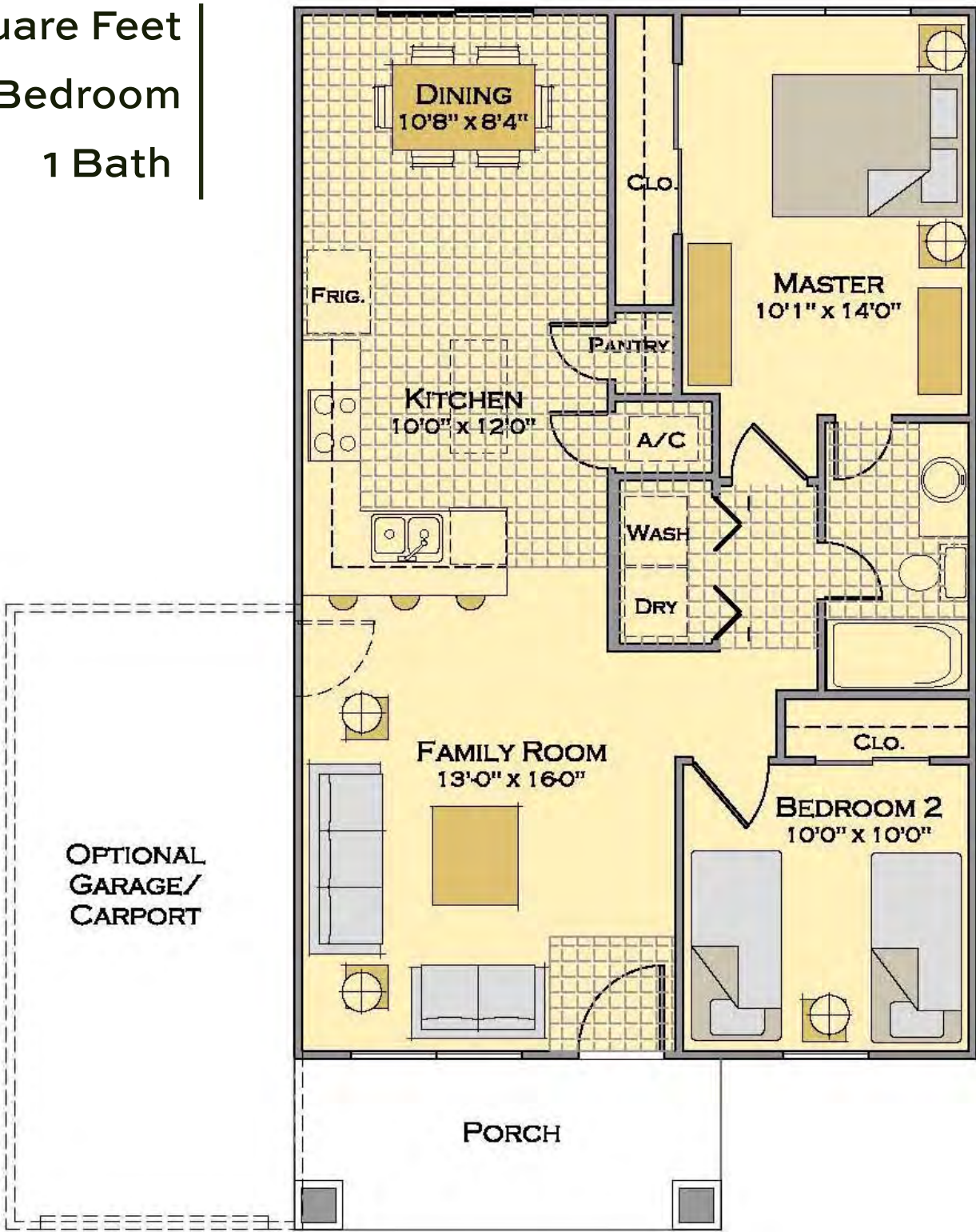


Elevation A



Elevation B

888 Square Feet
2 Bedroom
1 Bath



San Miguel

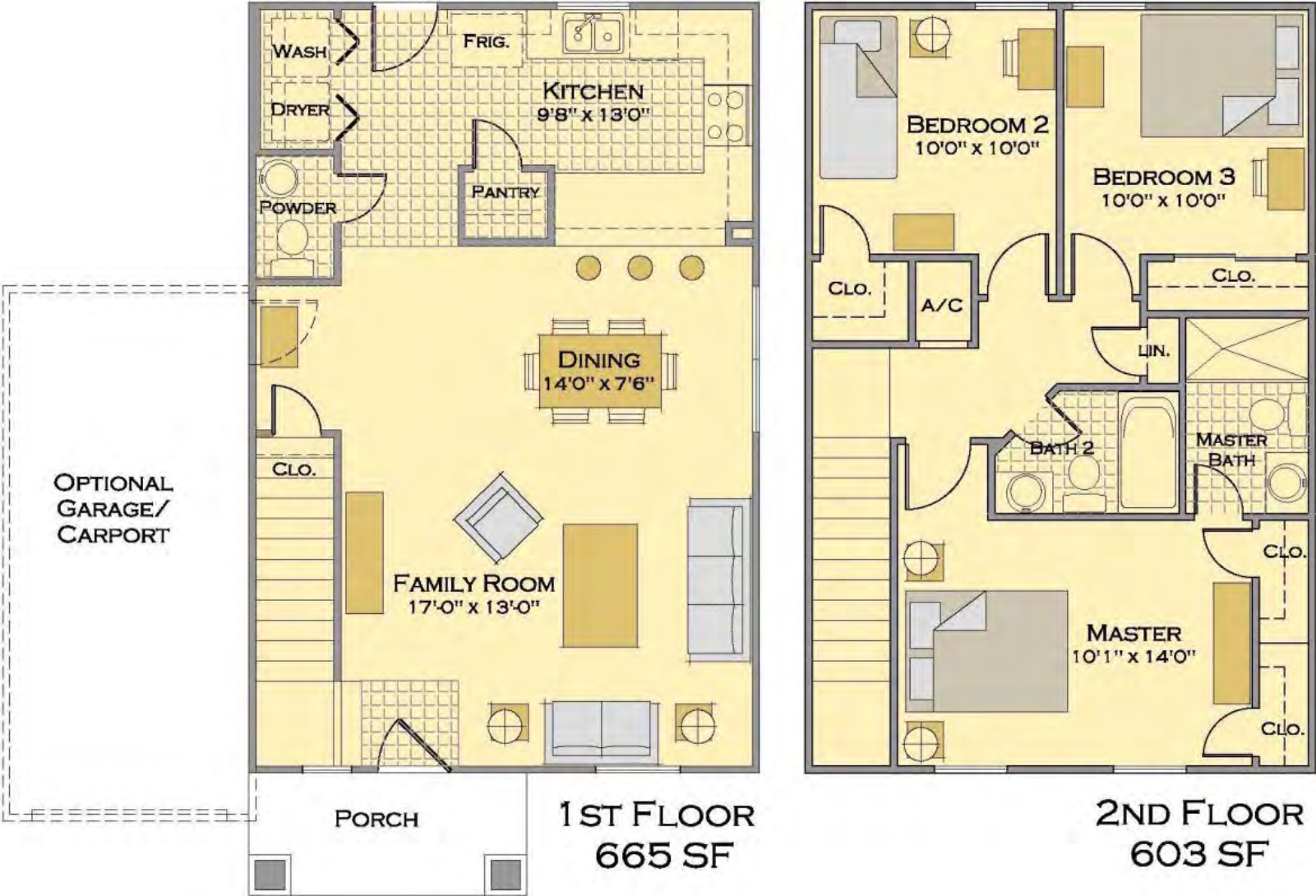


Elevation A



Elevation B

1,268 Square Feet
3 Bedroom
2.5 Bath



Advertisement List
Solicitation # 1811-909-23-4858
Wheatley Infill New Home Construction

Associations /Vendors	Contact Name	Email	Method of Contact(Specify)
Associations Revised as of 03/9/2018			
African American Chamber of Commerce of San Antonio	Lou Miller	blackchamber@aol.com	
Alamo Asian American Chamber of Commerce	Elva Adams	elva.adams@wellsfargo.com	
Alamo City Black Chamber Of Commerce	Bede Ramcharan	info@alamocitychamber.org	
American Council of Engineering Companies - San Antonio (ACEC-SA)	Anne Whittington	anne@acectx.org	
American Institute of Architects	Paula	paula@aiaa.org	
American Subcontractors Association	Jennifer Swinney	jennifer@asasanantonio.org	
Associated Builders and Contractors S. Texas Chapter	Steve Schultz	steve@abcsouthtexas.org	
Builders Exchange	Jeannette Olguin	jeannette@virtualbx.com	
Construct Connect		content@constructconnect.com	
CFMA	Tommy Wallace	wallacet@zhi.com kimr@avacpa.com	
Chinese Chamber of Commerce	Jing Hao	jing.hao@gsaccc.org	
Goodwill Industries	Steven Hussain Angelique de Oliveira	shussain@goodwill.sa.org adeoliveira@goodwillsa.org	
Greater San Antonio Builders Association	Kristi Sutterfield	ksutterfield@sabuilders.com	
The San Antonio Chamber of Commerce	Dave Peterson	dpeterson@sachamber.org	
Hispanic Contractors Association de San Antonio	Clarissa Perez Dave Sanchez	exdir@hcadesa.org admin@hcadesa.org dave@hcadesa.org	
IEC	Julie Howard	jhoward@iecsanantonio.com rvasquez@iecsanantonio.com	
MCA-SMACNA		mca-smacna@mca-smacna.org	
Minority Business Council	Hector Garcia	hector@hegarciacpa.com	
National Alliance of Craftsmen Association	Victor Landa	arvelasquez01@yahoo.com	
National Association of Women in Construction (NAWIC)	Sandee Morgan	nawicerin@gmail.com nawicsatx@gmail.com	
NAWBO San Antonio	Madeline Slay	Madeline@masarchitecture.com	
Plumbing Heating Cooling Contractors Association	Heidi Timble	Heidi@phcc-sanantonio.org	
Professional Engineers in	Diane Hoskins	bexarpepp@sbcglobal.net	

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Wheatley Infill New Home Construction

Associations /Vendors	Contact Name	Email	Method of Contact(Specify)
Private Practice			
Real Estate Council of San Antonio	Martha Mangum	martham@recsanantonio.com	
SAABE	Melodie	mg.assoc.mgmt@gmail.com	
San Antonio Board of Realtors	Suzanne	Suzanne@sabor.com	
SA Chapter of the Associated General Contractors	Dana Marsh	sanantonioagc@gmail.com	
San Antonio Hispanic Chamber of Commerce	Ramiro Cavazos	ramiroc@sahcc.org mariyaf@sahcc.org	
San Antonio Masonry Contractors Association	Debbie Mason	samca@satx.rr.com	
San Antonio Women's Chamber of Commerce	Cindy Libera	admin@sawomenschamber.org	
SmartApartmentData.com		constructionadmin@smartlocating.com	
South Central Regional Certification Agency	Charles Johnson	cjohnson@sctrca.org	
South San Antonio Chamber of Commerce	Al Arreola Jr	al@southsa.org	
Southwest Minority Supplier Diversity Council	Robert Casas	smsdc@smsdc.org	
Surety Association of South Texas, Inc.	Jim Swindle	jim@alamobonds.com	
Texas Society of Professional Engineers	Laura Campa	meghan@tspe.org jennifer@tspe.org	
TIBH Industries	Robert Olivo	robertolivo@tibh.org	
UTSA Minority Business Development Agency	Orestes Hubbard Jennifer Mort Jacqueline Jackson	orestes.hubbard@utsa.edu jennifer.mort@utsa.edu Jacqueline.Jackson@utsa.edu	
UTSA Procurement Technical Assistance Center	Terri Williams	ptac@utsa.edu	
West San Antonio Chamber of Commerce	Julie Jimenez	info@westsachamber.org julie@westsachamber.org	
Women's Business Enterprise	Avery Smith	bids@wbea-texas.org	
NAHRO	Web Site	http://nahro.economicengine.com	
Public Purchase	Web Site	www.publicpurchase.com	
Texas ESBD	Web Site	https://portal.cpa.state.tx.us/	
North San Antonio Chamber of Commerce	Web Site	https://northsachamber.chambermaster.com	
Private Practice			
8a Electric, Inc.	Hilda Fernandez	hilda@8aelectric.com	
Aardvark Keith Moving,	Robin Y. Keith	AKMINC@AOL.COM	
Amer Electric	Olga Espericueta	amer.electric@yahoo.com	
Bent Services, Inc.	Robert Bentivegna	rjb@bentplumbing.com	
Central Texas Express Metalwork,	Kara Clayton	kara@myexpresscontracting.com	

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Associations /Vendors	Contact Name	Email	Method of Contact(Specify)
Joch Enterprises, Llc	Jose Gonzalez	jose@jochcc.com	
JTEX Contracting Inc.	Justin C Hitchcock	justin@jtexcontracting.com	
MLP Ventures Inc.	Liborio Perez	mlp@att.net	
Peak Contractors, Llc	Michael Herrera	mherrera@peakcontractorstx.com	
H. Karp Construction	Bryan Karp	hkarpjr@yahoo.com	
Abeco Contracting	A. Juarez	cathy@abecoContracting.com	Mail Box Full
AEHS, Inc	Marcie Hart	mhart@aehs-sa.com	
All Pro General Construction	Raul Scott	rs@allprogenconst.com	
Allbrite Constructors of TX	Patrick Yates	jan@allbriteconstruction.com	
Ariva Contracting	Adan Silva	adan@arivacontracting.com	
Bolado Environmental & Const.	Jesse Bolado	jboladoenviron@sbcglobal.net	
Cleanology Service	Mike	Mike@cleanologyservices.com	
Freire Custom Homes General Contractor	Robert Freire	robertfreirecan@aol.com	
Hadar Construction	Terry Nunn	hadarconstruction@sbcglobal.net	
Harper Painting & Constrn.	Jenna Link Robert Harper	harperpaintingandconstruction@yahoo.com harperpt@sbcglobal.net	Delivery error
JAS Development	Adam Sanchez	asanchez@jasdc.com	
JGG Construction	Joseph Gonzales	Integrated02@aol.com	
Man-Tra Solutions, LLC	Mike Aleman	maleman@clnup.com	
Ohaver Contracting	Donald Ohaver	dawnv@ohavercontractors.com	
Queen Bee Construction	Sharon O'Neal	queenbeeconst@yahoo.com	
Ram's Weatherization	Ramiro Reyes	ramscustomhomes@gmail.com	
Site Control	Jim Rector	jim@site-control.com	
So Tex Construction	Carmen Groth	sotexgroup@yahoo.com	
Southwest Texas Environmental	Victor Ochoa	victor@swtx-environmental.com	
Tejas Premier Building Contractor	Julissa Carielo	julissa@tejaspremierbc.com	
Valla Construction, Inc.	Michael Rivas	michael@valla-inc.com	
19K Home Repair	Isaak Rashkovsky	isaak@armorhomerepair.com	
360 TxC	Tony Lester	contact@360txc.com	
5W Contracting	Michael Williams	mwilliams@5wcontracting.com	
8A Electric, Inc.	Hilda Fernandez	hilda@8aelectric.com	
A & L Sanchez Painting	Lesley S. Greer	lgreer@a-lsanchezpainting.com	
Acumen Enterprises, Inc.	Wayne Boyter	wayne@acumen-enterprises.com	
Adolfson & Peterson Const	Jody Lee	jlee@a-p.com	
Aggieland Construction	Britt Jones	britt.jones@aggielandconstruction.com	
AGH2O Holdings, LLC	James R. Lesko	jlesko@austin.rr.com	
Allied Electric Services, Inc.	Paige Paul	paige@alliedelectric.us	
Ambient Control Service Co	Alejandro Rodriguez	arod@ambientcontrol.org	

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Solicitation # 1811-909-23-4858
Wheatley Infill New Home Construction

Associations /Vendors	Contact Name	Email	Method of Contact(Specify)
Amer Electric	Olga Espericueta	amer.electric@yahoo.com	
Ashley Construction & Development	Dennis Ashley	acandd.llc@gmail.com	
B.I.T Construction	Britanie L. Olvera	britanie@bitservicesinc.com	
Bayside Plumbing Services	Jacob Hayman	jacob.hayman@yahoo.com	
Benco Construction Services,	Alvaro Nunez	bert@benco-rfg.com	
Bentley Builder, LLC	Rian Keller	rian3677@yahoo.com	
Bougambillas Const. LLC	Miguel A. Cisneros	bugconst@gmail.com	
Brown-Mckee, Inc.	Michael P. Oles	mikepoles@brownmckee.com	
Bruce's General Const.	Jill Broussard	jillbgc@swbell.net	
Built For Dreams, Inc.	Alisha L. Gregg	algregg@builtfordreams.com	
Byrdson Services	Jim Griffin	jgriffin2440@yahoo.com	
C. Link	Tim Weeks	operations@clinkcorp.com	
CDMTEK	Chris Mansour	chris@cdmtek.com	
CGI Commercial Contracting,	Danny Blanton	dblanton@cgi-commercial.com	
Charles N. White Const	William G. Farnum	billf@whiteconst.com	
Confidence Const & Consltng	Renee Harris	rharrisc21@yahoo.com	
Crain Group, Llc	Phillip B. Crain	brad@craingroup.com	
Creed Construction Inc.	Chester Reed	chester@creedci.com	
Cruz Maint And Const.	Christopher Cruz	ccruz@cruzcmc.com	
Cubit Contracting, LLC	Kaleb Smith	cubit@cubitcontracting.com	
Diverse Roofing	Gilbert Garzoria	ggarzoria@gmail.com	
DK Winship Company, LLC	Darla K. Winship	winshipco@aol.com	
DRC Construction LLC	Dawn Cockerill	dawn@DRC-Construction.com	
Dura Pier Facilities Services,	Tammi L. Terry	tammi@facilitiesources.com	
Durand & Smith Homes, LLC	Joey Smith	jsmith@durandsmith.com	
EAS Contracting, LP	Carroll Edwards	ag@easlp.com	
Elicerio Construction	Fernando Elicerio	felicerio@hotmail.com	
Enterprise Painting & Drywall	Nery Contreras	sales@enterprisepainting.com	
EPSH	Jose F Mondragon	paco@bltexas.com	
Everest Group, Inc	Stephen Roberson	chrisr@everestconstructiongroup.com	
Firenda Group Inc	Miguel Hernandez	mahpastrana@firenda.com	Rejected
Funk And Company	Alex Aguirre	alex@funkandcompany.com	
GCGCTX, LLC	Brian Hood	info@gulfcoastgeneralcontractors.com	
General Contractor Services,	Pamela Teltschick	genconser@aol.com	
GLD And Associates	Frank Milner	mollymilner@sbcglobal.net	
H.J. Laredo Co.,Inc	Hector Laredo	hector@laredoco.com	
Hardwood Construction, LLC	Noah Yuchnitz	hardwood0502@gmail.com	
High Plains Contractors & Management	Michael Ramirez	michael.ramirez@highplainsmanagement.com	
Holden Roofing Inc.	Charles Stetzel	cstetzel@holdenroofing.com	
Ilcor Homes Inc	Kathleen Wimbish	KWIMBISH@ILCOR.COM	
Imani Quality Concepts, LLC	Hardy Jones, III	imaniqualityconcepts@gmail.com	
J&J Worldwide Services	Jill Richardson	jrichardson@jjwws.com	
J's Total Service, Inc.	Ivy M. Lanier	ivy@jstotalservice.com	
Jakeco Construction, Inc.	Nicole	jacoinc@aol.com	

Advertisement List
Solicitation # 1811-909-23-4858
Wheatley Infill New Home Construction

Associations /Vendors	Contact Name	Email	Method of Contact(Specify)
JMM Construction LLC	Jim Long	constructionjmm@yahoo.com	
Joch Enterprises, LLC	Jose Gonzalez	jose@jochcc.com	
Jtex Contracting Inc.	Justin C Hitchcock	justin@jtexcontracting.com	
KS Restoration, Inc.	Kim Smith	ksrestoration@yahoo.com	
Leetex Group, LLC	David Jasso	david@leetexgroup.com	
Lexine Inc	Frank	frank@lexinegroup.com	
Lifesaver Construction And Supply	Gina Alsup	choiceins@hotmail.com	
Luxor Custom Construction	Eligio Vela	ELIGIOVELA@GMAIL.COM	
Majestic Services, Inc.	Sharal Brown	majesticsvinc@aol.com	
MDP Multi-Level Services	Michael Paul	servicesbymdp@yahoo.com	
Mid-America Contractors	Elizabeth Cravens	elizabeth@midamericacontractors.net	
Mid-Continental Restoration	Andy Cook	andy_cook@midcontinental.com	
Millenia Construction Co	Marvin Williams	marvin.williams@milleniaconstruction.com	
Millennium Project Solutions,	Luke Morgan	mmorgan@mps-team.com	
Mission Plumbing Co Inc.	Lorenzo Mendoza	missionplumbing@elp.rr.com	
MNR Construction	Maria Nuno	mnr-construction@hotmail.com	
Mo-Gon Construction	Garmon-Gonzalez	mosesgarmongonzalez@gmail.com	
Mulder Plumbing Services	Jerry Mulder	mrrsatxjerry@gmail.com	
MYBK Enterprises, Inc.	Maria Godina	mgodina.mybkent@yahoo.com	
Nechemya Construction Solutions	Daleth Johnson	daleth@nechemyasolutions.com	
Nelson+Morgan, Architects,	Alan Nelson	anelson@nelsonmorgan.com	
New World Contracting, LLC	D. Vanderberg	dorrett@newworldcontractingllc.com	
Newcorp1-Houston Holding,	Harvey Catchings	hcatchings2002@yahoo.com	
Norman Construction, Inc.	Mike Basler	nci21@aol.com	
Ollies Contracting LLC	Dulce Cano	olliescontracting@gmail.com	
Onsite Contracting, LLC	Benny Ximenez	benny@onsite-contracting.com	
Ortels, LLC	Leon G. Hamilton	leon.g.hamilton@gmail.com	
Parallax Builders, Inc.	Mike Demko	mdemko@parallaxbuilders.com	
Partners Remodeling Restoration	Daniel Besa	Danielbesaprw@yahoo.com	
Peak Contractors, LLC	Michael Herrera	mherrera@peakcontractorstx.com	Not Found
Piatra Inc.	Mirela Glass	info@piatrainc.com	
PTI Remodeling, LLC	Thomas Hamilton	thomashamilton75@yahoo.com	
QA Construction Services	Lily Gutierrez	qacs@QASYSTEMS.COM	
R. G. Williams Construction & Remodeling	Robert G. Williams	rgw_77446@yahoo.com	
R.K. Bass Electric, Inc.	Andy Bass	cheryl@basselectric.com	
R.M. Electrical Contractor Inc	Rodney Mayberry	rl1@suddenlink.net	
RPR Construction Company,	Patricia Pinkerton	ppinkerton@rprconstruction.com	
Seraphia's Lotts	S. A. Sampson-Lott	atita@sbcglobal.net	
Setex Construction Corp.	Nathan Rivres	setex@setexconstruction.com	
Slocum & Associates	Thomas Slocum	thomas.slocum1@gmail.com	
South Coast Construction Services	F. Farjadtehrani	mike@sccsi.net	
Steen Construction Co., Ltd.	Susan Steen	steenltd@sbcglobal.net	
The Butler Enterprises	Cass Butler	bids@TheButlerEnterprises.com	

Advertisement List
Solicitation # 1811-909-23-4858
Wheatley Infill New Home Construction

Associations /Vendors	Contact Name	Email	Method of Contact(Specify)
Thomas Enterprises Inc.	James Thomas	jamesthomasenterprise@yahoo.com	
TMG Contracting, LLC	Tony Gutierrez	TMG_03@msn.com	
Trubon Lee Inc.	Trubon Lee	trubon@leeservicesinc.com	
Universal Service Enterprises	Sid Naeimi	sidnaeimi@useengineering.com	
Veliz Company, Llc	Omar Veliz	oveliz@velizconstruction.com	
Volar Service Company	Jose Malacara	info@volarsc.com	
White Construction Company	Glinn H. White, Jr.	glinn@whiteconstructioncompany.com	
Commercor	Rbt Broniszewski	commercorconstruction@gmail.com	
Alamo Area Mutual Housing		mshackelford@alamomha.com	
David Anderson Homes	David Anderson	danderson@davidandersonhomes.com	
Double K Homes		doublekhomes@yahoo.com	
August Contractors	August Nanutti	august.nanutti@yahoo.com	
Wood Duck Carpentry	Duane Hilburn	duanehilburn@gmail.com	
S & S Custom Homes	Eric Stensrud	eric@s-and-s.com	
		michaelhu88@hotmail.com	
Monticello Homes		gary@monticellohomes.com	
Marc General Const	Cindy Weed	cweed@marcgc2015.com	
Halo	Angel Cepeda	angel@halogc.com	
D. Wilson Construction	Greg Wilson Quint Cabiness	gregw@dwilsonconstruction.com quintc@dwilsonconstruction.com	
Marlowe Const.		mkmconstruction@att.net	
Straight Line Mgmnt	Veronica	veronica@straightlinem.com	
Manuel Ortiz Construction	Adam Ortiz	ortiz_constructionllc@yahoo.com	
		michaelt@crosstimberhomes.com	
		natalieg@habitatsa.org	
Housing	Frank Dunn	frank.dunn@fdunn.com	
Metrobuilt Homes	John Friesenhahn	jfriesenhahn@imaginehomessa.com	
		GFossier@ImagineHomesSA.com	
		GFossier@imaginehomessa.com	
		Rudy@onsite-contracting.com	
		jgonzalez@alamocommunitygroup.org	
		jim@poteetarchitects.com	
		jim@alamoarchitects.com	
		jim.greenboro@gmail.com	
		fredelsner@att.net	
		Scott.Price@sanantonio.gov	
Rausch Coleman	John Mayberry Michael Copeland	john.maberry@rauschcoleman.com michael.copeland@rauschcoleman.com	
		lMelchor@broadway.bank	
		noah.garcia@vantagebank.com	
		laura.cabanilla-cruz@wellsfargo.com	
		barbara.ankamah@sanantonio.gov	
		chiphaass@mac.com	
		meredith@sprinkleco.com	Not found

Advertisement List
Solicitation # 1811-909-23-4858
Wheatley Infill New Home Construction

Associations /Vendors	Contact Name	Email	Method of Contact(Specify)
		peter@risingbarn.com	
		MNerio@bbandt.com	
		barbara@dreamhminspections.com	
		dnormandin@frostbank.com	
		dahliagarcia@rocketnationalbank.com	
		hdavis@jeffersonbank.com	
		rtrevino@bbant.com	Em not accepted
		dana.baker@bbandt.com	Not found
		nilda.lara@bbvacompass.com	
		griselda.quijano@texashp.com	
		echapa@alamocommunitygroup.org,	
		Eric@s-and-s.com	
		smiller@dwhomes.com	
Geofill Material Technologies	Jan Puente	jpuente.geofill@outlook.com	
		lpowell@lisc.org	
		mshackelford@alamocommunitygroup.org	
		farmers4him@att.net	
		daniel.garcia@texashp.com	
		kyle@maestrohomes.com	Not Found
		chris@drc-construction.com	
Habitat for Humanity Crosstimber Homes	Michael Taylor	michaelhu88@hotmail.com MichaelT@habitatsa.org	
		jcooley@terramarktx.com	
		hector@disruptiveconstruction.com	
		jvela@elitehomes.com	Em not accepted
		john@jrscustomhomes.com	
		chester@marc3llc.com	
		rbroccer6e@gmail.com	Not found
		homemarchomessa@gmail.com	
		bhudson@bkhbuilders.com	
		tom@drc-construction.com	
		rshaver@terramarktx.com	
		hector@disruptiveconstruction.com	
		john@jrscustomhomes.com	
		baileybuilt.heath@gmail.com	
		joseph@monticellohomes.com	
		marco@kregroupllc.com	
		gary@monticellohomes.com	
		temoperez@sbcglobal.net	
		ehscrowfoundation@yahoo.com	
		whitney@sabuilders.com	Not Found
		arturo.maldonado@tradesmeninternational.com	Not Found
		smiller@dwhomes.com	

Advertisement List
Solicitation # 1811-909-23-4858
Wheatley Infill New Home Construction

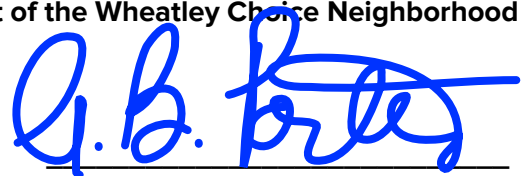
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BOARD OF COMMISSIONERS

Resolution 5905, authorizing conveyance of fifteen lots to Terramark Interests, LLC for the construction of affordable single-family houses as part of the Wheatley Choice Neighborhood Infill Strategy



David Nisivoccia
President and CEO



Arrie B. Porter
Assistant Director of Choice
Neighborhood

REQUESTED ACTION:

Consideration and approval regarding Resolution 5905, authorizing conveyance of fifteen lots to Terramark Interests, LLC for the construction of affordable single-family houses as part of the Wheatley Choice Neighborhood Infill Strategy.

FINANCIAL IMPACT:

The U.S. Department of Housing and Urban Development (HUD) has approved both the strategy and the use of conveyance of the lots, as an incentive to developers, who will be responsible for construction and sale of the single family homes to families earning up to 120% of area median income. SAHA used CCI, DSNR, and Citibank funds, totaling \$156,485.00 to acquire lots. The total number of lots held also includes several lots within the footprint, previously owned by SAHA. These lots will be utilized for purposes of implementing the Infill Strategy. The current appraised value for the fifteen lots is approximately \$450,000.00.

SUMMARY:

In December of 2012, the San Antonio Housing Authority (SAHA) was awarded a Choice Neighborhood Implementation Grant, in the amount of \$29.7 million dollars, which involves strategies for People, Housing, and Neighborhood. The neighborhood portion of the grant, also known as the Critical Communities Improvement (CCI) Plan, includes six strategies to address deficiencies in the neighborhood surrounding the redeveloped housing site.

The first is the Infill Strategy to build single family homes, on vacant lots; thereby, repurposing vacant land to provide affordable family housing, while stabilizing the neighborhood. The fifteen parcels, all located in San Antonio, Texas, include the following addresses:

519 Arthur	1718 Burnet	1439 Lamar
601 Arthur	209 Gabriel	818 Poinsettia
607 Arthur	1418 Hays	939 Poinsettia
611 Arthur	1533 Hays	943 Poinsettia
1714 Burnet	1535 Hays	1071 Poinsettia

Since the Choice Initiative's inception, neighborhood residents have voiced their desire for single family, affordable homes. SAHA has acquired fifteen lots, which it intends to convey to the builder, Terramark Interests, LLC; thereby, reducing the cost of the homes and increasing their affordability.

STRATEGIC GOAL:

Empower and equip families to improve their quality of life and achieve economic stability; and preserve and improve existing affordable housing resources and opportunities.

ATTACHMENTS:

Resolution 5905

Map

**San Antonio Housing Authority
Resolution 5905**

Resolution 5905, authorizing conveyance of fifteen lots to Terramark Interests, LLC for the construction of affordable single-family houses as part of the Wheatley Choice Neighborhood Infill Strategy

WHEREAS, on December 2012, the San Antonio Housing Authority (SAHA) was awarded a Choice Neighborhood Implementation Grant, in the amount of \$29.7 million dollars, which involves strategies for People, Housing, and Neighborhood; and

WHEREAS, the neighborhood portion of the grant, also known as the Critical Communities Improvement (CCI) Plan, includes six strategies, to address the deficiencies in the neighborhood surrounding the redeveloped housing site; and

WHEREAS, the first strategy is Infill, which involves constructing single family homes on vacant lots; thereby, repurposing vacant land to provide affordable family housing, while stabilizing the neighborhood; and

WHEREAS, SAHA has acquired fifteen lots for the purpose of implementation of the Infill Strategy; and

WHEREAS, SAHA wishes to convey the following fifteen lots to Terramark Construction LLC, for development of single family homes:

519 Arthur	1718 Burnet	1439 Lamar
601 Arthur	209 Gabriel	818 Poinsettia
607 Arthur	1418 Hays	939 Poinsettia
611 Arthur	1533 Hays	943 Poinsettia
1714 Burnet	1535 Hays	1071 Poinsettia

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

- 1) Approves Resolution 5905, authorizing conveyance of fifteen lots to Terramark Interests, LLC for the construction of affordable single-family houses as part of the Wheatley Choice Neighborhood Infill Strategy.
- 2) Authorizes the President and CEO, or designee to execute all necessary documents and extensions associated with this contract.

Passed and approved the 7th day of February 2019.

Morris Stribling, DPM
Chair, Board of Commissioners

Attested and approved as to form:

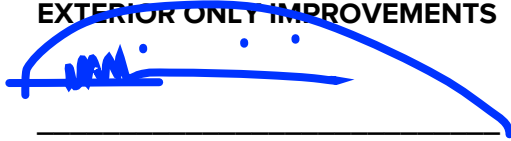
David Nisivoccia
President and CEO

CONVEYANCE OF FIFTEEN INFILL LOTS


1



BOARD OF COMMISSIONERS

RESOLUTION 5902, TO AMEND THE MERCED HOUSING TEXAS CONTRACT, TO INCLUDE A PREVIOUSLY ALLOCATED AMOUNT OF \$200,000.00, FOR OWNER OCCUPIED REHAB, AND EXTERIOR ONLY IMPROVEMENTS

David Nisivoccia
President and CEO



Arrie B. Porter
Assistant Director of Choice
Neighborhood

REQUESTED ACTION:

Consideration and approval regarding Resolution 5902, to amend the Merced Housing Texas Contract, to include a previously allocated amount of \$200,000.00, for Owner Occupied Rehab, and Exterior Only Improvements.

FINANCIAL IMPACT:

The \$200,000.00 was included in the overall \$1,415,256.00, Choice Neighborhood Implementation Grant Critical Community Improvements budget, and was previously approved and allocated by the U.S. Department of Housing, and Urban Development (HUD).

SUMMARY:

On August 4, 2016, the SAHA Board of Commissioners approved Resolution 5629, authorizing the selection of Merced Housing for rehabilitation services required to fulfill the Choice Neighborhood Owner Occupied Rehabilitation strategy. The Board approved Choice funding in the amount of \$1,215,256.00 for this strategy; however, HUD had previously approved an additional \$200,000.00 for a total budget of \$1,415,256.00. During a reconciliation of the Choice Neighborhood budget, it was discovered that the HUD budget amount did not match the Board approved Merced Housing contract. SAHA is therefore amending the contract to include an amount not to exceed \$200,000.00 in Choice funding for Contractor's services, for the Choice Neighborhood Owner Occupied Rehab program.

The program affords property owners the opportunity to make up to \$47,407.00, in improvements to their homes, through a forgivable loan.

STRATEGIC GOAL:

Empower and equip families to improve their quality of life and achieve economic stability and preserve and improve existing affordable housing resources and opportunities.

ATTACHMENTS:

Resolution 5902
Contract Amendment

**San Antonio Housing Authority
Resolution 5902**

RESOLUTION 5902, TO AMEND THE MERCED HOUSING TEXAS CONTRACT, TO INCLUDE A PREVIOUSLY ALLOCATED AMOUNT OF \$200,000.00, FOR OWNER OCCUPIED REHAB, AND EXTERIOR ONLY IMPROVEMENTS

WHEREAS, the U.S. Department of Housing and Urban Development (HUD), awarded the San Antonio Housing Authority (SAHA) a Choice Neighborhood Initiative Grant, in December 2012; and

WHEREAS, as part of the Choice Critical Community Improvement (CCI) plan, Merced Housing Texas administers the Owner-Occupied Rehab program; and

WHEREAS, HUD approved an additional \$200,000.00, to the Merced contract, for Exterior Improvements, bringing the total budgeted program amount to \$1,415,256.00; and

WHEREAS, the initial Board request did not reflect the additional \$200,000.00.

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

- 1) Approves Resolution 5902, to amend the Merced Housing Texas contract, to include a previously allocated amount of \$200,000.00, for owner Occupied Rehab, and Exterior Only Improvements.
- 2) Authorizes the President and CEO, or designee, to execute any and all necessary documents and extensions associated with this document.

Passed and approved the 7th day of February 2019.

Morris Stribling, DPM
Chair, Board of Commissioners

Attested and approved as to form:

David Nisivoccia
President and CEO

Amendment #2

Agreement entered into between the Housing Authority of the City of San Antonio, Texas d/b/a San Antonio Housing Authority (SAHA) and Merced Housing Texas dated August 19, 2018, as amended on November 30, 2018 (Amendment #1) is hereby amended as follows.

1. SAHA agrees to pay an additional amount not to exceed \$200,000.00 out of Choice CCI funds for Contractor's services, and the services of all third-party service providers, subconsultants and subcontractors retained by Contractor with prior SAHA approval.
2. All other terms and conditions in the original Agreement as amended by Amendment #1 shall continue in full force and effect.
3. The effective date of this Amendment shall be December 21, 2018.

Housing Authority of the City of San Antonio, Texas
818 S. Flores
San Antonio, Texas 78204

By: _____
David Nisivoccia
President and CEO

Date: _____

Merced Housing Texas
212 W Laurel Street
San Antonio, Texas 78212

By: _____

Date: _____

Title: _____

BOARD OF COMMISSIONERS

RESOLUTION 5906, AUTHORIZING THE AWARD OF A CONTRACT FOR PHILLIS WHEATLEY PARK HARDSCAPE CONSTRUCTION TO STRAIGHT LINE MANAGEMENT, LLC (AABE, DBE, ESBE, MBE, SBE, WBE, SECTION 3 BUSINESS) FOR AN AMOUNT NOT TO EXCEED \$686,888.00



David Nisivoccia
President and CEO



Steven Morando
Director of Procurement
and General Services



Lorraine Robles
Director of Development
Services and Neighborhood
Revitalization

REQUESTED ACTION:

Consideration and approval regarding Resolution 5906, authorizing the award of a contract for Phillis Wheatley Park Hardscape Construction to Straight Line Management, LLC (AABE, DBE, ESBE, MBE, SBE, WBE, Section 3 Business) for an amount not to exceed \$686,888.00.

FINANCIAL IMPACT:

The cost for the Phillis Wheatley Park Hardscape Construction is not expected to exceed an amount of \$686,888.00 and will be funded by previously approved HUD Choice Neighborhood Initiatives funds.

SUMMARY:

On October 5, 2018, SAHA issued an "Invitation For Bids" (IFB #1810-912-31-4851) for Phillis Wheatley Park Hardscape Construction, which closed on October 23, 2018. The IFB was published on the SAHA website, Electronic State Business Daily (ESBD), The Hart Beat, posted on NAHRO, Public Purchase and direct solicited to seventy-four contractors. A total of four bids were received in response to the IFB: CGC General Contractors (ESBE, SBE, WBE), Cleanology Service & Supply (ABE, ESBE, MBE, SBE, Section 3 Business), KP Property Services, Inc. (WBE), and Straight Line Management, LLC (AABE, DBE, ESBE, MBE, SBE, WBE, Section 3 Business). All bids were evaluated on the following criteria: purchase price, reputation of the bidder and their goods or services, quality of the goods or services, extent to which the goods or services meet SAHA's needs, total long term cost, and any relevant criteria listed within the solicitation document. One bid was deemed non responsive. Based on the above, we are recommending contract award to Straight Line Management, LLC. They are the lowest responsive and responsible bidder.

Straight Line Management, LLC was established in 2008, and is located in San Antonio, Texas. This contractor has been certified as an AABE, DBE, ESBE, MBE, SBE, WBE by the South Central Texas Regional Certification Agency and a Section 3 Business by SAHA. They provide general construction, construction management, estimating and scheduling, and quality control services to a variety of Federal, municipal, private and residential clients. Straight Line Management, LLC worked as a subcontractor for one of SAHA's awarded vendors on the Wheatley Family I, LP and Wheatley Courts CNI Phase II and III Public Improvements project. Their project list includes Brackenridge Park Retaining Wall Restoration, City of San Antonio main library renovations,

Judson High School stadium rebuild, New Territories Park Improvements, Oscar Perez Park Sidewalks and Walking Trails, and San Antonio Water System painting and general maintenance.

CONTRACT OVERSIGHT:

Contract oversight will be provided by David Casso, Development Services Manager and Michael Lopez, Project Manager, who will monitor the vendor's adherence to contract requirements and performance. Oversight of the Artist Contract and Installation, which is part of the Park Hardscape, will be provided by Arrie Porter, Assistant Director of Choice Neighborhood. The Procurement Department will be responsible to ensure the vendor submits the Contractor's Section 3 Compliance report on a monthly basis and monitor compliance with the vendor's SWMBE subcontractor good faith utilization plan.

STRATEGIC GOAL:

Preserve and improve existing affordable housing resources and opportunities.

ATTACHMENTS:

Resolution 5906
Presentation
Bid Tabulation
Advertisement List

**San Antonio Housing Authority
Resolution 5906**

RESOLUTION 5906, AUTHORIZING THE AWARD OF A CONTRACT FOR PHILLIS WHEATLEY PARK HARDSCAPE CONSTRUCTION TO STRAIGHT LINE MANAGEMENT, LLC (AABE, DBE, ESBE, MBE, SBE, WBE, SECTION 3 BUSINESS) FOR AN AMOUNT NOT TO EXCEED \$686,888.00

WHEREAS, on October 5, 2018, SAHA issued an “Invitation For Bids” (IFB) #1810-912-31-4851 for Phillis Wheatley Park Hardscape Construction, which closed on October 23, 2018; and

WHEREAS, a total of four bids were received in response to the IFB. One bid was deemed non responsive; and

WHEREAS, Straight Line Management, LLC is being recommended for contract award. They are the lowest responsive and responsible bidder; and

WHEREAS, the current award recommendation for the Phillis Wheatley Park Hardscape Construction is not expected to exceed an amount of \$686,888.00 and will be funded by previously approved HUD Choice Neighborhood Initiatives funds; and

WHEREAS, staff requests the Board of Commissioners authorize the President and CEO, or designee, to execute all documents associated with this contract.

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

- 1) Approves Resolution 5906, authorizing the award of a contract for Phillis Wheatley Park Hardscape Construction to Straight Line Management, LLC (AABE, DBE, ESBE, MBE, SBE, WBE, Section 3 Business) for an amount not to exceed \$686,888.00.
- 2) Authorizes the President and CEO, or designee, to execute all necessary documents associated with this contract.

Passed and approved the 7th day of February 2019.

Morris A. Stribling, DPM
Chair, Board of Commissioners

Attested and approved as to form:

David Nisivoccia
President and CEO



PHILLIS WHEATLEY PARK

February 7, 2019

THE ARCHITECTS, ARTIST and CONTRACTOR

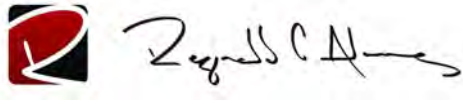
2



DHR ARCHITECTS
Architects



BENDER WELLS CLARK DESIGN
Landscape Architects



REGINALD C. ADAMS
Artist



STRAIGHTLINE MANAGEMENT
Contractor

PHILLIS WHEATLEY PARK

Aerial View

3



PHILLIS WHEATLEY PARK

Aerial View

4



PHILLIS WHEATLEY PARK

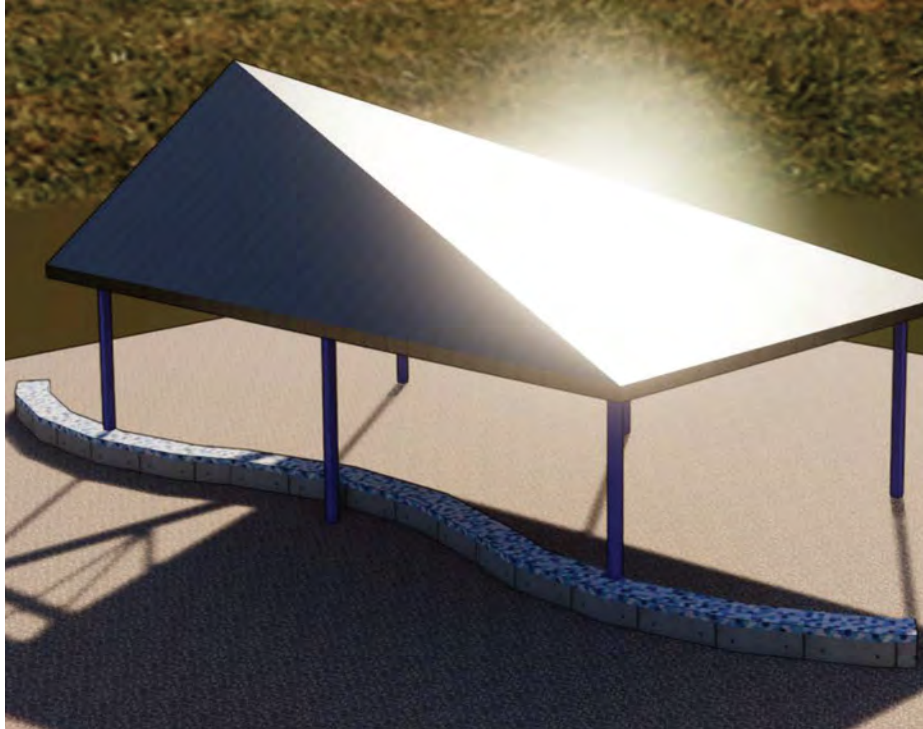
5



FEATURES

Structures | Pavilion and Shade Structures

6



FEATURES

Active | Play Grouping, Fitness Equipment and Bike Racks

7



FEATURES

Seating and Mind Games | Game Tables, Benches and Picnic Tables

8



FEATURES

Other Amenities | Water Fountain with Pet Bowl, Mutt Mitt Station & Trash Receptacles

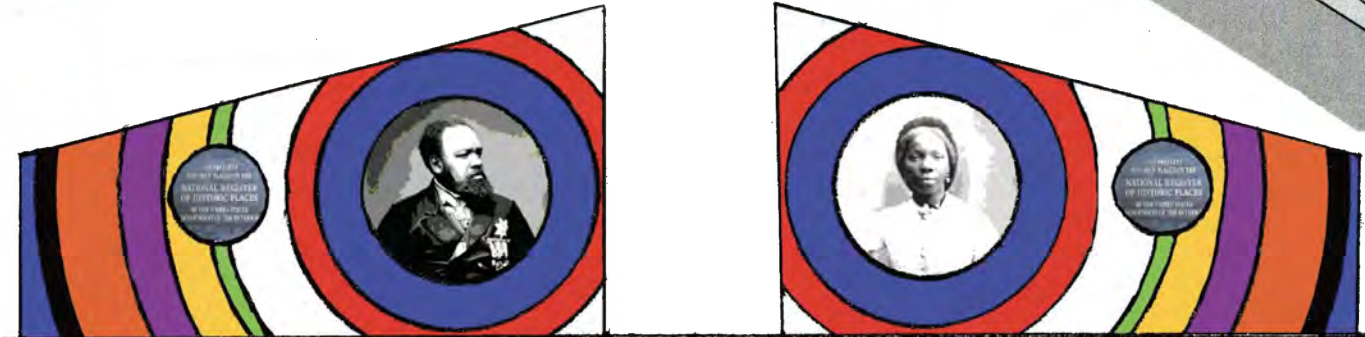
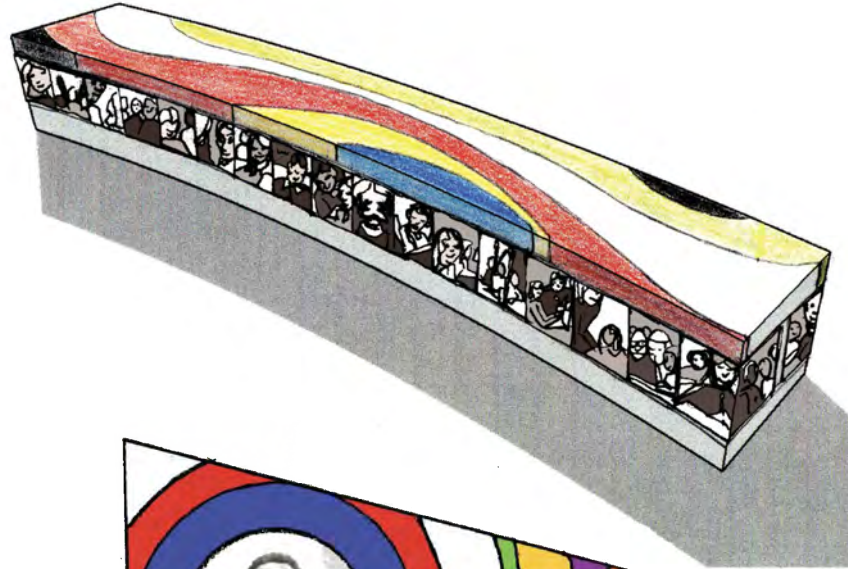
9



FEATURES

Public Art | Lion Sculptures, Memorial Wall & Low Art Wall

10



THANK YOU

BID TABULATION Phillis Wheatley Park Hardscape Construction 1810-912-31-4851									
Vendor	KP Property Services**		Straight Line Management		CGC		Cleanology Service and Supply		
	Bid Amt	Delivery in Days	Bid Amt	Delivery in Days	Bid Amt	Delivery in Days	Bid Amt	Delivery in Days	
Base Bid	\$325,850.00	150.00	\$675,548.00	120	\$834,000.00	180	\$958,800.00	180	
Alternate #1	Same		\$56,406.00		\$8,000.00		\$6,700.00		
Alternate #2	Same		\$11,340.00		\$16,300.00		\$15,000.00		
Total	\$325,850.00		743,294.00		858,300.00		980,500.00		
notes	Disqualified No Bid Bond								

Advertisement List
Solicitation # 1810-912-31-4851
Phillis Wheatley Park Hardscape Construction

Associations /Vendors	Contact Name	Email	Method of Contact(Specify)
Associations Revised as of 03/9/2018			
African American Chamber of Commerce of San Antonio	Lou Miller	blackchamber@aol.com	
Alamo Asian American Chamber of Commerce	Elva Adams	elva.adams@wellsfargo.com	
Alamo City Black Chamber Of Commerce	Bede Ramcharan	info@alamocitychamber.org	
American Council of Engineering Companies - San Antonio (ACEC-SA)	Anne Whittington	anne@acectx.org	
American Institute of Architects	Paula	paula@aia.org	
American Subcontractors Association	Jennifer Swinney	jennifer@asasanantonio.org	
Associated Builders and Contractors S. Texas Chapter	Steve Schultz	steve@abcsouthtexas.org	
Builders Exchange	Jeannette Olguin	jeannette@virtualbx.com	
Construct Connect		content@constructconnect.com	
CFMA	Tommy Wallace	wallacet@zhi.com kimr@avacpa.com	
Chinese Chamber of Commerce	Jing Hao	jing.hao@gsaccc.org	
Goodwill Industries	Steven Hussain Angelique de Oliveira	shussain@goodwill.sa.org adeoliveira@goodwillsa.org	
Greater San Antonio Builders Association	Kristi Sutterfield	ksutterfield@sabuilders.com	
The San Antonio Chamber of Commerce	Julie Oltersdorf	julieo@sachamber.org	
Hispanic Contractors Association de San Antonio	Clarissa Perez Dave Sanchez	exdir@hcadesa.org admin@hcadesa.org dave@hcadesa.org	
IEC	Julie Howard	jhoward@iecsanantonio.com rvasquez@iecsanantonio.com	
MCA-SMACNA		mca-smacna@mca-smacna.org	
Minority Business Council	Hector Garcia	hector@hegarciacpa.com	
National Alliance of Craftsmen Association	Victor Landa	arvelasquez01@yahoo.com	
National Association of Women in Construction (NAWIC)	Sandee Morgan	nawicerin@gmail.com nawicsatx@gmail.com	
NAWBO San Antonio	Madeline Slay	Madeline@masarchitecture.com	
Plumbing Heating Cooling Contractors Association	Heidi Timble	Heidi@phcc-sanantonio.org	
Professional Engineers in	Diane Hoskins	bexarpepp@sbcglobal.net	

Advertisement List
Solicitation # 1810-912-31-4851
Phillis Wheatley Park Hardscape Construction

Associations /Vendors	Contact Name	Email	Method of Contact(Specify)
Private Practice			
Real Estate Council of San Antonio	Martha Mangum	martham@recsanantonio.com	
SAABE	Melodie	mg.assoc.mgmt@gmail.com	
San Antonio Board of Realtors	Suzanne	Suzanne@sabor.com	
SA Chapter of the Associated General Contractors	Dana Marsh	sanantonioagc@gmail.com	
San Antonio Hispanic Chamber of Commerce	Ramiro Cavazos	ramiroc@sahcc.org mariyaf@sahcc.org	
San Antonio Masonry Contractors Association	Debbie Mason	samca@satx.rr.com	
San Antonio Women's Chamber of Commerce	Cindy Libera	admin@sawomenschamber.org	
SmartApartmentData.com		constructionadmin@smartlocating.com	
South Central Regional Certification Agency	Julio Fuentes	jfuentes@sctrca.org	
South San Antonio Chamber of Commerce	Al Arreola Jr	al@southsa.org	
Southwest Minority Supplier Diversity Council	Robert Casas	smsdc@smsdc.org	
Surety Association of South Texas, Inc.	Jim Swindle	jim@alamobonds.com	
Texas Society of Professional Engineers	Laura Campa	meghan@tspe.org jennifer@tspe.org	
TIBH Industries	Robert Olivo	robertolivo@tibh.org	
UTSA Minority Business Development Agency	Orestes Hubbard Jennifer Mort Jacqueline Jackson	orestes.hubbard@utsa.edu jennifer.mort@utsa.edu Jacqueline.Jackson@utsa.edu	
UTSA Procurement Technical Assistance Center	Terri Williams	ptac@utsa.edu	
West San Antonio Chamber of Commerce	Julie Jimenez	info@westsachamber.org julie@westsachamber.org	
Women's Business Enterprise	Avery Smith	bids@wbea-texas.org	
NAHRO	Web Site	http://nahro.economicengine.com	
Public Purchase	Web Site	www.publicpurchase.com	
Texas ESBD	Web Site	https://portal.cpa.state.tx.us/	
North San Antonio Chamber of Commerce	Web Site	https://northsachamber.chambermaster.com	
Tejas Premier Building	Andrew Wallace	andrew@tejaspremierbc.com	

Advertisement List
Solicitation # 1810-912-31-4851
Phillis Wheatley Park Hardscape Construction

[illegible]

Advertisement List
Solicitation # 1810-912-31-4851
Phillis Wheatley Park Hardscape Construction

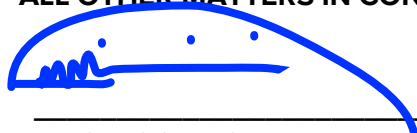
Associations /Vendors	Contact Name	Email	Method of Contact(Specify)
Gadberry Construction	Dustin Gadberry	dustin@gccorp.net	
J.Carrizal General Constrctn	Julian Carrizal	jcarrizal@jcgcnconst.com	
Jacody Construction, Lp	Forrest Couch	forrest.couch@jacodyconstruction.com	
K. Tillman Construction	Yakira Braden	yakira@ktillmanconstruction.com	
Kenebrew Construction	william kenebrew	wkandcompany@gmail.com	
Linbeck Group, Llc	Tara Kirkland	sales_marketing@linbeck.com	
Lohmer Commercial Services	BEN J LOHMER	LOHMERCOMMERCIAL@AOL.COM	
M2 Federal Inc.	Mike Scheiern	Mike.Scheiern@m2federal.com	
Marksmen General Contrctrs	Mandy Baublitt	mandyb@marksmengc.com	
MMG Construction	Stephanie Morgan	stephanie.morgan@mmgenterprise.com	
Monroe Mechanical Services	Kenny Monroe	kmonroemechanical@gmail.com	
Myers Concrete Construction,	Charlene Myers	charlene@myersconcrete.com	
Occupational Safety Solutions	Bradford Holman	ossolutions@outlook.com	
Onsite Contracting, Llc	Benny Ximenez	lois@onsite-contracting.com	
P-4 Industrial Services Llc	Xavier Hurd	xavier@p4industrialservicesllc.com	
Path Construction Company	Richard Krause	GerardK@Pathcc.com	
Right Choice Development	Danielle Wright	danielle@rightchoicedev.com	
RJM Contractors	Doug Thompson	dthompson@tcasgroup.com	
RVP Construction, Inc.	Rene Vences	rvpcon@gmail.com	
Setex Construction Corp.	Nathan Rivres	setex@setexconstruction.com	
Slabs On Grade, Inc.	Erin Benton	jrbenton@slabsongrade.com	
Solis Constructors, Inc.	J Edward Lowenberg	estimating@solisconstructors.com	
Spaw Glass Contractors, Inc.	Jason Hennesey	Jason.Hennesey@spawglass.com	
Standard Morgan Partners	Gil Ramirez Jr.	accounting@grgcommercial.com	
The Ross Group Construction	Marketing	marketing@withrossgroup.com	
Trest Construction Llc	Gilberto Treviño	gtrevino@trestcon.com	
Westar Construction, Inc.	Lamont Navarrette	lamont@westarconstruction.com	
R.E.C. Industries	Warren Williams Randy Hunter	warren@recind.com randyhunter@recind.com	
Summit Building and Design	Cecilia Ramos David Acevedo	cecilia.ramos@summitbuildinganddesig n.com David.acevedo@summitbuildinganddesi gn.com	
Calidad LLC	Charles	cschuchardt.calidadllc@gmail.com	
M. J. Boyle Construction	Mike	mikeb@mjb Boyle.com	
Tropical Contracting	Patricia	info@tropicalcontracting.com info@tropicalcontracting.net	Rejected Access denied
Amstar		esteban@amstarincgc.com tflores@amstarincgc.com	
Davila Electric		davilaelectric@sbcglobal.net	
Botanical Designs Inc.		kevin@botanicaldesignsinc.com	
Benchmark Landscapes	Jeffery Prater Kevin Henderson	jprater@bmlandscapes.com khenderson@bmlandscapes.com	Not found
Dunlap and Company	Hiram Dunlap	info@bootcompanion.com	Not Found
Gratr Landscapes Ltd.	Wayne Newberry	wnewberry@gratrlandscapes.com	Not found

Advertisement List
Solicitation # 1810-912-31-4851
Phillis Wheatley Park Hardscape Construction

Associations /Vendors	Contact Name	Email	Method of Contact(Specify)
Harper Painting & Const	Terry Harper	harperpt@sbcglobal.net	
Hunter Kneppshield		hktexas@flash.net	
Jarvis Moore Incorporated	J Moore	jarvisgrc@gmail.com	
JMI Contractors LLC	Logan	logan@jmi-contractors.com	
Solis Constructors Inc	Juan Puricelli Landon Wolf	jpuricelli@solisconstructors.com lwolf@solisconstructors.com	Not Found
TEC Concrete	John Wylie	wyliejt@gmail.com	
TONEY CONCRETE CONSTRUCTION, INC.	Michael DeRoven	toneyconcreteconstruction@yahoo.com	
Top Notch Construction Co.	Joe Herrera	topnotchconstructionco@gmail.com	
WLE landscape & Irrigation	Richard Gonzales	r.gonzalez@wle.land	
Divine Grass		Divinegrass@yahoo.com	
Cherokee Contracting	Ryan Montgomery	rmontgomery@cherokeeutilities.com	

BOARD OF COMMISSIONERS

RESOLUTION 5857, AUTHORIZING THE SELECTION OF HOGAN PROPERTIES COMPANY, INC. DBA HOMESPRING REALTY PARTNERS (HOGAN) AS DEVELOPMENT PARTNER FOR 5700 CULEBRA ROAD AND 4847 CALLAGHAN ROAD AND AUTHORIZING THE PRESIDENT AND CEO, AND HIS DESIGNATED STAFF TO: FURTHER CLARIFY AND ENHANCE THE DEVELOPER'S PROPOSAL, NEGOTIATE A DEVELOPMENT AGREEMENT; SUBMIT APPLICATIONS FOR FINANCING; CREATE ANY LEGAL ENTITIES; EXECUTE CONTRACTS FOR CONVEYANCE OF LAND; RETAIN LEGAL COUNSEL; AND ENSURE PERFORMANCE OF ALL OTHER MATTERS IN CONNECTION THEREWITH



David Nisivoccia
President and CEO



Steven Morando
Director of Procurement
and General Services



Timothy E. Alcott
Real Estate and Legal
Services Officer

REQUESTED ACTION:

Consideration and approval regarding Resolution 5857, authorizing the selection of Hogan Properties Company, Inc. dba HomeSpring Realty Partners (Hogan) as development partner for 5700 Culebra Road and 4847 Callaghan Road and authorizing the President and CEO, and his designated staff to: further clarify and enhance the developer's proposal, negotiate a development agreement; submit applications for financing; create any legal entities; execute contracts for conveyance of land; retain legal counsel; and ensure performance of all other matters in connection therewith.

FINANCIAL IMPACT:

The selected development partner will provide all the predevelopment costs, negotiate and secure financing, provide all the necessary guarantees, and SAHA will contribute the land towards the 5700 Culebra Road project and a capital contribution of \$2,000,000 in Moving to Work (MTW) funds for the 4847 Callaghan Road project. SAHA will receive a priority repayment of the MTW funds. The developer will receive its pursuit costs back at closing and will receive a 75% developer fee. The proposal contemplates SAHA receiving 25% of the developer fee and 90% of the surplus cash flow over the life of the properties.

The selected development partner's response to the Request For Proposal reflects a deep understanding of the complexity of the financing strategies that might be utilized for this project. Their proforma and narrative reveal a comprehensive approach that clearly outlines opportunities to leverage resources in order to minimize the net use of SAHA's and other public funds, and demonstrates a commitment to obtain and implement financing that offers SAHA a solid return on investment. The developments will be financed through 4% bonds. The Board will have further opportunity to review and approve the recommended financing strategy for these development projects at a future Board meeting date.

SUMMARY:

SAHA requires the services of a development partner to implement a comprehensive development project on 12.566 acres of land, owned by SAHA, that is located at the northwest corner of Culebra Road and Mira Vista Road. In response to the Request for Proposals, Hogan also offered to develop with SAHA, land that Hogan has control of at 4847 Callaghan Road, San Antonio, Texas 78228 (known as Majestic Ranch) two miles down from the site. In its approach, the development partner was to consider in its strategy and plan a broad range of mixed use options such as multi-family rentals, live-work units, retail, and non-residential opportunities.

The selected developer for this project is proposing the construction of a 300 unit multifamily property on the land, using private activity bonds and 4% tax credits. The rental units will be comprised of fifteen residential buildings, to include 100 one-bedroom units, 140 two-bedroom units, and 60 three-bedroom units. The development will also include a clubhouse with management/leasing and maintenance offices, and a pool designed for seniors and the disabled. HomeSpring Residential Services manages three other multifamily properties near the land that will allow for them to cross-market the Mira Vista Ranch Apartments with these other properties. Majestic Ranch would provide an additional 288 units.

A Partnership will be formed to own the land, construct, develop, improve, maintain, lease, and otherwise operate an apartment project offering affordable housing to low and moderate income citizens of the community.

SAHA will be identified as a co-developer and anticipates maintaining significant leadership, ownership and operational roles in the development. The Development Partner, in collaboration with SAHA, will be responsible for securing funding for pre-development, the development program, construction, lease up and management.

SAHA will have 100% beneficial ownership of the Real Estate through a single asset LLC as landowner (Lessor) and will be General Partner of a Texas Limited Partnership with a Tax Credit Investor as limited partner (Lessee).

On September 5, 2018, SAHA issued a "Request For Proposals" #1808-909-57-4827 for Development Partner for 5700 Culebra Road, which closed on October 5, 2018. The solicitation was published on the SAHA website, Electronic State Business Daily (ESBD), The Hart Beat, various other venues and direct solicited to fifty-six developers. A total of four proposals were received in response to the solicitation: Franklin Development Properties, Ltd., Hogan Properties Company, Inc. dba HomeSpring Realty Partners, NRP Holdings, LLC, and Versa Development, LLC (ABE) and Galaxy Builders, Ltd., (ABE) a Joint Venture. All proposals were evaluated on the following criteria: experience and capacity of development team, management plan/technical/response/design concept and development plan, financing structure and plan, and strength of the development partner's Section 3 and SWMBE utilization plans. Based on the above, Hogan Properties Company, Inc. dba HomeSpring Realty Partners, is the highest rated responsive and responsible proposer and is being recommended for contract award.

COMPANY PROFILE:

Hogan Properties Company, Inc. d.b.a. HomeSpring Realty Partner, was formed in 1982, and is located in San Antonio, Texas. This company specializes in the development of multi-family,

industrial, and commercial real estate in the San Antonio area and is organized into service groups to include development services, construction management, brokerage, management, maintenance, and bookkeeping services. This developer has received prior awards from SAHA for the development of Elan Gardens, 228 garden-style apartment units on Jackson-Keller. They have also worked with the Housing Authority of Bexar County, Corpus Christi Housing Authority, and San Antonio Housing Trust. This developer focuses on affordable housing in which it takes no ownership interest. Hogan Properties recent multifamily tax credit properties list includes, but are not limited, to Willow Bend, 252 units; Eagle Ridge, 280 units; Town Square, 252 units; Woodlawn Ranch Apartments, 252 units; Masters Ranch Apartments, 252 units; Freedom Hills Ranch Apartments, 252 units; and, Medio Springs Ranch, 348 units.

GENERAL CONTRACTOR (Co-General Contractor)

Galaxy Builders was established in 1991, and is headquartered in San Antonio, Texas. They are a general contractor specializing in commercial, multifamily, government, assisted/senior living, and adaptive/reuse/restoration. Galaxy Builders has received prior awards from SAHA for Modernization of Lewis Chatham and Marie McGuire Facade Reconstruction. Their housing authority clients include Housing Authority of the City of El Paso, Houston Housing Authority, and Midland County Housing Authority. Their San Antonio projects include, but are not limited, to Dalian Monterrey Village Phase II, Encore Sendero Ranch, Fort Sam Houston, Freedom Hills Ranch, Lookout at Comanche Hill, Lookout Springs "Loretto", Masters Ranch, Paso Fino, Ranchland Springs "Rustico", Twin Creeks at Alamo Ranch, and Villas De La Cascada.

CONTRACT OVERSIGHT:

Contract oversight will be provided by Lorraine Robles, Director of Development Services and Neighborhood Revitalization, who will monitor the vendor's adherence to contract requirements and performance. The Procurement Department will be responsible to ensure the vendor submits the Contractor's Section 3 Compliance report on a monthly basis, monitor compliance with the vendor's SWMBE subcontractor good faith utilization plan, provide annual contract performance evaluation survey to end users, and assist departments in the contract renewal or new solicitation process.

STRATEGIC GOAL:

Strategically expand the supply of affordable housing.

ATTACHMENTS:

Resolution 5857
Map and Picture
Scoring Matrix
Ad List

**San Antonio Housing Authority
Resolution 5857**

RESOLUTION 5857, AUTHORIZING THE SELECTION OF HOGAN PROPERTIES COMPANY, INC. DBA HOMESPRING REALTY PARTNERS (HOGAN) AS DEVELOPMENT PARTNER FOR 5700 CULEBRA ROAD AND 4847 CALLAGHAN ROAD AND AUTHORIZING THE PRESIDENT AND CEO, AND HIS DESIGNATED STAFF TO: FURTHER CLARIFY AND ENHANCE THE DEVELOPER'S PROPOSAL, NEGOTIATE A DEVELOPMENT AGREEMENT; SUBMIT APPLICATIONS FOR FINANCING; CREATE ANY LEGAL ENTITIES; EXECUTE CONTRACTS FOR CONVEYANCE OF LAND; RETAIN LEGAL COUNSEL; AND ENSURE PERFORMANCE OF ALL OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, on September 5, 2018, SAHA issued a "Request For Proposals" #1808-909-57-4827 for Development Partner for 5700 Culebra Road, which closed on October 5, 2018; and

WHEREAS, Hogan Properties Company, Inc. dba HomeSpring Realty Partners, is the highest rated responsive and responsible proposer and is being recommended for contract award; and

WHEREAS, the selected development partner will provide all the predevelopment costs, negotiate and secure financing, provide all the necessary guarantees, and SAHA will contribute the land towards the 5700 Culebra Road project and a capital contribution of \$2,000,000 in Moving to Work funds for the 4847 Callaghan Road project. The developer will receive its pursuit costs back at closing, along with 75% of the developer fee. The proposal contemplates SAHA receiving 25% of the developer fee and 90% of the surplus cash flow, over the life of the properties; and

WHEREAS, development partner agrees to fund an outside third party selected by the agency for construction oversight; and

WHEREAS, staff requests the Board of Commissioners authorize the President and CEO, or designee, to execute all documents associated with this contract.

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

- 1) Approves Resolution 5857, authorizing the selection of Hogan Properties Company, Inc. dba HomeSpring Realty Partners (Hogan) as development partner for 5700 Culebra Road and 4847 Callaghan Road and authorizing the President and CEO, and his designated staff to: further clarify and enhance the developer's proposal, negotiate a development agreement; submit applications for financing; create any legal entities; execute contracts for conveyance of land; retain legal counsel; and ensure performance of all other matters in connection therewith.
- 2) Authorizes the President and CEO, or designee, to execute all necessary documents associated with this contract.

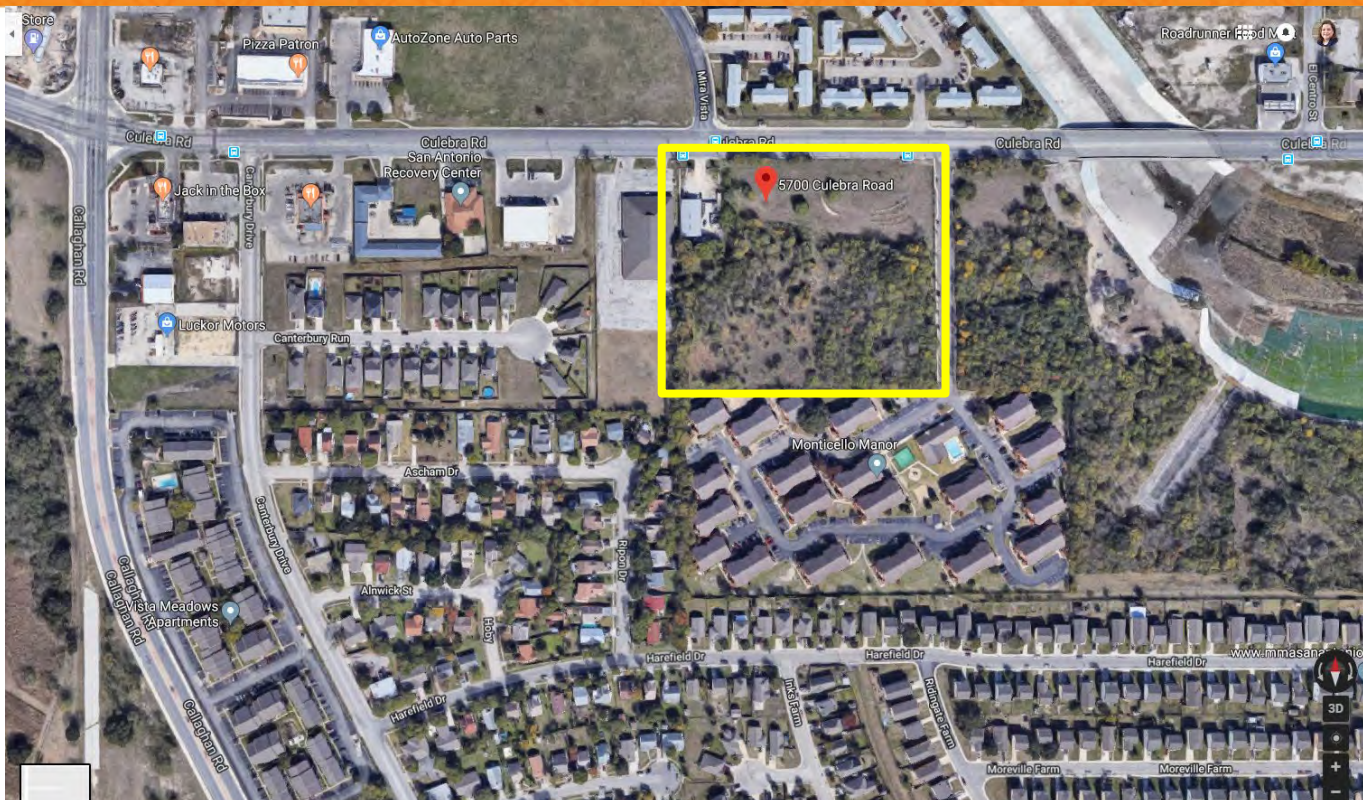
Passed and approved the 7th day of February 2019.

Morris A. Stribling, DPM
Chair, Board of Commissioners

Attested and approved as to form:

David Nisivoccia
President and CEO

MAP - 5700 CULEBRA RD



MAP - 4847 CALLAGHAN RD



Scoring Matrix
Development Partner for 5700 Culebra Road
1808-909-57-4827

Criterion Description	Max Points Weight	Franklin Development Properties Ltd.	Versa Galaxy	Home Spring Realty Partners	NRP Holdings LLC
Experience and Capacity of Team:	1-5 25%				
Rater 1		5.00	4.00	5.00	5.00
Rater 2		5.00	4.00	5.00	5.00
Rater 3		5.00	3.00	5.00	5.00
Total Score		15.00	11.00	15.00	15.00
Average Score		5.00	3.67	5.00	5.00
Weighted Score		1.25	0.92	1.25	1.25
Management plan, Technical Response, Design Concept and Development Plan:	1-5 35%				
Rater 1		3.00	3.00	5.00	4.00
Rater 2		4.00	3.00	4.00	3.00
Rater 3		3.00	4.00	5.00	4.00
Total Score		10.00	10.00	14.00	11.00
Average Score		3.33	3.33	4.67	3.67
Weighted Score		1.17	1.17	1.63	1.28
Financing structure and Plan:	1-5 30%				
Rater 1		3.00	3.00	5.00	3.50
Rater 2		3.00	3.00	5.00	3.00
Rater 3		3.00	3.00	4.00	3.50
Total Score		9.00	9.00	14.00	10.00
Average Score		3.00	3.00	4.67	3.33
Weighted Score		0.90	0.90	1.40	1.00
Strength of the Section 3 plan:	1-5 5%				
Rater 1		4.00	3.00	4.00	3.00
Rater 2		4.00	2.00	4.00	2.00
Rater 3		3.00	3.00	3.50	2.00
Total Score		11.00	8.00	11.50	7.00
Average Score		3.67	2.67	3.83	2.33
Weighted Score		0.18	0.13	0.19	0.12
Strength of the S/W/M/BE plan:	1-5 5%				
Rater 1		2.00	3.00	4.00	3.00
Rater 2		3.00	3.00	4.00	2.00
Rater 3		2.00	3.00	4.00	2.00
Total Score		7.00	9.00	12.00	7.00
Average Score		2.33	3.00	4.00	2.33
Weighted Score		0.12	0.15	0.20	0.12
Section 3 Preference: A firm may qualify for Section 3 status for up to an additional 5 points.					
Category I:	5 (.25)				
Category II:	4 (.2)				
Category III:	3 (.15)				
Category IV:	2(.1)				
Tota Weighted Score		3.62	3.27	4.68	3.77

Advertisement List
Solicitation # 1808-909-57-4827
Development Partner 5700 Culebra Rd. (Mira Vista)

Associations /Vendors	Contact Name	Email	Method of Contact(Specify)
Associations Revised as of 03/9/2018			
African American Chamber of Commerce of San Antonio	Lou Miller	blackchamber@aol.com	
Alamo Asian American Chamber of Commerce	Elva Adams	elva.adams@wellsfargo.com	
Alamo City Black Chamber Of Commerce	Bede Ramcharan	info@alamocitychamber.org	
American Council of Engineering Companies - San Antonio (ACEC-SA)	Anne Whittington	anne@acectx.org	
American Institute of Architects	Paula	paula@aia.org	
American Subcontractors Association	Jennifer Swinney	jennifer@asasanantonio.org	
Associated Builders and Contractors S. Texas Chapter	Steve Schultz	steve@abcsouthtexas.org	
Builders Exchange	Jeannette Olguin	jeannette@virtualbx.com	
Construct Connect		content@constructconnect.com	
CFMA	Tommy Wallace	wallacet@zhi.com kimr@avacpa.com	
Chinese Chamber of Commerce	Jing Hao	jing.hao@gsaccc.org	
Goodwill Industries	Steven Hussain Angelique de Oliveira	shussain@goodwill.sa.org adeoliveira@goodwillsa.org	
Greater San Antonio Builders Association	Kristi Sutterfield	ksutterfield@sabuilders.com	
The San Antonio Chamber of Commerce	Julie Oltersdorf	julieo@sachamber.org	
Hispanic Contractors Association de San Antonio	Clarissa Perez Dave Sanchez	exdir@hcadesa.org admin@hcadesa.org dave@hcadesa.org	
IEC	Julie Howard	jhoward@iecsanantonio.com rvasquez@iecsanantonio.com	
MCA-SMACNA		mca-smacna@mca-smacna.org	
Minority Business Council	Hector Garcia	hector@hegarciacpa.com	
National Alliance of Craftsmen Association	Victor Landa	arvelasquez01@yahoo.com	
National Association of Women in Construction (NAWIC)	Sandee Morgan	nawicerin@gmail.com nawicsatx@gmail.com	
NAWBO San Antonio	Madeline Slay	Madeline@masarchitecture.com	
Plumbing Heating Cooling Contractors Association	Heidi Timble	Heidi@phcc-sanantonio.org	
Professional Engineers in	Diane Hoskins	bexarpepp@sbcglobal.net	

Advertisement List
Solicitation # 1808-909-57-4827
Development Partner 5700 Culebra Rd. (Mira Vista)

Associations /Vendors	Contact Name	Email	Method of Contact(Specify)
Private Practice			
Real Estate Council of San Antonio	Martha Mangum	martham@recsanantonio.com	
SAABE	Melodie	mg.assoc.mgmt@gmail.com	
San Antonio Board of Realtors	Suzanne	Suzanne@sabor.com	
SA Chapter of the Associated General Contractors	Dana Marsh	sanantonioagc@gmail.com	
San Antonio Hispanic Chamber of Commerce	Ramiro Cavazos	ramiroc@sahcc.org mariyaf@sahcc.org	
San Antonio Masonry Contractors Association	Debbie Mason	samca@satx.rr.com	Rejected
San Antonio Women's Chamber of Commerce	Cindy Libera	admin@sawomenschamber.org	
SmartApartmentData.com		construction@SmartApartmentData.com	
South Central Regional Certification Agency	Julio Fuentes	jfuentes@sctrca.org	
South San Antonio Chamber of Commerce	Al Arreola Jr	al@southsa.org	
Southwest Minority Supplier Diversity Council	Robert Casas	smsdc@smsdc.org	
Surety Association of South Texas, Inc.	Jim Swindle	jim@alamobonds.com	
Texas Society of Professional Engineers	Laura Campa	meghan@tspe.org jennifer@tspe.org	
TIBH Industries	Robert Olivo	robertolivo@tibh.org	
UTSA Minority Business Development Agency	Orestes Hubbard Jennifer Mort Jacqueline Jackson	orestes.hubbard@utsa.edu jennifer.mort@utsa.edu Jacqueline.Jackson@utsa.edu	
UTSA Procurement Technical Assistance Center	Terri Williams	ptac@utsa.edu	
West San Antonio Chamber of Commerce	Julie Jimenez	info@westsachamber.org julie@westsachamber.org	
Women's Business Enterprise	Avery Smith	bids@wbea-texas.org	
NAHRO	Web Site	http://nahro.economicengine.com	
Public Purchase	Web Site	www.publicpurchase.com	
Texas ESBD	Web Site	https://portal.cpa.state.tx.us/	
North San Antonio Chamber of Commerce	Web Site	https://northsachamber.chambermaster.com	
Printed: 11/19/2018 11:57:00 AM			
No Development Firms listed	As HUBs for Bexar	County, GC's only.	

Advertisement List
Solicitation # 1808-909-57-4827
Development Partner 5700 Culebra Rd. (Mira Vista)

Associations /Vendors	Contact Name	Email	Method of Contact(Specify)
PRELIMINARY LIST			
No Section 3 Developers on	list		
FINAL LIST			
ABB Realty, Llc	William Aiyeojenku	willa@abbrealty.com	
CMC Development & Const	Christian Crenshaw	ccrenshaw@cmccorp.us	
Goodson Price Properties	Phillip Gutierres	phillip@heroeslodge.org	
MONSOON REALTY LLC	Alisha Melvin	info@monsoonrealestate.com	
Sullivan Land Services, Ltd.	Patrick Puckly,	ppuckly@sullivaninterests.com	
Four Rivers Capital	Garrett Inman	garrett@fourriverscap.com	Not found
Harrison Walker & Harper	Shea Johnson	sheajohnson@hwh1887.com	Blocked-invalid
Haydon Building Corp	Fritz Behrhorst	fbehhorst@haydonbc.com	
CMC Commercial Realty Group		info@cmcrealty.com	
First Industrial Realty Group		info@firstindustrial.com	
Franklin Development	Ryan Wilson	ryan@franklindev.net	
Timberwood Dvlpmnt	Web Site	Homes Only	
Broadway Developments LTD	Web Site	09/05/18 10:00am	
Live Oak Gottesman		general@liveoak.com	
Carleton Residential Properties		info@carletonrp.com	
Bakke Development		info@bakkedevcorp.com	
HomeSpring Realty Partners	Michael Hogan	mhogan@hoganre.com	
NRP Group LLC	Beth Barker Diane Guerrero Robert Theis	BBarker@nrpgroup.com dguerrero@nrpgroup.com RThies@nrpgroup.com	
McCormack Barron Salazar	Louis Barnardy Monique Chavoya	Louis.Bernardy@mccormackbaron.com monique.chavoya@mccormackbaron.com	
Embrey		melder@embreydc.com	Not found
Asset Development		jacqueH@hscorp.org	Unknown
Hunt Companies	William Little Brenda Christman	william.little@huntcompanies.com brenda.christman@huntcompanies.com	Not found
Pinnacle Housing	Megan De Luna Mitch Friedman Lisa Stephens	megan@pinnaclehousing.com mitch@pinnaclehousing.com lisa@pinnaclehousing.com	
CB Development Services		cbdsi@cbdsi.com	Unknown
Industrial Realty Grp	Tom Messmer Onno Steger	tmessmer@industrialrealtygroup.com osteger@industrialrealtygroup.com	
Lynd Company	Lucy Defendini	ldefendini@lyndworld.com Web site Contact 9/5/18 10:06 am	Not Found
Lamar		inquiries@laramargroup.com	
Oaktree Development		inquiry@oakdev.com	
Forestar Group, Inc.	Web site	09/05/18 9:50 am	
GID Development	James Linsey Robert Tullis	jlinsey@gid.com rtullis@gid.com	

Advertisement List
Solicitation # 1808-909-57-4827
Development Partner 5700 Culebra Rd. (Mira Vista)

Associations /Vendors	Contact Name	Email	Method of Contact(Specify)
Tucker development		info@tuckerdevelopment.com	
Trammell Crow	Adam Nims	anims@trammellcrow.com	
Ryan Companies	Hunter Barrier David Knoll	hunter.barrier@ryancompanies.com david.knoll@ryancompanies.com	
McAlister Development Co.	Merritt Owings Anna Rogers	mowings@mcalistdevelopment.com arogers@mcalistdevelopment.com	
Paladino		info@paladinoandco.com	
Urban Space		contactus@urbanspacecommercial.com	Not Found
Flaherty & Collins		INFO@FLCO.COM	
HKS	Mike Nicolaus	mnicolaus@hksinc.com	
Michael Wibracht		michael@210dg.com	
Casey Development	Darren Casey	09/05/18 10:02 am	Web Site
Amtex Development	Sheri Wilhelm	swilhelm@amcalhousing.com	
Amcal Housing	Mark Morgan	mmorgan@amcalhousing.com	
210 Development Group	Holly Thoman David Richardson	holly@210dg.com david@210dg.com	
YNDO Com Real State		steve@yndoco.com	
OPUS Group	Web Site		
Koontz Corporation		marketing@koontzcorp.com	
GFR Development	Adam Schiller Mark Granados	schiller@gfrdevelopment.com granados@gfrdevelopment.com	
Birnbaum	Mike Birnbaum Greg Mann	mbirnbaum@birnbaumproperty.com gmann@birnbaumproperty.com	
Xylon Development		Contact@xylondevelopment.com	
Fulcrum development		fulcrum@fulcrumsa.com	
Christman		webmaster@christmanco.com	
Sueba USA	Web site	09/05/18 10:05 am	Failed
Fallon Company		info@falloncompany.com	
Ryan	Jeff Smith	jeff.smith@ryancompanies.com	
McShane Development Co.	Kenneth Kristofek	kkristofek@conorcommercial.com	
KDC	Marc Flores	marc.flores@kdc.com	
Marque Real Estate Conslts	Daniela Medina	daniela@marqueconsultants.com	
Vesta Corporation	Kyle Ramsey	KRamsey@vestacorp.com	
Itex Development	Kenny Baugh Bobken Simonians	kenny.baugh@itexgrp.com bobken.simonians@itexgrp.com	

BOARD OF COMMISSIONERS

RESOLUTION 5909, AUTHORIZING THE SELECTION OF A DEVELOPMENT PARTNER FOR 210 S. GRIMES AND 7.83 ACRES ON THE NORTH EAST QUADRANT OF HEDGES AND GRIMES ST. AND AUTHORIZING THE PRESIDENT AND CEO, AND HIS DESIGNATED STAFF TO: FURTHER CLARIFY AND ENHANCE THE DEVELOPER'S PROPOSAL, NEGOTIATE A DEVELOPMENT AGREEMENT; SUBMIT APPLICATIONS FOR FINANCING; CREATE ANY LEGAL ENTITIES; EXECUTE CONTRACTS FOR CONVEYANCE OF LAND; RETAIN LEGAL COUNSEL; AND ENSURE PERFORMANCE OF ALL OTHER MATTERS IN CONNECTION THEREWITH



David Nisivoccia
President and CEO



Steven Morando
Director of Procurement
and General Services



Timothy E. Alcott
Real Estate and Legal
Services Officer

REQUESTED ACTION:

Consideration and approval regarding Resolution 5909, authorizing the selection of a development partner for 210 S. Grimes and 7.83 acres on the north east quadrant of Hedges and Grimes St. and authorizing the President and CEO, and his designated staff to: further clarify and enhance the developer's proposal, negotiate a development agreement; submit applications for financing; create any legal entities; execute contracts for conveyance of land; retain legal counsel; and ensure performance of all other matters in connection therewith.

FINANCIAL IMPACT:

SAHA is in the process of pursuing 2019 9% Low Income Housing Tax Credits (LIHTC) from the Texas Department of Housing and Community Affairs (TDHCA). The agency will also seek Historic Tax Credits and does not anticipate having to contribute capital to these projects. However, once the development team has determined and obtained financing for each project, staff will bring each proposal before the Board of Commissioners for final approval.

SUMMARY:

SAHA submitted pre-applications for 9% tax credits for both 210 S. Grimes and the 7.83 acres on Hedges and Grimes St. The 210 S. Grimes project ranked in first place, while the 7.83 acres ranked much lower, leading the development team to pull the application. The 210 S. Grimes pre-application proposes 93 affordable units ranging from 30-60% of AMI.

SAHA requires the services of a development partner to implement a comprehensive development plan at 210 S. Grimes (The Convent) and for the 7.83 acres on the north east quadrant of Hedges and Grimes Street. These properties are located on the east side of San Antonio in close proximity to the AT&T Center. SAHA will consider a broad range of mixed use options such as multi-family rentals, live-work units, retail, and non-residential opportunities. SAHA will also consider a developer who is interested in developing the project for an agreed-upon fee or desires to become a partner with SAHA in the ownership, development and operation of the property.

On January 14, 2019, SAHA issued a Request For Proposals (RFP) #1901-909-57-4877 for Development Partner for 210 S. Grimes and 7.83 acres on the north east quadrant of Hedges and Grimes St., which closes on January 31, 2019. The solicitation was published on the SAHA website, Electronic State Business Daily (ESBD), The Hart Beat, various other venues and direct solicited to 48 developers. The submitted proposals will be reviewed and evaluated by an evaluation committee. After which time, the selection of a development partner will be identified and presented to the Board of Commissioners for approval

Contract oversight will be provided by Lorraine Robles, Director of Development Services and Neighborhood Revitalization, who will monitor the vendor's adherence to contract requirements and performance. The Procurement Department will be responsible to ensure the vendor submits the Contractor's Section 3 Compliance report on a monthly basis, monitor compliance with the vendor's SWMBE subcontractor good faith utilization plan, and assist the department in the contract renewal or new solicitation process.

STRATEGIC GOAL:

Preserve and improve existing affordable housing resources and opportunities.

ATTACHMENTS:

Resolution 5909

Maps

**San Antonio Housing Authority
Resolution 5909**

RESOLUTION 5909, AUTHORIZING THE SELECTION OF A DEVELOPMENT PARTNER FOR 210 S. GRIMES AND 7.83 ACRES ON THE NORTH EAST QUADRANT OF HEDGES AND GRIMES ST. AND AUTHORIZING THE PRESIDENT AND CEO, AND HIS DESIGNATED STAFF TO: FURTHER CLARIFY AND ENHANCE THE DEVELOPER'S PROPOSAL, NEGOTIATE A DEVELOPMENT AGREEMENT; SUBMIT APPLICATIONS FOR FINANCING; CREATE ANY LEGAL ENTITIES; EXECUTE CONTRACTS FOR CONVEYANCE OF LAND; RETAIN LEGAL COUNSEL; AND ENSURE PERFORMANCE OF ALL OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, on January 14, 2019, SAHA issued a "Request For Proposals (RFP) #1901-909-57-4877 for Development Partner for 210 S. Grimes and 7.83 acres on the north east quadrant of Hedges and Grimes St., which is scheduled to close on January 31, 2019; and

WHEREAS, the submitted proposals will be reviewed and evaluated by an evaluation committee. After which time, the selection of a development partner will be identified and presented to the Board of Commissioners for approval; and

WHEREAS, SAHA is in the process of pursuing 2019 9% Low Income Housing Tax Credits (LIHTC) from the Texas Department of Housing and Community Affairs (TDHCA). The agency will also seek Historic Tax Credits and does not anticipate having to contribute capital to these projects. However, once the development team has determined and obtained financing for each project, staff will bring each proposal before the Board of Commissioners for final approval; and

WHEREAS, staff requests the Board of Commissioners authorize the President and CEO, or designee, to execute all documents associated with this contract.

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

- 1) Approves Resolution 5909, authorizing the selection of a development partner for 210 S. Grimes and 7.83 acres on the north east quadrant of Hedges and Grimes St. and authorizing the President and CEO, and his designated staff to: further clarify and enhance the developer's proposal, negotiate a development agreement; submit applications for financing; create any legal entities; execute contracts for conveyance of land; retain legal counsel; and ensure performance of all other matters in connection therewith.
- 2) Authorizes the President and CEO, or designee, to execute all necessary documents associated with this contract.

Passed and approved the 7th day of February 2019.

Morris A. Stribling, DPM
Chair, Board of Commissioners

Attested and approved as to form:

David Nisivoccia
President and CEO

AERIAL MAP OF 210 S. GRIMES AND 7.83 ACRES



SITE PLAN

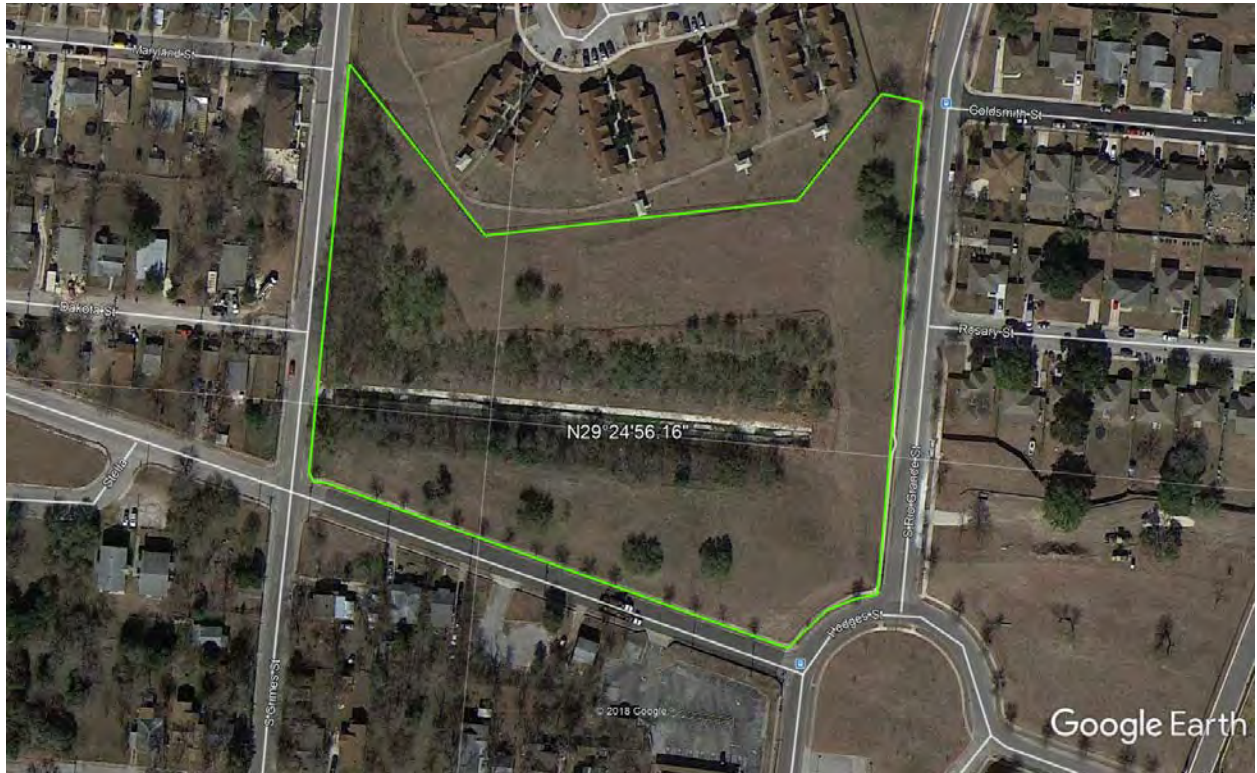


ACREAGE AT SPRINGVIEW

EXHIBIT "A-2"

PROPERTY DESCRIPTION

Approximately 7.83 acres on the North East Quardrant of Hedges and Grimes, San Antonio, TX



BOARD OF COMMISSIONERS

RESOLUTION 5908, AUTHORIZING THE AWARD OF AN AGENCY-WIDE CONTRACT FOR MAINTENANCE, REPAIR, MODERNIZATION, REPLACEMENT AND NEW CONSTRUCTION OF ELEVATORS, ESCALATORS AND MOVING WALKWAYS TO KONE, INC., THROUGH US COMMUNITIES PURCHASING COOPERATIVE, AN OMNIA PARTNER, FOR AN ANNUAL CUMULATIVE AMOUNT NOT TO EXCEED \$500,000.00; FOR A PERIOD OF ONE YEAR WITH THE OPTION TO RENEW UP TO FOUR ADDITIONAL ONE-YEAR TERMS

		
David Nisivoccia President and CEO	Steven Morando Director of Procurement and General Services	Hector Martinez Director of Construction Services and Sustainability

REQUESTED ACTION:

Consideration and approval regarding Resolution 5908, authorizing the award of an agency-wide contract for maintenance, repair, modernization, replacement and new construction of elevators, escalators and moving walkways to KONE, Inc., through US Communities Purchasing Cooperative, an Omnia Partner, for an annual cumulative amount not to exceed \$500,000.00; for a period of one year with the option to renew up to four additional one year terms.

FINANCIAL IMPACT:

The cost for maintenance, repair, replacement, and annual Qualified Elevator Inspector Inspections agency-wide is not expected to exceed an amount of \$500,000.00 and will be funded through approved operating budgets, capital funds, and available reserves.

SUMMARY:

SAHA requires the services of a contractor to primarily provide monthly preventative maintenance, routine and emergency repair services, replacement and modernization of existing elevators, and provide support during annual Qualified Elevator Inspector (QEI) Inspections for the forty-two passenger and two freight elevators currently located at various developments within SAHA's Public Housing and Beacon Communities portfolios, as well as Central Office.

HUD encourages Housing Authorities to utilize cooperative and interagency agreements to simplify and expedite the procurement processes. Purchasing Cooperatives assign a lead agency for its solicitations to ensure that competitive bid requirements for most state and local government agencies are followed; therefore, SAHA is not required to issue its own competitive solicitation in cases where the use of available contracts are appropriate and in accordance with SAHA procurement policies.

Once the lead public agency has awarded a contract with the supplier, participating Public Agencies in need of similar products and services are able to make purchases through the U.S. Communities contract. This ensures that the same terms and conditions of the lead agency's awarded contract apply to the participants. SAHA is currently a member of the U.S. Communities Government Purchasing Alliance, a nationwide purchasing cooperative.

On May 23, 2018, the City of Kansas City, Missouri (Lead Public Agency), on behalf of the U.S. Communities Purchasing Alliance solicited proposals for Elevator, Escalator and Walkway Maintenance and Modernization Services, Inspection Services, and Related Solutions that were due on June 8, 2018. Two responses were received for the national contract.

On December 1, 2018, Kansas City, Missouri, entered into a contract, EV2516 with KONE, Inc. for Elevator and Escalator Maintenance, Repair, Modernization & New Construction for a period of six years, with renewal options for five additional, one year terms. SAHA is requesting the Board's approval to participate in this contract with an initial one-year term and four one-year renewal options, which differs from the lead agency's structure. This will allow SAHA an opportunity to review and evaluate the contract each year, which is our normal practice.

KONE, Inc. was founded in 1956, and is headquartered in Lisle, Illinois. KONE, Inc. was formerly known as Montgomery KONE, Inc. and changed its name to KONE, Inc. in January of 2000. KONE, Inc. operates as a subsidiary of KONE Oyj. They have offices and service centers worldwide with more than seventy offices across the United States. Their Texas offices are located in Austin, Dallas, Houston, and San Antonio, Texas. The company designs, manufactures, and supplies elevators, escalators, autowalks, and automatic building doors. They offer passenger, patient/service, freight, marine, and trauma elevators; and loading docks, automated guided vehicles, and destination control systems. KONE Inc. also provides maintenance and modernization solutions, and repairs and upgrades. The company offers products for residential, office, and retail buildings; and hospitals, transport hubs, and ships worldwide.

Contract oversight will be provided by Mark DeLuna, Maintenance Superintendent, who will monitor the vendor's adherence to contract requirements and performance.

STRATEGIC GOAL:

Preserve and improve existing affordable housing resources and opportunities.

ATTACHMENT:

Resolution 5908

**San Antonio Housing Authority
Resolution 5908**

RESOLUTION 5908, AUTHORIZING THE AWARD OF AN AGENCY-WIDE CONTRACT FOR MAINTENANCE, REPAIR, MODERNIZATION, REPLACEMENT AND NEW CONSTRUCTION OF ELEVATORS, ESCALATORS AND MOVING WALKWAYS TO KONE, INC., THROUGH US COMMUNITIES PURCHASING COOPERATIVE, AN OMNIA PARTNER, FOR AN ANNUAL CUMULATIVE AMOUNT NOT TO EXCEED \$500,000.00; FOR A PERIOD OF ONE YEAR WITH THE OPTION TO RENEW UP TO FOUR ADDITIONAL ONE-YEAR TERMS

WHEREAS, the U.S. Department of Housing and Urban Development encourages Housing Authorities to utilize cooperative and interagency agreements to simplify and expedite the procurement processes. SAHA is currently a member of the U.S. Communities Government Purchasing Alliance, a nationwide purchasing cooperative, which follows an acceptable competitive bid or proposal solicitation process. SAHA, as a cooperative member, may utilize any contract awarded by the U.S. Communities Government Purchasing Alliance; and

WHEREAS, on May 23, 2018, the City of Kansas City, Missouri (Lead Public Agency), on behalf of the U.S. Communities Purchasing Alliance, solicited proposals for Elevator, Escalator and Walkway Maintenance and Modernization Services, Inspection Services, and Related Solutions that were due on June 8, 2018; and

WHEREAS, on December 1, 2018, Kansas City, Missouri (Lead Public Agency), entered into a contract, EV2516 with KONE, Inc. for Elevator and Escalator Maintenance, Repair, Modernization & New Construction for a period of six years, with renewal options for five additional, one year terms; and

WHEREAS, the cost for maintenance, repair, replacement, and annual Qualified Elevator Inspector Inspections agency-wide is not expected to exceed an amount of \$500,000.00 and will be funded through approved operating budgets, capital funds, and available reserves; and

WHEREAS, staff requests the Board of Commissioners authorize the President and CEO, or designee, to execute all documents associated with this contract.

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

- 1) Approves Resolution 5908, authorizing the award of an agency-wide contract for maintenance, repair, modernization, replacement and new construction of elevators, escalators and moving walkways to KONE, Inc., through U.S. Communities Purchasing Cooperative, an Omnia Partner, for an annual cumulative amount not to exceed \$500,000.00; for a period of one year with the option to renew up to four additional one year terms.
- 2) Authorizes the President and CEO, or designee, to execute all necessary documents associated with this contract.

Passed and approved the 7th day of February 2019.

Morris A. Stribling, DPM
Chair, Board of Commissioners

Attested and approved as to form:

David Nisivoccia
President and CEO

BOARD OF COMMISSIONERS

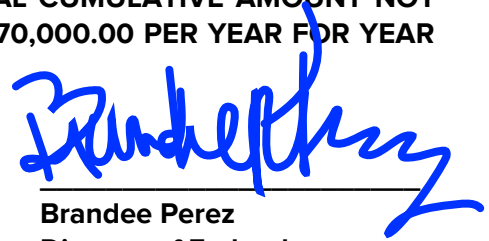
RESOLUTION 5907, AUTHORIZING THE AWARD OF AN AGENCY-WIDE CONTRACT FOR IRRIGATION SYSTEMS INSPECTION, TESTING, REPAIR AND INSTALLATION TO OLYMPIA LANDSCAPE DEVELOPMENT, INC. (HABE) FOR AN ANNUAL CUMULATIVE AMOUNT NOT TO EXCEED \$60,000.00 PER YEAR FOR YEAR ONE AND \$70,000.00 PER YEAR FOR YEAR TWO, YEAR THREE, YEAR FOUR, AND YEAR FIVE



David Nisivoccia
President and CEO



Steven Morando
Director of Procurement
and General Services



Brandee Perez
Director of Federal
Housing Programs

REQUESTED ACTION:

Consideration and approval regarding Resolution 5907, authorizing the award of an agency-wide contract for irrigation systems inspection, testing, repair and installation to Olympia Landscape Development, Inc. (HABE) for an annual cumulative amount not to exceed \$60,000.00 per year for year one and \$70,000.00 per year for year two, year three, year four, and year five.

FINANCIAL IMPACT:

The cost for irrigation systems inspection, testing, repair and installation services is not expected to exceed an annual cumulative amount of \$60,000.00 per year for year one, and \$70,000.00 per year for year two, year three, year four, and year five. These services will be funded through the approved operating budgets and/or operating reserves.

SUMMARY:

On November 27, 2018, SAHA issued an "Invitation For Bids" (IFB) #1810-934-37-4853 for Irrigation Systems Inspection, Testing, Repair and Installation Services, which closed on December 4, 2018. The IFB was published on the SAHA website, Electronic State Business Daily (ESBD), The Hart Beat, posted on NAHRO, Public Purchase and direct solicited to fifty-eight contractors. A total of four bids were received in response to the IFB: All Pro General Construction (DBE, ESBE, HABE, MBE, SBE, Section 3 Business), Olympia Landscape Development, Inc. (HABE), R&C Landscape, LLC (ESBE, HABE, MBE, SBE, Section 3 Business), and San Antonio Ace Sprinklers and Landscaping. All bids were evaluated on the following criteria: purchase price, reputation of the bidder and their goods or services, quality of the goods or services, extent to which the goods or services meet SAHA's needs, total long term cost, and any relevant criteria contained in the solicitation document. Based on the above, SAHA is recommending contract award to Olympia Landscape Development, Inc. They are the lowest responsive and responsible bidder.

Olympia Landscape Development, Inc. was established in 2004, and is headquartered in Laredo, Texas, with a field office location in San Antonio, Texas. This contractor self-certifies as an HABE. They are a full service landscape company that provides residential and commercial landscape, Xeriscape, irrigation, hydroseeding, and commercial grounds management. Their irrigation services include the following: design, backflow testing, irrigation management, irrigation repair

and modifications, and they are a rain bird select contractor. Olympia Landscape Development, Inc. has received no prior awards from SAHA. Their client list includes San Antonio Water Systems (SAWS), City of Laredo, and United Independent School District. Their Section 3 Good Faith Effort Plan includes providing training programs to individuals in the area of irrigation procedures.

CONTRACT OVERSIGHT:

Contract oversight will be provided by Brandee Perez, Director of Federal Housing Programs, who will monitor the vendor's adherence to contract requirements and performance. The Procurement Department will be responsible to ensure the vendor submits the Contractor's Section 3 Compliance report on a monthly basis and monitor compliance with the vendor's SWMBE subcontractor good faith utilization plan.

STRATEGIC GOAL:

Preserve and improve existing affordable housing resources and opportunities.

ATTACHMENTS:

Resolution 5907
Bid Tabulation
Advertisement List

**San Antonio Housing Authority
Resolution 5907**

RESOLUTION 5907, AUTHORIZING THE AWARD OF AN AGENCY-WIDE CONTRACT FOR IRRIGATION SYSTEMS INSPECTION, TESTING, REPAIR AND INSTALLATION TO OLYMPIA LANDSCAPE DEVELOPMENT, INC. (HABE) FOR AN ANNUAL CUMULATIVE AMOUNT NOT TO EXCEED \$60,000.00 PER YEAR FOR YEAR ONE AND \$70,000.00 PER YEAR FOR YEAR TWO, YEAR THREE, YEAR FOUR, AND YEAR FIVE

WHEREAS, on November 27, 2018, SAHA issued an “Invitation For Bids” (IFB) #1810-934-37-4853 for Irrigation Systems Inspection, Testing, Repair and Installation Services, which closed on December 4, 2018; and

WHEREAS, a total of four bids were received in response to the IFB; and

WHEREAS, Olympia Landscape Development, Inc. is being recommended for contract award. They are the lowest responsive and responsible bidder; and

WHEREAS, the current award recommendation for irrigation systems inspection, testing, repair and installation services is not expected to exceed an annual cumulative amount of \$60,000.00 per year for year one, and \$70,000.00 per year for year two, year three, year four, and year five. These services will be funded through the approved operating budgets and/or operating reserves; and

WHEREAS, staff requests the Board of Commissioners authorize the President and CEO, or designee, to execute all documents associated with this contract.

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

- 1) Approves Resolution 5907, authorizing the award of an agency-wide contract for irrigation systems inspection, testing, repair and installation to Olympia Landscape Development, Inc. (HABE) for an annual cumulative amount not to exceed \$60,000.00 per year for year one and \$70,000.00 per year for year two, year three, year four, and year five.
- 2) Authorizes the President and CEO, or designee, to execute all necessary documents associated with this contract.

Passed and approved the 7th day of February 2019.

Morris A. Stribling, DPM
Chair, Board of Commissioners

Attested and approved as to form:

David Nisivoccia
President and CEO

Item	Bidder>	Unit	Qty	San Antonio Ace Sprinklers	Olympia Landscape Development ***	R & G Landscape LLC*	All Pro General Construction **
Scheduled Services							
Monthly Inspection Service Fee Central Office	month	12		\$394.00	\$4,728.00	\$150.00	\$1,800.00
Inspection Service Converse Ranch I	each	5		\$394.00	\$1,970.00	\$250.00	\$1,250.00
Inspection Service Converse Ranch II	each	5		\$394.00	\$1,970.00	\$250.00	\$1,250.00
Inspection Service Convent	each	5		\$394.00	\$1,970.00	\$250.00	\$1,250.00
Inspection Service Legacy at Crown Meadows	each	5		\$394.00	\$1,970.00	\$250.00	\$1,250.00
Inspection Service Victoria Plaza	each	5		\$394.00	\$1,970.00	\$250.00	\$1,250.00
Inspection Service Madonna Apis	each	5		\$394.00	\$1,970.00	\$250.00	\$1,250.00
Inspection Service W. C. White Apis	each	5		\$394.00	\$1,970.00	\$250.00	\$1,250.00
Inspection Service Villa San Alfonso	each	5		\$394.00	\$1,970.00	\$250.00	\$1,250.00
Inspection Service Villa de Valencia	each	5		\$394.00	\$1,970.00	\$250.00	\$1,250.00
Annual SAVS Inspection Fee	Year	1		\$300.00	\$300.00	\$100.00	\$100.00
Totals (With quantities as evaluated)				\$21,773.88	\$9,950.00	\$22,312.50	\$15,699.00
Cost per hour for routine irrigation repairs. For services performed between 7:00 a.m. until 6:00 pm							
Cost per hour for emergency irrigation repairs performed within two (2) hours of emergency request. For services performed between 7:00 a.m. until 6:00 p.m.	hour	440		\$98.50	\$43,340.00	\$65.00	\$28,600.00
Cost per hour for emergency irrigation repairs performed within one (1) hour of emergency request. For emergency services not performed 7:00 a.m. to 6:00 p.m.	hour	4		\$147.75	\$1,477.50	\$130.00	\$1,300.00
Cost per hour to conduct irrigation system audit/evaluation during normal working hours. Between 7:00 a.m. until 6:00 p.m.	hour	7		\$98.50	\$689.50	\$65.00	\$455.00
Totals (With quantities as evaluated)				\$98.50	\$46,098.00	\$65.00	\$30,955.00
Backhoe							
Backhoe	hour	5		\$100.00	\$500.00	\$300.00	\$1,500.00
Trencher	hour	15		\$50.00	\$750.00	\$150.00	\$2,250.00
Excavator	hour	3		\$65.00	\$195.00	\$320.00	\$960.00
Boring Rig	hour	2		\$50.00	\$100.00	\$250.00	\$500.00
Totals (With quantities as evaluated)					\$1,545.00		\$5,210.00
Vendor Provided Materials markup for irrigation pipe, fittings and related supplies over cost.							
Vendor Provided Irrigation Sprinkler Head markup cost.	+/-%			20.00%		50.00%	
Vendor Provided Controller Equipment and Solenoid Valve markup cost.	+/-%			20.00%		50.00%	
Rain Bird DVF-100 Valve							
Rain Bird DVF-100 Valve	Each	5		\$12.50	\$15.00	\$14.91	\$29.82 / \$22.37
Hunter PGV-101G Valve	Each	3		\$16.00	\$19.20	\$12.73	\$25.46 / \$19.10
1/2 inch x 10 foot PVC Schedule 40	Each	2		\$1.87	\$3.24	\$3.67	\$7.34 / \$5.51
3/4 inch x 10 foot PVC Schedule 40	Each	8		\$2.40	\$2.88	\$4.71	\$9.42 / \$7.07
1 inch x 10 foot PVC Schedule 40	Each	8		\$3.67	\$4.40	\$6.80	\$13.60 / \$10.20
1 1/2 inch x 10 foot PVC Schedule 40	Each	5		\$5.70	\$6.84	\$9.27	\$18.54 / \$13.91
2 inch x 10 foot PVC Schedule 40	Each	3		\$7.60	\$9.12	\$11.15	\$22.30 / \$16.73
ESP8LXME - 8-Station Modular Irrigation Controller Valve Box VB1JMBH- Junbo Body & Locking Green Lid	Each	12		\$276.50	\$331.81	\$155.83	\$311.66 / \$233.75
Rain Bird 300B PE, 3 inch Brass Valve, Female Threaded Valve with Flow Control	Each	1		\$39.02	\$46.82	\$26.75	\$53.50 / \$40.13
RD-04-S-P45-NP Spray Head	Each	50		\$6.97	\$51.19	\$379.93	\$759.86 / \$599.90
Rain Bird RSD-BEX Rain Sensor	Each	15		\$15.89	\$19.07	\$7.81	\$23.32 / \$17.4
Total Comparison Parts (as evaluated)				\$20.99	\$25.18	\$17.20	\$34.40 / \$25.80
Totals					\$2,502.08		\$2,063.48

* Certified Section 3 Business Concern- the amount shown in the response has been adjusted to reflect markup applied by the vendor in the comparison list.

** Certified Section Business Concern- The amount shown in the response has been adjusted to reflect the markup applied by the vendor in the comparison list.

*** Vendor applied the wrong percentage markup to the unit price (100%); it has been adjusted in the comparison list to reflect the calculated price with the 50% markup.

**** The vendor did not provide a figure for audit/evaluation during normal business hours, however, the \$65.00/hr rate shown has been confirmed with the company as they do not differentiate this service and normal repairs during business hours.

Advertisement List
Solicitation # 1810-934-37-4853
Irrigation Systems Inspection, Testing Repair and Installation Services

Associations /Vendors	Contact Name	Email	Method of Contact(Specify)
Associations Revised as of 03/9/2018			
African American Chamber of Commerce of San Antonio	Lou Miller	blackchamber@aol.com	
Alamo Asian American Chamber of Commerce	Elva Adams	elva.adams@wellsfargo.com	
Alamo City Black Chamber Of Commerce	Bede Ramcharan	info@alamocitychamber.org	
American Council of Engineering Companies - San Antonio (ACEC-SA)	Anne Whittington	anne@acectx.org	
American Institute of Architects	Paula	paula@aiasa.org	
American Subcontractors Association	Jennifer Swinney	jennifer@asasanantonio.org	
Associated Builders and Contractors S. Texas Chapter	Steve Schultz	steve@abcsouthtexas.org	
Builders Exchange	Jeannette Olguin	jeannette@virtualbx.com	
Construct Connect		content@constructconnect.com	
CFMA	Tommy Wallace	kimr@avacpa.com	
Chinese Chamber of Commerce	Jing Hao	jing.hao@gsaccc.org	
Goodwill Industries	Steven Hussain Angelique de Oliveira	shussain@goodwill.sa.org adeoliveira@goodwillsa.org	
Greater San Antonio Builders Association	Kristi Sutterfield	ksutterfield@sabuilders.com	
The San Antonio Chamber of Commerce	Dave Peterson	dpeterson@sachamber.org	
Hispanic Contractors Association de San Antonio	Clarissa Perez Dave Sanchez	exdir@hcadesa.org admin@hcadesa.org dave@hcadesa.org	
IEC	Julie Howard	jhoward@iecsanantonio.com rvasquez@iecsanantonio.com	
MCA-SMACNA		mca-smacna@mca-smacna.org	
Minority Business Council	Hector Garcia	hector@hegarciacpa.com	
National Alliance of Craftsmen Association	Victor Landa	arvelasquez01@yahoo.com	
National Association of Women in Construction (NAWIC)	Sandee Morgan	nawicerin@gmail.com nawicsatx@gmail.com	
NAWBO San Antonio	Madeline Slay	Madeline@masarchitecture.com	
Plumbing Heating Cooling Contractors Association	Heidi Timble	Heidi@phcc-sanantonio.org	
Professional Engineers in Private Practice	Diane Hoskins	bexarpepp@sbcglobal.net	

Advertisement List
Solicitation # 1810-934-37-4853
Irrigation Systems Inspection, Testing Repair and Installation Services

Associations /Vendors	Contact Name	Email	Method of Contact(Specify)
Real Estate Council of San Antonio	Martha Mangum	martham@recsanantonio.com	
SAABE	Melodie	mg.assoc.mgmt@gmail.com	
San Antonio Board of Realtors	Suzanne	Suzanne@sabor.com	
SA Chapter of the Associated General Contractors	Dana Marsh	sanantonioagc@gmail.com	
San Antonio Hispanic Chamber of Commerce	Ramiro Cavazos	ramiroc@sahcc.org mariyaf@sahcc.org	
San Antonio Masonry Contractors Association	Debbie Mason	samca@satx.rr.com	
San Antonio Women's Chamber of Commerce	Cindy Libera	admin@sawomenschamber.org	
SmartApartmentData.com		constructionadmin@smartlocating.com	
South Central Regional Certification Agency	Julio Fuentes	jfuentes@sctrca.org	
South San Antonio Chamber of Commerce	Al Arreola Jr	al@southsa.org	
Southwest Minority Supplier Diversity Council	Robert Casas	smsdc@smsdc.org	
Surety Association of South Texas, Inc.	Jim Swindle	jim@alamobonds.com	
Texas Society of Professional Engineers	Laura Campa	meghan@tspe.org jennifer@tspe.org	
TIBH Industries	Robert Olivo	robertolivo@tibh.org	
UTSA Minority Business Development Agency	Orestes Hubbard Jennifer Mort Jacqueline Jackson	orestes.hubbard@utsa.edu jennifer.mort@utsa.edu Jacqueline.Jackson@utsa.edu	
UTSA Procurement Technical Assistance Center	Terri Williams	ptac@utsa.edu	
West San Antonio Chamber of Commerce	Julie Jimenez	info@westsachamber.org julie@westsachamber.org	
Women's Business Enterprise	Avery Smith	bids@wbea-texas.org	
NAHRO	Web Site	http://nahro.economicengine.com	
Public Purchase	Web Site	www.publicpurchase.com	
Texas ESBD	Web Site	https://portal.cpa.state.tx.us/	
North San Antonio Chamber of Commerce	Web Site	https://northsachamber.chambermaster.com	
Additional Vendors			
No HUBS on CMBL for Code	934-37 Using HUBS	from Mowing and grounds maint.	
B&T Dependable Services	Anthony Johnson	btdependableservices@gmail.com	
Cantu Contracting, Inc.	Teresa Cantu	cantucon10@cs.com	
Pro Landscape Solutions Llc	Fernando Keller	prolandscapesolutions@yahoo.com	
Spartan Landscape, Llc	Amanda Jo Molina	amanda@spartanlandscape.com	
Sa Facilities Solutions, Inc.	Jim Crane	FACILITIESOFFICE@TWC.COM	

Advertisement List
Solicitation # 1810-934-37-4853
Irrigation Systems Inspection, Testing Repair and Installation Services

Associations /Vendors	Contact Name	Email	Method of Contact(Specify)
Fairway Landscape & Nursery	Estela Garcia-Perez	estela@salandscape.com	
San Antonio Area			
All Pro General Contractors		rauljr@apgc.biz, drei@apgc.biz	
A&S Landscaping		landscapeas@gmail.com landscapeas@yahoo.com	
Champion Lawn Care		2championlawncare@gmail.com	
Endeavors Unlimited		ssstark@familyendeavors.org	
Hard Hats & Heels Construction & Services		hmckee@hhahc.com	
KYM Lawn Care		kymlawncareservices@hotmail.com	
Mucho Grass-ias Landscaping		muchograssias@gmail.com	
R&C Landscaping		rmojarro@randclandscape.com floresrudy@hotmail.com	
South Central			
Benchmark Landscapes	Jeff Prater	jprater@bmlandscapes.com	User Unknown
Gratr Landscapes	Wayne Newberry	wnewberry@gratrlandscapes.com	Not Found
Kleen Kings		kleenkings1@gmail.com	
McFadden Lawn Service	Johnny McFadden	johnnymcfadden@att.net	
Mocking Bird Landscape Svcs	Keith Creel	keithcreel@yahoo.com	
WLE Landscape & Irrigation	Richard Gonzales	r.gonzalez@wle.land	
RVP Landscape & Lawn Svc	Joe Pena	rvplawn@yahoo.com	
A&S Landscaping	Sam Cardenas	landscapeas@yahoo.com	
R&C Landscape	Ramiro Mojarro	floresrudy@hotmail.com	
Water Experts of Texas Irrigation & Landscaping, LLC		dhani@waterexpertsoftexas.com	Domain Not Found
saCitiscapes DBA Irrigation Enterprises	Lorie Spurlock	sacitiscapes@gmail.com	
Total Lawn and Sprinkler	Phillip Mihalik	phillip@totallawnandsprinkler.com	
Tri-County Sprinklers	Shelly Kappelmann	tricosprinklers1@yahoo.com	
Maldonado Nursery & Landscaping	Mark Cook Frank Sprout	markc@mnlsa.com franks@mnlsa.com	User Unknown
Benders Lawn care		info@benders-sa.com	
C&R Lawn Care & Landscaping		crlawn@sbcglobal.net	
Bexar Mowing	Monica	BexarMowing@Gmail.Com	
ABC Lawn Co.		abclawn210@yahoo.com	
San Antonio Lawn Mowing		info@salawnmowing.com	
Quick Mow		info@quickmow.com	Not Found
Area 63 Lawn Care		info@area63lawncare.com	
Alamo Mowing		alamomowing@gmail.com	
Lawn Love		team@lawnlove.com	No Bid
Alberto's tree & Landscaping		Bertofl66@me.com	

**Advertisement List
Solicitation # 1810-934-37-4853**

Irrigation Systems Inspection, Testing Repair and Installation Services

Associations /Vendors	Contact Name	Email	Method of Contact(Specify)
Four Seasons Lawn Care		fourseasonslawnca@gmail.com	
Texas Terrain Lawncare		Info@TexasTerrainLawncare.com	
Tuff Cut Lawn	Arnold	tuffcutlawn909@gmail.com	
C&M Quality Landscaping	Brisa Segoviano	cmqualitylandscaping@yahoo.com	
Dominion Landscaping and Lawn Maintenance		Dominionlandscaping@yahoo.com	
Benchmark Landscapes	Kevin Henderson	khenderson@bmlandscapes.com	
Olympia Landscape Development	Jose Moreno	jmoreno@olympialandscape.com	
Tri-County Sprinklers		tricosprinklers1@yahoo.com	
Best of Texas		Jason@bestoftexaslandscapes.com	
Countryscapes Landscapes		austincountryscapes@gmail.com	
Evergreen Sprinkler	Web Site	11/28/18	(210) 496-2318
All American Irrigation Syst		aaissprinklers@gmail.com	
San Antonio Irrigation		CustomerService@sanantonioirrigation.com	210-279-3467
Lone Star Sprinkler Syst		info@lonestarsprinklers.com	Mailbox Full
SA Rain Maker		billy@sarainmaker.com	210-599-0012
Alamo Irrigation		info@alamoirrigation.com	210-493-9913
San Antonio Ace Sprinklers		theoffice@sanantonioacesprinklers.com	210-627-3850
Superior Sprinkler Services	Web Site	11/28/2018 3:15 pm	210-878-7217
San Antonio Irrigation Repair	Web Site	rgolden77@yahoo.com Roger.golden@icloud.com	11/28/2018 3:22 pm
Lawn Sprinkler Guy	John Flores	John@TheLawnSprinklerGuy.com	(210) 348-6549
Dickinson Sprinkler & Lawn	Web Site	11/28/2018 3:29 pm	(210) 650-5329
San Antoni Irrigation	Web Site	11/28/2018 3:19 pm	
All American Irrigation	Web Site	aaissprinklers@gmail.com	
TriCounty Sprinklers		tricosprinklers1@yahoo.com	
SA Rainmaker	Billy Bedford	billy@sarainmaker.com	
Andy's Sprinkler		ed@sprinklerdrainage.com	
Scott Hodge Landscape	Web Site	11/28/2018 3:46 pm	
Hill Horticulture	Web Site	11/28/2018 3:48 pm	
Sprinkler Management		mark.morales71@yahoo.com	
Gratr Landscapes	D. Walker	dwalker@gratrlandscapes.com	
Olympia Landscape	Sonia Moreno	sonia.moreno@olympialandscape.com	

BOARD OF COMMISSIONERS

RESOLUTION 5903, APPROVING THE OVER-INCOME LIMIT POLICY FOR THE PUBLIC HOUSING (PH) PROGRAM

David Nisivoccia
President and CEO

Brandee Perez
Director of Federal Housing Programs**REQUESTED ACTION:**

Consideration and approval regarding Resolution 5903, approving the Over-Income Limit Policy for the Public Housing (PH) program.

FINANCIAL IMPACT:

There is no estimated financial impact.

SUMMARY:

On July 26, 2018, the U.S. Department of Housing and Urban Development (HUD) published the *Housing Opportunity Through Modernization Act (HOTMA) of 2016: Final Implementation of Public Housing Income Limit*, which places an income limit of 120% of the area median income (AMI) on tenancy in the Public Housing (PH) program.

The law requires that after a family's income has exceeded 120% of the AMI for two consecutive years, SAHA either (1) terminate the family's tenancy within six months of the second income determination, or (2) raise the rent by charging the family a monthly rent equal to the greater of (a) the applicable fair market rent (FMR), or (b) the amount of monthly subsidy for the unit.

HUD requires SAHA to establish policies in the Admissions and Continued Occupancy Plan (ACOP) no later than six months of the effective date of the notice, September 24, 2018. Staff requests approval of the proposed policy to terminate tenancy if a family has exceeded 120% of the AMI for two consecutive years. Upon approval of this resolution, the following language will be added to the FY2018-19 ACOP to address implementation of the Over-Income Limit Rule:

13.3.C OTHER AUTHORIZED REASONS FOR TERMINATION [24 CFR 966.4(l)(2) and (5)(ii)(B)]**(5) Over-Income Limit Rule [FR 7/26/18, p. 35490]**

- (a) After a family's income has exceeded 120% of the area median income (AMI) for two (2) consecutive years (grace period), SAHA must take one of the following actions:
 - (i) terminate the family's tenancy within six (6) months of the second income determination, or
 - (ii) raise the rent by charging the family a monthly rent equal to the greater of
 - (a) the applicable fair market rent (FMR), or

- (b) the amount of monthly subsidy for the unit.
- (b) SAHA must notify a family after one (1) year of the family's income exceeding the over-income limit.
- (c) If SAHA becomes aware, through an annual/interim reexamination, that a family has reached the over-income limit, that will be the starting point for the two-year grace period.
- (d) If the family submits a decrease in income, which demonstrates that the family's income has dropped below the over-income limit, the family is no longer considered over-income.
 - (i) If SAHA becomes aware that the family's income has increased, through an interim/annual reexamination, to an amount that exceeds the over-income limit, the family would begin a new two-year grace period.
- (e) SAHA may consider special circumstances for exemptions from over-income requirements in accordance with the 1937 Act and Fair Housing.
- (f) SAHA must implement all relevant policy changes by March 24, 2019.

(g) After a family's income has exceeded 120% of the AMI for two (2) consecutive years, SAHA will terminate the family's tenancy within six (6) months following the grace period end date.

The recommended policy will be effective for all interim and annual recertifications with an effective date of April 1, 2019, or later. As the rule requires a two-year grace period following determination of over-income limit status, implementation will consist of a 24-month phase-in for participants who meet the limit.

STRATEGIC GOAL:

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

ATTACHMENT:

Resolution 5903

**San Antonio Housing Authority
Resolution 5903**

RESOLUTION 5903, APPROVING THE OVER-INCOME LIMIT POLICY FOR THE PUBLIC HOUSING (PH) PROGRAM

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) published the *Housing Opportunity Through Modernization Act (HOTMA) of 2016: Final Implementation of Public Housing Income Limit*, which provides that housing authorities implement an income limit for families residing in Public Housing (PH); and

WHEREAS, the law requires that after a family's income has exceeded 120% of the area median income (AMI) for two consecutive years, SAHA either terminate the family's tenancy or raise the rent; and

WHEREAS, SAHA staff requests authorization to establish the following policy, which enables SAHA to terminate the tenancy of families who have exceeded the over-income limit for two consecutive years:

13.3.C OTHER AUTHORIZED REASONS FOR TERMINATION [24 CFR 966.4(l)(2) and (5)(ii)(B)]

(5) Over-Income Limit Rule [FR 7/26/18, p. 35490]

- (a) After a family's income has exceeded 120% of the area median income (AMI) for two (2) consecutive years (grace period), SAHA must take one of the following actions:
 - (i) terminate the family's tenancy within six (6) months of the second income determination, or
 - (ii) raise the rent by charging the family a monthly rent equal to the greater of
 - (a) the applicable fair market rent (FMR), or
 - (b) the amount of monthly subsidy for the unit.
- (b) SAHA must notify a family after one (1) year of the family's income exceeding the over-income limit.
- (c) If SAHA becomes aware, through an annual/interim reexamination, that a family has reached the over-income limit, that will be the starting point for the two-year grace period.
- (d) if the family submits a decrease in income which demonstrates that the family's income has dropped below the over-income limit, the family is no longer considered over-income.
 - (i) If SAHA becomes aware that the family's income has increased, through an interim/annual reexamination, to an

amount that exceeds the over-income limit, the family would begin a new two-year grace period.

- (e) SAHA may consider special circumstances for exemptions from over-income requirements in accordance with the 1937 Act and Fair Housing.
- (f) SAHA must implement all relevant policy changes by March 24, 2019.

(g) After a family's income has exceeded 120% of the AMI for two (2) consecutive years, SAHA will terminate the family's tenancy within six (6) months following the grace period end date.

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

- 1) Approves Resolution 5903, approving the Over-Income Limit Policy for the Public Housing (PH) program.
- 2) Approves that the recommended policy will be effective for all interim and annual recertifications with an effective date of April 1, 2019, or later.

Passed and approved the 7th day of February 2019.


Morris A. Stribling, DPM
Chair, Board of Commissioners

Attested and approved as to form:

David Nisivoccia
President and CEO

MEMORANDUM

To: Board of Commissioners

From: David Nisivoccia, President and CEO 

Presented by: Steven Morando, Director of Procurement and General Services

RE: Procurement Activity Report

SUMMARY:

Current Solicitations: There is currently one Invitation For Bids (IFB), and one Quick Quote, being advertised. The Invitation for Bids is for Fair Avenue Apartments Fire Protection Improvements; and the Quick Quote is for Human Resources Management Consulting Services.

Closed/Pending Solicitations: There are six solicitations that have closed and are currently being evaluated. The six solicitations include the following: Utility Billing Services for Beacon Communities, Laundry Concessions, Demolition of Convent Stable, Compensation Study and Pay Range Review, Remodel of Vacant Units for ConnectHome Computer Lab and Offices, and Operational and Organizational Assessment Consulting Services.

Solicitations in Development: Procurement is currently working on a number of solicitations for advertisement. The solicitations include the following: Swimming Pool Maintenance and Repairs for various Beacon Communities, Work Order Request Center and Answering Services for Beacon Communities, Pecan Hill Tree Removal and Sanitary Sewer Retrofit, Repair and Replacement of Shingle Roofs at Villa de Valencia, Sunshine Plaza HVAC Improvements, Key Management System Agency Wide, Mowing and Ground Maintenance Services for Beacon Communities, Public Relations Consulting Services, Media Monitoring Services, Printing and Publication Services, Castle Point Capital Improvements, Fire and Sprinkler Systems at Villa Tranchese, Roof Replacement at Alazan Community Office Building, Rehabilitation of Seven Offline Burn Units at Cassiano Homes, Natural Gas Systems Operator Qualified Training, Demolition Services for Infill Properties, Choice Neighborhood Project Manager, Interlocal with Westside Development Corporation (WDC), Inspection Software for Public Housing, Convent Balcony Repairs, and Records Storage Services - State of Texas Contract.

CHANGE ORDERS

There are no change orders to report for the fourth calendar quarter of 2018.

VEHICLE PURCHASES

No vehicles were purchased during the fourth calendar quarter of 2018.

PROPOSED ACTION:

None at this time.

FINANCIAL IMPACT:

Amounts paid according to award provisions.

STRATEGIC OBJECTIVE:

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

ATTACHMENT:

Procurement Activity Report

Procurement Activity Report January 25, 2019


Solicitations Currently being Advertised				
SAHA Department	Type	Solicitation Name	Bidders Conference	Closes
Construction Services	IFB	Fair Avenue Apartments Fire Protection Improvements	12/14/2018	1/30/2019
Human Resources	QQ	Human Resources Management Consulting Services	N/A	2/8/2019
Solicitations Under Evaluation				
SAHA Department	Type	Solicitation Name	Date Closed	Status
DSNR	RFP	Development Partner for 5700 Culebra Road	10/5/2018	Board Meeting 2/7/2019
DSNR	IFB	Phillis Wheatley Park Hardscape Construction	10/23/2018	
DSNR	RFQ	Wheatley Infill New Home Construction	12/4/2018	
Agency-Wide	IFB	Irrigation Systems Inspection, Testing, Repair and Installation	12/4/2018	
Agency-Wide	Co-op	Maintenance, Repair, Modernization, Replacement and New Construction of Elevators, Escalators and Moving Walkways	N/A	Negotiation Due Diligence Procurement Evaluation
DSNR	RFP	Development Partner for 210 S. Grimes and 7.83 acres on North East Quadrant (NEQ) of Hedges and Grimes	1/31/2019	
Beacon Communities	QQ	Utility Billing Services for Beacon Communities	11/26/2018	
Agency-Wide	IFB	Laundry Concessions	12/18/2018	
Public Housing	QQ	Demolition of Convent Stable	1/4/2019	
Human Resources	RFP	Compensation Study and Pay Range Review	1/11/2019	
Public Housing	IFB	Remodel of Vacant Units for ConnectHome Computer Lab and Offices	1/17/2019	
Executive	RFP	Operational and Organizational Assessment Consulting Services	1/18/2019	
Future Solicitations				
Beacon Communities		Swimming Pool Maintenance and Repairs for Various Beacon Communities	February 2019	
		Work Order Request Center and Answering Services for Beacon Communities	February 2019	
		Pecan Hill Tree Removal and Sanitary Sewer Retrofit	February 2019	
		Repair and Replacement of Shingle Roofs at Villa de Valencia	February 2019	
		Sunshine Plaza HVAC Improvements	February 2019	
		Key Management System Agency Wide	February 2019	
		Mowing and Ground Maintenance Services for Beacon Communities	February 2019	
Communications and Public Affairs		Public Relations Consulting Services	March 2019	
		Media Monitoring Services	March 2019	
		Printing and Publication Services	March 2019	
Construction Services		Castle Point Capital Improvements	February 2019	
		Fire and Sprinkler Systems at Villa Tranchese	February 2019	
		Roof Replacement at Alazan Community Office Building	February 2019	
		Rehabilitation of Seven Offline Burn Units at Cassiano Homes	February 2019	
		Natural Gas Systems Operator Qualified Training	February 2019	
DSNR		Choice Neighborhood Project Manager	January 2019	
		Demolition Services for Infill Properties	February 2019	
		Interlocal with Westside Development Corporation (WDC)	February 2019	
Public Housing		Inspection Software for Public Housing	February 2019	
		Convent Balcony Repairs	February 2019	
Procurement and General Services		Records Storage Services - State of Texas Contract	February 2019	

Informal Awards Up to \$50,000

SAHA Department	Solicitation Name	Vendor	Amount	Date
CDI	Golden Gala HB Center Hall 1	Freeman Electrical, Inc.	\$11,082.90	11/21/2018
DSNR	Operational and Organizational Assessment of the SAHA Development Services and Neighborhood Revitalization (DSNR) Department	CVR Associates	\$50,000.00	11/21/2018
Public Housing	Matt Garcia Roof Repairs	R&J Muniz Remodeling	\$3,000.00	11/27/2018
Innovative Technology	Malware Bytes Endpoint Security and Service Support	SHI Government Solutions	\$8,459.08	11/28/2018
Innovative Technology	14 Vizio 60" 4K HD Smart TV's	Commonwealth Computer Co	\$8,358.00	12/5/2018
Assisted Housing Programs	Nemo-Q Equipment Move	Nemo-Q	\$3,000.00	12/12/2018
Assisted Housing Programs	Nemo-Q Extended Warranty	Nemo-Q	\$2,572.00	12/12/2018
Beacon Communities	Pool and Fence Repairs at Crown Meadows	MDM Contracting	\$3,987.00	12/12/2018
Innovative Technology	DocuSign Pro Edition, Premier Support, and Connector	Carahsoft Technology Corporation	\$47,424.72	12/13/2018
Board of Commissioners	President & CEO Annual Evaluation and Compensation Review Services	Segal Waters Consulting	\$25,000.00	12/17/2018
Innovative Technology	JDE Administrator - Consulting	Surety Payroll Systems (RK Payroll Solutions)	\$50,000.00	12/18/2018
Public Housing	Ubiquiti Wifi Equipment at Westway Apartments	SHI Government Solutions	\$13,245.00	12/18/2018
Public Housing	Umbrella Security Subscription (Wi-Fi) at Westway Apartments	SHI Government Solutions	\$3,400.00	12/19/2018
Construction Services	Fair Avenue Burned Unit #704 Rehabilitation	Calidad, LLC	\$47,957.00	12/20/2018
Human Resources	Computer Upgrade	Dell Marketing	\$13,224.33	12/21/2018
CDI	Computer Upgrade and Digital Inclusion Coordinator	Apple, Inc.	\$4,316.00	12/21/2018
CDI	Computer Purchase for FSS Staff	Dell Marketing	\$25,201.82	12/21/2018
DSNR	Computer Upgrade	SHI Government Solutions	\$12,785.72	1/4/2019
Innovative Technology	Carepack Renewal - HP Hardware	Hewlett Packard Enterprise Company	\$4,918.68	1/7/2019
Beacon Communities	Press Tool Kit	WW Grainger, Inc.	\$3,099.00	1/7/2019
Beacon Communities	Cabinet and Counter Replacement at Villa De Valencia Units 403 and 801	A&S Landscaping Services	\$3,778.00	1/14/2019
Beacon Communities	Utility Billing Services at Crown Meadows	RealPage	\$480.00	1/17/2019

MEMORANDUM

To: Board of Commissioners

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 2018-2019 Quarter 2
- 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 30 days or more in the future; red indicates the the action is behind schedule; and yellow indicates the action has a due date less than 30 days in the future.

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 – February 7, 2019

Summary and Status of Management Corrective Action Plans as of 01-07-19



SAHA | SAN ANTONIO
HOUSING AUTHORITY
Opportunity Lives Here

Internal Audit Update

Presentation to Board of Commissioners
February 7, 2019

Internal Audit Q2 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***
 - Received and provided comments for four Family Self-Sufficiency Escrow requests for payout (over \$5,000 each)

- ❑ **Strategic Goal 5: *Transform core operations to be a high performing and financially strong organization***
 - Procurement Processes and Reporting Audit
 - Rent Calculation and Collection Processes at Beacon Communities Audit
 - Travel and Expenses Audit
 - Compliance Audits

Status of 2017-2018 Internal Audit Plan

3

Internal Audits

- **Audit of the Housing Programs Eligibility and Admissions Process, including the Unified Application Center (UAC) and Resident Intake**
 - Final Report provided to Finance Committee via email on December 21, 2018
- **Audit of Procurement Processes and Reporting**
 - Draft Final Report is in progress
- **Audit of Tenant Participation (TP) Funds - Parkview Apartments**
 - Draft Final Report is under review

Status of 2017-2018 Audit Plan, cont'd.

4

Compliance Audits

- **Assisted Housing Program**
 - Draft Report for FY 2017-2018 is in progress

- **Public Housing**
 - Draft Report for FY 2017-2018 is in progress

Status of 2018-2019 Internal Audit Plan

5

Internal Audits

- **Audit of Travel and Entertainment Expenses**
 - Announcement Letter issued in December 2018
- **Audit of Rent Calculation and Collection Processes at Beacon Communities**
 - Announcement Letter issued in early January 2019

Compliance Audits

- **Assisted Housing Program (*Ongoing*)**
 - 160 resident files audited in Q2
- **Public Housing (*Ongoing*)**
 - 76 resident files (5 properties) audited in Q2
- **Beacon Communities - SAHA-managed properties**
 - Review of departmental compliance program for SAHA-managed Beacon Communities properties is in progress

Action Items

6

Status of Corrective Action Items resulting from Internal Audits

- Currently, there are six open action items, of which one was added this fiscal quarter
- All action items are expected to be completed this fiscal year

Status of Third Party Audits

7

Financial and Compliance Audit for the Housing Authority of the City of San Antonio for Fiscal Year 2017-2018

- ❑ The audit is in progress


QUESTIONS?

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	06/30/2019	<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.
	<u>Fiscal Year 2016-2017</u>										
FY 16-17	8/20/18	Audit of CDI Grant Funds	Significant Deficiency	<i>Finding 2 - AECF - Purchase of Service Agreement - Monitoring Deficiency</i>	As of December 31, 2017, the 2016 AECF grant had a balance of \$23,880.51 in funds that had not been expended. Recommendation A process should be established to ensure all requirements are met and by all required deadlines which would mitigate the risk and reduce the likelihood of this type of occurrence in the future.	<i>CDI Program Manager will produce a monthly reconciliation of charges and meet with Finance monthly to reallocate known charges that will not be reimbursed by the Grant. Invoices will be submitted to United Way for reimbursement, and as payment is received, staff will work with Finance to ensure that all funds are received.</i> <i>If additional items are disallowed, staff will alert Finance to reallocate charges before the Grant is closed, and time remains to expend all funds.</i> <i>Lastly, staff will work with the Grant Committee to develop Procedures for Implementation of SOP for Grant Procedures, Monitoring, and Oversight.</i>	12/31/2018	3/31/2019	<i>In Progress</i>	DN	Staff monthly reconciliation of charges has been completed. SOP for Grant Procedures, Monitoring and Oversight has been drafted. It is pending review and approval from grant committee.

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	8/20/18	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	3/31/2019	<i>In Progress</i>	DN	SOP for Grant Procedures, Monitoring and Oversight has been drafted. It is pending review and approval from grant committee.
FY 16-17	8/20/18	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	3/31/2019	<i>In Progress</i>	DN	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		<i>In Progress</i>	DN	

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	8/20/18	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		In Progress	DN	SOP for Grant Procedures, Monitoring and Oversight has been drafted. It is pending review and approval from grant committee.
<u>Fiscal Year 2017-2018</u>											
FY 17-18	12/21/18	Audit of Housing Eligibility and Admissions Processes, Including the UAC and Resident Intake	Significant Deficiency	Finding 3 - Criminal background check missing management approval	<p>There were two instances, both in PH at H.B. Gonzalez, in which there was no evidence either in the file or in Elite of the applicant's "Criminal History Request" being approved by management.</p> <p>Recommendation Procedures should be reviewed and reinforced with staff to ensure all criminal background checks are approved and documentation is located in the file, as well as noted in Elite, for each adult member.</p>	<i>The criminal history process is being revised for the new CHR/RA Analyst position. Notes are also being used in Elite to ensure that a person is listed as approved as a secondary option. CHR protocols [were] sent out as directive reminder. Once the new CHR/RA Analyst position is finalized in duties, a Standard Operating Procedure will be created to ensure reference material can be used for new hires and follow up training.</i>	3/15/2019		New	EH	

To: Board of Commissioners

From: David Nisivoccia, President and CEO 

Presented by: Timothy E. Alcott, Real Estate and Legal Services Officer; Lorraine Robles, Director of Development Services and Neighborhood Revitalization; Adrian Lopez, Director of Community Development Initiatives; Arrie Porter, Assistant Director of Choice Neighborhood

RE: Update and discussion regarding Wheatley Choice Neighborhood activities relating to People, Housing and Neighborhood

SUMMARY

The following describes activities related to the three core components of the Choice Neighborhood Initiative: People, Housing and Neighborhood. The activities are associated with metrics submitted to the U.S. Department of Housing and Urban Development (HUD) on both a quarterly and annual basis.

CHOICE NEIGHBORHOOD GRANT ADMINISTRATION

Conducted monthly Choice HUD team call on December 11, 2018, from 11:00 a.m. to 12:00 p.m.

Budget Revision #12 was submitted and final HUD approval was received November 19, 2018.

PEOPLE**Final Year Results****Original Goals:**

1. Begin with education and improve at every level
2. Strengthen the relationship with CoSA Police Department and other partners to promote a safe neighborhood
3. Improve and create new workforce career ladders and growing industries; make job creation a priority
4. Ensure residents have access to wrap around services, including healthcare
5. Ensure a sense of community, neighborhood stability and cohesion through promotion of programs and activities that bring people together

Employment:

Transformation Plan: 47%

Year 5: 61% +14 pts

Health:

Transformation Plan: 37% of adults used the emergency room for healthcare purposes

Year 5: 12% of adults used the emergency room for healthcare purposes

Education:

Transformation Plan: 5th Grade reading: 67% - Met standard 5th Grade Math: 65% - Met standard

Year 5: 5th Grade Reading: 63% 5th Grade Math: 67%

Reading standards have fallen, while math standards have increased. The increase in math can be attributed to the increased rigor in STEM related curriculum. Urban Case Management programming will continue to supplement youth reading and comprehension programming to increase and encourage growth in reading.

Current Achievements: The five years of Urban Case management has reduced family conditions and improved stability among residents by reducing family risk scores by 57% (256 down to 110).

Overall Goal:

Employment Goal: 55% of Population Employed - Exceeded target

CHOICE CASE MANAGEMENT (Quarterly)

Wheatley Households

Objectives/Metrics

- 136 Wheatley households remain on housing assistance.
- 157 households are no longer receiving housing assistance. Exit reasons include: evictions, abandonment, leaving after giving a 30-day notice to SAHA and death of head of household.

Accomplishments

Former Wheatley Households

- 100 former Wheatley households are receiving housing assistance and +case management
- 36 households are receiving housing assistance, but have not been responsive to case management
- 8 households are not receiving housing assistance, but are being case managed

New Non former Wheatley households residing in replacement units

The Park at Sutton Oaks (49 PH units)

- 41 households are eligible for case management services
- 9 households are being case managed

East Meadows I (71 PH + 8 PBV)

- 46 households are eligible for case management services
- 5 New PH households are being case managed

Wheatley Park Senior

- 60 households are eligible for case management services
- 2 New PH households are being case managed

USI case managed families were treated to a holiday party at their monthly meeting. Santa made an appearance and all youth and adults were treated to gifts and treats.

+ Data is updated quarterly as part of Choice grant reporting.

CHOICE EMPLOYMENT

Objectives/Metrics

Baseline in September 2013

47% of the able-bodied population is employed

FY 2018 Target

68 percent of the able-bodied population will be employed

***Able-bodied Residents: 134 Target Population (includes all former Wheatley residents in assisted housing)**

89 are active in Case Management

Objectives/Metrics

* Individuals between the ages of 18-64 years of age and not disabled

Accomplishments

48 (54%) employed (25 full-time and 23 part-time) are in case management

70 (52%) employed (33 full-time and 37 part-time) of target population

- **4 of the 48 employed residents are also in education or training**
- **9** new training enrollments this quarter
- **3** training completions this quarter
- **4** placed in jobs within three months of completing training or are participating in case management
- **28** able-bodied former Wheatley residents in case management are unengaged (not in work or training)

Urban has referred three Wheatley Choice residents to the Housing Authority Jobs Plus staff for employment services.

Urban Strategies Inc. (USI) Employment

Total Population - 115

Able Bodied 18-64yr Population - 101

There are currently 23 able bodied unemployed individuals.

USI has created programming in partnership with Turner of Life Counseling to address our unengaged and unemployed population. The “Happy Hour” Workshops’ purpose is to help guide unengaged/unemployed residents into self-development, community leadership, early childhood education choices and healthy living, with the result being that individuals become job ready and move toward economic mobility through either employment, self-employment, or education. This program requires no more than twelve weeks and consists of one hour sessions. The sessions include a combination of goal setting with case managers and counselor(s), group sessions along with journaling assignments. The participants also have the option of ten one-on-one counseling sessions.

The first event took place on November 30, 2018, in the East Meadows Community room. There were ten targeted individuals and eight out of ten resided at East Meadows.

- 7 out of 10 women invited were in attendance; however, 1 person had to leave, due to a family issue.
- 6 out of 10 participated 60% attendance rate
- 3 signed-up for counseling with 1 having completed their first one-one counseling session

The attendees worked on goal setting and defined their “Happy” by creating individual vision boards. The next scheduled session was held on December 17, 2018, where the participants continued to work on their vision boards and discussed their future goals.

Jobs Plus East (JPE) Updates**Objectives/Metrics**

Increase the number of residents employed by offering free trainings.

Wheatley Relocated- Referrals from Urban updates

- 2 - Achieved a High School Diploma from South Texas Leadership
- 2 - STLC High School Diploma
- YTD - 6

High School Diploma Graduates from South Texas Leadership

- YTD - 1 graduate for 2018, with High School Diploma is interested in Culinary Arts and registered for the Spring Semester at Alamo Colleges and is also a participant of the Job Club Focus Group
- 4 are enrolled in the High School Diploma Program - In Progress - No Change

Wheatley Relocated Client Training updates

- YTD - JPE is continuing to provide support to 16 of 29 clients - No Change
- 1 has enrolled in the Administrative Assistant class with I-Best - Completion Date - April 2019
- 1 enrolled in the High School Diploma Program in November

Employment

- YTD Wheatley Relocated Employed - 7 (No Change)
- 1 Wheatley Relocated East Meadows - interviewed and is waiting for HR completion

Available Community Coach Positions - 4

- 2 Community Coaches were hired, employed and assigned to JPE - Convent
- **Total Hired - 2**

Recruitment

- JPE staff continues to saturate the community with available resources, trainings, community events, and employment linkage via emails and monthly JPE newsletter
- The JPE staff initiated a door-to door outreach in the following developments this month: Springview, Village East, Sutton Oaks, Sutton Park and East Meadows to notify residents of available Community Coach positions, and to notify them of the upcoming Medical Assistance/Administrative Assistant classes
- JPE offers open program enrollment and orientation every Thursday at Springview to promote program participation
- JPE hosts a weekly information presentation at the Eastside Education Center

JPE Events Hosted

- 2 sessions of open program enrollment/new intakes were hosted at Springview. These sessions occur monthly and are on-going.
- 4 Wheatley relocated residents were offered a Thanksgiving Voucher from Holy Redeemer Church (residing at Sutton Oaks, the Park at Sutton Oaks and East Meadows).
- Food Distribution was held on November 18, 2018, at the Eastside Education Training Center.

- In-kind grocery goods YTD Total - \$125,000
- JPE hosted a Family Engagement event at the Convent. Families engaged in food, games, and door prizes. A turkey and ham was raffled off. An outdoor holiday movie was also shown. The partners in attendance included Aetna, Depelchin, Alamo Colleges, Goodwill, VIA, and Ms. Abby Gonzales from San Antonio Colleges.

Upcoming Events

- 2019 - plans for a Food Distribution event at East Meadows
- 2019 - plans for a one time Life Skills event at Bibliotech East Meadows

FY 2018 Target

138 enrolled and 42 placed in employment

CHOICE RESIDENT TRAINING METRICS (URBAN)

Objectives/Metrics

9: New enrollments in job training in the past quarter

Accomplishments Year 5:

- 11: Adult High School Diploma Program
- 2: Associate's Degree
- 1: Bachelor's Degree
- 1: ESL
- 14: Workforce training (for specific field e.g., CNA or CDA)
- 16: Job readiness training (e.g., Starforce or Jobs Plus)
- 44: Residents have completed training or education to date

CHOICE RESIDENT HEALTH (URBAN)

Objectives/Metrics:

Residents have access to health care services and visit a doctor annually.

Year-to-date Metrics

- 97% of children have a medical home; 97% of children have health insurance; 100% of children have seen a doctor in the last 12 months
- 77% of adults have a medical home; 77% adults now have health insurance; 88% of adults have seen a doctor in the last 12 months
- The Adult Assessment Survey provided results that 76% of respondents self-identified as having depression or other mental health issues and were screened and referred to counseling or reported very high to severe levels of stress. Please see below for the latest on Urban's mental health initiatives
- 6 women have been automatically enrolled in the Texas Healthy Women Program after delivering babies
- 8 residents have been referred to Turner of Life Counseling

Accomplishments

- The NAMI group is up and running again at its new home at the East Meadows Community room and meets every Tuesday at 10:00 a.m.
- Turner of Life Counseling began a new program designed for new mothers who lack health insurance and currently unemployed. The program will consist of bi-monthly group sessions and individual counseling sessions.

- Methodist Healthcare Ministries of South Texas has re-opened the Dixon Clinic on the Eastside. The new Dixon Health and Wellness Center is located in a new, state-of-the-art medical building on a twenty acre property that was formerly Southeast Baptist Hospital. The primary clinic is now open and accepting patients without health insurance. All medical services are offered free of charge or at a very low cost. The clinic serves only uninsured patients and provides free doctor visits and prescription services. A new 28 chair clinic will open soon to serve uninsured dental patients. The USI Health Specialist is currently referring uninsured patients who cannot afford to pay the \$45.00 copay, the lowest scale available at the Federally Qualified Community Health Clinic (CommuniCare and CentroMed); or the monthly payments for the CareLink payment plan, available through the County Health System (University Health System). The USI Health Specialist will also work hand-in-hand with the new clinic to build relationships with uninsured families residing at East Meadows by conducting a series of health focused workshops.

Medical Home: 88 or 77%; an increase of 5%

Health Insurance: 88 or 77%; an increase of 5%

Doctor visit in the last 12 months: 94 or 3%; an increase of 11%

Urban has also developed processes for Significant Case Interventions:

- Coordination of chronic disease patients to a specialty system of care (including HIV).
- Coordination of abnormal screening mammogram for definitive diagnosis. A patient now has a medical home at the local FQCHC.
- Coordination of access to care through Texas Healthy Women Program leading to diagnosis of chronic conditions, including diabetes and heart disease.
- Coordination of Eye Care through UIW Bowden Clinic, and includes one follow-up referral after cataract surgery.
- Mental health interventions through behavioral health counseling.

A USI Health Specialist is working with CentroMed to create strategies for enrollment into the Affordable Care Act for families on the east side who are eligible. The Health Specialist has attended the open enrollment sessions for the contractors tasked with enrolling eligible residents. CentroMed has requested USI to identify possible residents for employment as ACA Navigators. USI families participated in the Healthy Taste of the Eastside. Two USI families participated by creating healthy treats and won second and third place for taste. The event was held at the Wheatley Senior Living facility and residents enjoyed the Mardi Gras themed event.

CHOICE EDUCATION

The USI Education Liaison continues to develop a network of service partners to support youth educational development, family engagement opportunities and assist with the building of career pathways. The network will be a resource to the East Meadows families and families located within the community.

- Early Childhood Population – There are currently 35 children under the age of 5 on USI's caseload. 60% of the population is participating in early learning programs or settings, which is an increase from 51%, in 2017. For 2019, the focus will be on the 14 children (representing 10 households) that are not participating in early learning programs. Case managers will continue to encourage families to apply for childcare services or enroll children in school. An Education Liaison will continue to share with parents the importance of early learning and the impact on a child's education foundation.
- School-aged Population – There are currently 143 school-aged children on USI's caseload of which we have updated 124, or 87%, of the youth questionnaires. 69% of the assessed school-aged youth are

participating in positive youth activities, which is an increase from 62%, in 2017. For 2019, the focus will be to connect 39 children (representing 26 households) to positive youth development activities.

- Current Programming – Art Club at East Meadows meets weekly in the Community Room serving children and adults of all ages. Chosen GEMS, program for girls ages 10-14, meets weekly at BiblioTech East.
- Community Events – 1) 25 of our case-managed families received holiday food bags from United Way of San Antonio & Bexar County in partnership with Marathon Oil. 2) 7 of our current case-managed youths that attend Pershing Elementary received new shoes from San Antonio Spurs Coach, Greg Popovich, in partnership with a California based non-profit called Shoes That Fit. 3) 75 youth will receive a gift from Ella Austin Community Center, in partnership with Coca-Cola Caravan. 4) H.I.S. Bridge Builders neighborhood block party will was held Saturday, December 15, 2018. Food bags and gifts were distributed to families in attendance. HIS Bridge Builders is located directly across the street from East Meadows and returning families are enrolled in programming offered by HIS Bridge Builders and receive services.

HOUSING

Final Year Original Goals:

1. Ensure one-for-one replacement of the assisted housing
2. Create an economically integrated community and maximize affordable housing
3. Include residents in all levels of planning and execution of the housing plan
4. Leverage substantial additional resources to ensure maximum impact in the neighborhood
5. Integrate the “Housing” component and other study area components, including anticipating future housing needs
6. Provide appropriate bedroom configurations that are energy efficient, sustainable, accessible, connected, and free from discrimination
7. Create a strong sense of community through community design

Current Achievements:

1. Of the 246 replacement units, 204 have been completed to date.
2. Twelve Facade Improvement grants have been provided to the businesses within the Choice Neighborhood, which have assisted current small businesses, as well as bring in new small businesses to the area.
3. Wheatley Choice Neighborhood residents have been engaged since the creation of both the Planning and Implementation grant submissions. They are included in all decision making regarding the housing to include the design, amenities, construction, naming and lease-up. They have also been engaged in the neighborhood improvement planning and implementation.
4. Choice Neighborhood was able to secure \$20,000,000 from the City of San Antonio as well as \$43 million in tax credits and private investments for the implementation of the Housing and Neighborhood components. In all, the \$29,750,000 Choice Neighborhood Implementation grant has provided for over \$180,000,000 in investment to this community.
5. Choice Neighborhood has acquired fifteen vacant lots, three of these lots have vacant structures that are in line for demolition, in order to make way for owner occupied single family housing. Choice has also provided sixteen Owner Occupied Rehab grants in the neighborhood. Of the sixteen grants, two homes have been completed and fourteen remain in various stages of construction.

6. The unit mix for all four housing phases provides for families of all income levels to reside at the new development. Each phase offers Public Housing, Section 8 or Public Based Voucher, affordable and market rate units.
7. The new development was designed to be inclusive of the surrounding community. Each building fronts the street with fencing only between the buildings for limited access to the public. A BiblioTech library was created on-site for use by residents of the new development as well as the surrounding community. Finally, the new Phillis Wheatley Park, which is currently in the design phase, is located in the center of both the East Meadows and Wheatley Park Senior Living community to provide a meeting, play and art space for the neighborhood.

Replacement Housing

Objective

Replace all 246 units demolished at Wheatley Courts

Accomplishments

The Park at Sutton Oaks - CNI Phase I (**49 PH replacement units**)

The development as a whole is 96 percent occupied.

East Meadows I -CNI Phase II (71PH and 8 PBV = **(79 replacement units)**)

The development as a whole is 97 percent occupied.

Wheatley Park Senior Living - (40 PH and 36 PBV = **(76 replacement units)**)

The development as a whole is 100 percent occupied.

FY 2018 Target

Complete 128 replacement units before the end of FY 2017 - Achieved goal

To date, 204 replacement units have been completed.

Phase II - East Meadows Multi-Family Housing (215 Units)

Objective

Complete 215 multi-family units by the end of October 2017 (Revised to March 2019, through loan extension).

Accomplishments

Current occupancy is 97 percent.

Project Close-out - The stabilization period has been rescheduled to between November 2018, and will continue to January 2019. Conversion is scheduled by March 2019.

Half-Baths - On October 3, 2018, SAHA DSNR received the final Request for Proposal “RFP” documents from MBS. Construction drawings were completed by DHR and the “RFP” (request for proposals) will be issued in October for 30 days. Staff proposes a selection in December 2018, with presentation to January Operations and Choice Neighborhood Committee, and final approval during the February 2019 Board meeting.

FY 2018 Target

Project closeout and conversion will occur March 2019 - Target was not met.

Phase III - Wheatley Park Senior Living - Senior Building (80 Units)**Objective**

Develop eighty affordable units for seniors 62 years of age and older.

Accomplishments

The overall project construction is 100 % complete. Current occupancy is 100 percent.

Project Close-out - SAHA funded the Release of Retainage and has now been reimbursed by CoSA. Continue working on all of the documentation to close out the project.

FY 2018 Target

Complete project by April 30, 2018, and lease up is estimated to be completed by June 2018 - Target Met

Phase IV - East Meadows II Multi-Family Housing (119 Units)**Objective**

Obtained an allocation of 9% tax credits on July 31, 2017.

Accomplishments

Notice To Proceed (LNTP) was issued September 19, 2018. Currently, Cadence McShane has placed 5 concrete pads on Block E. They continue excavating, backfilling and installing plumbing piping on pads at Block F and G. The draws for number three and four have been funded. Construction meetings are being held with the owner, developer, architect and the contractor every two weeks. Last construction meeting was held on January 7, 2019. As of December 31, 2018, the project is at 10.42% complete.

FY 2018 Target

Close on financing by August 2018 - Not Met - closing scheduled for mid September 2018 - Met

Public Improvements Phase I & II Construction**Objective**

Completion of Public Improvements for East Meadows and Wheatley Park Senior Living by end of October or early November 2017.

Accomplishments

The project is 100% complete with only the removal of electrical utility poles in the right-of-way pending. SAHA will not release the remaining administrative fees to the developer until the pending items have been completed. On October 3, 2018, the developer provided SAHA DSNR an update and budget to accomplish this work.

FY 2018 Target

Completion of Phase I & II Public Improvements by November 2017 - Target met

Public Improvements Phase III

Objective

Complete the final phase of Public Improvements in conjunction with the final housing phase.

Accomplishments

SAHA and MBS have secured \$200,000 in CDBG funds to help fund the final phase of Public Improvements. COSA requested a letter from SAHA requesting use of the reprogrammed dollars, which was submitted August 28, 2018. COSA will now seek City Council approval, on or before, January 31, 2019. A request was also made to HUD Washington on June 12, 2018, for approval to utilize \$920,318 in CNI funds to cover the proposed financial gap. On June 27, 2018, HUD Washington asked for the PI construction drawings, along with a summary of the work. MBS provided this information the same day as the request. Final HUD approval is still pending.

Pre-bid meeting with Jerdon, EZ Bel and Cadence McShane was held on June 14, 2018, at East Meadows I Community Center. Three proposals were received on June 28, 2018. Interviews were held July 10, 2018. MBS recommended the selection of Cadence McShane and on August 27, 2018. SAHA released MBS to move forward with Cadence McShane who was the qualified low bidder. MBS has notified Cadence McShane and will be issuing an NTP once the closing to the housing portion occurs by mid-September.

FY 2018 Target

Commencement of Public Improvement work for final phase by July 2018 - Target not Met

Commencement of Public Improvement work for final phase by September 2018

Non-Replacement Housing - Phase I**Objective**

Development and lease-up of 376 non-replacement units.

Accomplishments

Phase I - The Park at Sutton Oaks – 159 non-replacement units were completed as of June 17, 2014.

Phase II - East Meadows - 136 non-replacement units were completed as of December 2017.

Phase III - Wheatley Park Senior Living - 4 non-replacement units were completed March 2, 2018.

Phase IV - East Meadows II - 77 non-replacement units will begin construction June 2018.

FY 2017 Target

Completion of 295 non-replacement units by June 30, 2017 - Target not met

FY 2018 Target

Completion of 299 non-replacement units by June 30, 2018 - Target met

To date 299 non-replacement units have been completed.

Phillis Wheatley Park**Objective**

Create a public park on site, complete with a playground, art and covered sitting area.

Accomplishments

The final design unveiling to the community was held July 31, 2018. It included three zones that will utilize the linear park to include spaces for all ages. The zones will include a Senior zone to the east area of the park across the street for Wheatley Park Senior Living by N. Mittman, a kids/family zone in the middle zone, to potentially locate play amenities and seating, and an open space concept on the opposite west area at the end by Gevers St. On September 28, 2018, the final construction drawings were completed and submitted for permitting to the City of San Antonio. Issuance of an IFB and Selection for the general contractor is scheduled to occur during the month of October 2018, to be presented to the November 2018, Operations and Choice Neighborhood Committee and approval at the December 2018, Board meeting.

NEIGHBORHOOD

Final Year

Original Goals:

1. Increase green space
2. Implement Byrne Act-funded crime prevention and safety-enhancing activities in partnership with EPN to improve a sense of personal safety
3. Establish community gardens and produce a food co-op
4. Increase connectivity
5. Increase home ownership through infill housing and rehab of single family units
6. Prioritize neighborhood level retail and services
7. Promote a retail facade program
8. Create incentives for businesses to locate in the area

Current Achievements:

1. Each new development has green space within each block and a centralized park is currently being designed by the community in honor of Phillis Wheatley and Ira Aldridge.
2. The strategies provided by the Byrne Grant were incorporated into the neighborhood strategies, which helped reduce crime. These strategies, along with the improved lighting, has improved a sense of safety within the neighborhood.
3. Choice Neighborhood is currently working on a structure to house farm equipment and to bring water and electricity to the Urban Farm in preparation for a fall planting.
4. Choice Neighborhood, in partnership with COSA and VIA, have improved connectivity within the neighborhood through sidewalk and street improvements, as well as the addition of a bus route that runs from Ft. Sam Houston down to Walters street, all the way to Hwy 90. The addition of this bus route now provides residents a direct ride to St. Phillips College.
5. Choice Neighborhood has acquired fifteen vacant lots. Three of these lots have vacant structures that are in line for demolition in order to make way for owner occupied single family housing. Choice has also provided sixteen Owner Occupied Rehab grants in the neighborhood. Of the sixteen, two homes have been completed and fourteen remain in various stages of construction.
6. Choice Neighborhood has brought new small businesses, as well as service providers, such as the UHS Robert L.M. Hilliard Clinic to the neighborhood.
7. Choice Neighborhood business facade improvement program has issued all twelve of its grants to small businesses in the neighborhood.
8. Choice Neighborhood created the business facade improvement program to attract new businesses to the area, provide the opportunity for established businesses to improve their businesses and allow for businesses to utilize the grant funds for CPTED measures, such as security cameras and lighting.

Overall Goal: Successfully complete all six CCI strategies

CRITICAL COMMUNITY IMPROVEMENTS (CCI)
Administrative–CCI Plan
<p>Accomplishments Implementation of all six CCI Strategies.</p> <p>FY 2018 Target Completion of all twelve Business Facade Improvement projects by June 30, 2018 Completion of Art in the Park pieces by June 30, 2019</p>
Infill - Vacant Lots
<p>Accomplishments Staff has secured a total of fifteen properties in Target Area (TA) I & II locations and is in the process of securing three more. SAHA has applied to the City for waivers to reduce development costs for builders.</p> <p>FY 2018 Target New construction of twelve homes between March 2019 - November 2019</p> <p>FY 2019 Target Release RFP to qualified builders - December 2018 Interviews - January 2019 Selection - January 2019 Operations Committee approval - January 2019 Board approval - February 2019</p>
Owner Occupied Rehab
<p>Accomplishments Merced Housing Texas has twenty applications in various stages of the Owner Occupied Rehab (O.O.R) process. Staff has conducted additional outreach to identify property owners who can benefit from the program. SAHA is requesting Merced's contract be extended for an additional year to continue their outstanding work.</p> <p>HUD places emphasis on exterior improvements to ensure a significant visible impact from the street and has approved an exterior only program, so property owners interested in exterior improvements, can participate. HUD previously approved an additional \$200,000 for the O.O.R. program. That amount was not reflected in the previous budget.</p> <p>FY 2018 Target Rehabilitate thirteen homes in the Choice footprint by December 31, 2018.</p>
Business Facade Restoration
<p>Accomplishments All grants have been awarded. Eleven facade projects have been completed; however, there was a problem with the last grant award. Photos reveal no progress on the project, and the business owner went outside scope of project after agreeing to a modified scope. Staff met with the SAGE CEO, and the Board Chair and</p>

the Board Chair requested that the grantee return monies. SAGE has contacted businesses who utilized all of their initial grants to identify those with additional projects. Three were identified as valid, and could result in larger grant amounts. Staff advised HUD that facade expenditures need to be revisited.

FY 2018 Target

Award up to twelve grants for qualifying businesses

Urban Farm

The plumbing contractor has finished installation of the pipe, repaired the road, and has passed all inspections. SAWS has also installed meters. R and C Landscaping is set to begin sourcing trees and the installation of the irrigation system, after the holidays.

The General Contractor (G.C.) has submitted foundation, electric, and building specs to the City of San Antonio for permitting. Permitting is complete to include all reviews. CPS Energy has completed the primary electrical installation design. The electrical contractor will install primary design wiring. G.C. is free to purchase, and install the building. Staff anticipates the process will take approximately forty-five days, from start to finish. This includes the time that CPS Energy will need to complete installation, testing and operations, once the primary design work is complete. Planting will occur in the spring.

Scope of Work

- G.C. underground services
- CPS Energy inspects the work performed
- CPS Energy hooks up the concrete
- Subcontractor builds building

FY 2017 Target

Develop Urban Farm in the Choice Footprint - in progress

FY 2018 Target

Initiate build-out of Farm

Neighborhood Beautification

Accomplishments

The artist is completing the fabrication of the mosaic artwork for Phillis Wheatley Park. The artwork includes the memorial wall, lion sculptures and custom benches. The artist is currently in the process of working on the attachments of the portraits of Phillis Wheatley and Ira Aldridge. Final development and installation is on schedule for June 2019.

FY 2017 Target

Selection of artists - Target met

FY 2018 Target

Completion of design, community meetings, and initiation of projects.

ENHANCE PUBLIC INFRASTRUCTURE

Public Improvements (Streets, Sidewalks, Curbs, and Lighting)

Improvements in Target Area III are ongoing and improvements for Target Area III have been initiated.

Accomplishments

Public Improvements in Target II completed.

FY 2018 Target

Completion of curbs, streets, sidewalks, driveways and lighting in Target Area II. Continuance of work is still in progress in Target Area III.

REQUESTED ACTION:

None at this time.

FINANCIAL IMPACT:

None.

STRATEGIC GOAL:

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

ATTACHMENTS:

None.

President's Report

Dale Watson Benefit Concert

Over 150 boot scootin' two-steppers supported the Education Investment Foundation at the Annual EIF Benefit Concert, featuring Honky Tonk legend Dale Watson, along with D.T. Buffin, Texas T and the Shine Runners on Friday, January 18, 2019. The event netted almost \$7,000.00 and all proceeds will help fund scholarships for students residing in federal housing programs.



SAHA Participates in MLK March

Proudly wearing red SAHA "Opportunity Lives Here" T-shirts, nearly 150 men, women and children representing SAHA marched united on January 21, 2019, in memory of Martin Luther King, Jr. SAHA staff and family members participated in the 51st Annual MLK March to commemorate and honor the nation's most revered civil rights leader. Each year, the annual march grows in attendance, making San Antonio the largest march in the nation.



Golden Gala and Senior Expo

Hundreds of residents living in SAHA elderly and disabled communities danced the night away at the 21st Annual Golden Gala and Senior Expo on December 19, 2018. Each year, the event is held for public housing residents and features a holiday meal, live entertainment and dance. Special recognition is given to veterans for their dedication and loyal service to our Country. In addition, SAHA awarded H2A Living (Healthy Habits, Active Living) Awards, recognizing residents for their public service contributions in promoting healthy eating, physical activity, volunteerism and leadership.



San Antonio Spur Surprises Springview Families

On the night of December 16, 2018, Santa was spotted roaming the Springview Apartments community, delivering gifts to families much sooner than Christmas Day. But this Santa isn't the jolly St. Nick we've seen on TV, but a much taller and talented bearded man dressed in red. It was San Antonio Spur Rudy Gay partnering with Elf Louise to deliver gifts and San Antonio Spurs game tickets.



Holiday Food Distribution

The Community Development Initiatives Department, in partnership with the San Antonio Food Bank, hosted their Annual Holiday Food Distribution on Friday, December 14, 2018, to help combat food insecurity during the holidays. SAHA residents and the public were served fifty pounds of food to help families offset grocery costs. Young adults from the Church of Jesus Christ of Latter-day Saints worked diligently to prep and help SAHA serve food.



KIPP Hosts Christmas Dinner at Cassiano

Helping families get into the Christmas spirit, KIPP Un Mundo Dual Language Academy sponsored a Christmas Dinner at Cassiano Homes on December 15, 2018. Families enjoyed tamales and trimmings, decorated wreaths as a family and snapped photos with Santa.



SAHA Celebrates FSS Program Graduates

With family by their side, ten Federal Housing Program participants received escrow checks for their completion of the Family Self-Sufficiency Program on December 11, 2018. The families received checks between \$2,000 and \$20,0000, totaling more than \$84,000 in monetary distribution.



SAHA Transformed Into Santa's Workshop

The SAHA Boardroom was transformed into Santa's workshop on December 7, 2018, as the Community Development Initiatives (CDI) Department staff wrapped hundreds of toys. CDI received and purchased more than 200 gifts, thanks to the generosity of staff and organizations such as KIPP San Antonio, Noble Star Masonic Lodge No. 277 and more.



Update on Government Shutdown

The White House announced on January 25 it struck a deal with Congress to temporarily reopen the government through February 15. Congress passed the spending bills to reopen the government and provided funding to agencies such as HUD, in which SAHA depends on for federal housing programs funding.

While we are relieved federal funding was restored, and payments will be guaranteed for February, we remain cautiously optimistic about funding for March. There is a possibility the government may close again if a deal on border security is not reached by February 15.

In the interim, we hope this will ease the minds of our residents and staff. We are looking forward to congressional leaders and the White House coming to an agreement and passing a final FY19 budget for the remainder of this year.

We greatly appreciate the patience our residents and staff exercised during the 35-day government shutdown.