



FINANCE COMMITTEE MEETING
May 17, 2023

**VIRTUAL****Number:** (346) 248-7799**Meeting ID:** 93839434337#**Passcode:** 654170#**IN PERSON**

818 S. Flores St.

San Antonio, TX 78204

BOARD OF COMMISSIONERSDr. Ana "Cha" Guzmán
ChairGabriel Lopez
Vice ChairGilbert Casillas
CommissionerDalia Contreras
CommissionerLoren D. Dantzler
CommissionerOlga Kauffman
CommissionerIgnacio Perez
Commissioner**PRESIDENT & CEO**

Ed Hinojosa, Jr.

FINANCE COMMITTEE MEETING***OR SPECIAL BOARD MEETING****1 p.m. | Wednesday | May 17, 2023**

If this meeting becomes a Special Board Meeting, at least four Commissioners will be physically present at this location, and up to three other Commissioners may attend by videoconferencing, as permitted by Tex. Gov't Code Section 551.127, and the Presiding Officer will also be present at this location.

MEETING CALLED TO ORDER

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

PUBLIC COMMENT

2. **Public Comment** - Citizens are provided up to three minutes each to speak to any agenda items. Citizens wishing to speak to items posted on the agenda should access Phone Number: **(346) 248-7799** and enter Meeting ID: **93839434337#** and Passcode: **654170#**, prior to 12:45 p.m. A Spanish/English translator will be available to citizens needing translation.

Now is the time for public comments. The Board asks the public to address concerns related to Opportunity Home matters and policy and not include statements that may be considered defamatory of any individual. The Board encourages members of the public to direct specific concerns or problems to Opportunity Home staff for more prompt resolution. The Board will not discuss the comments of speakers or respond to speakers during the public comment portion of the agenda.

INDIVIDUAL ITEMS

3. Consideration and appropriate action regarding Resolution 6355, adopting the Opportunity Home San Antonio Internal Audit Plan for Fiscal Year 2023-2024 (Allison Schlegel, Director of Internal Audit)
4. Consideration and appropriate action regarding Resolution 6358, approving the Consolidated Operating Budget for Opportunity Home San Antonio and its affiliated entities for the fiscal year ending June 30, 2024 (Diana Kollodziej Fiedler, Chief Financial Officer)

REPORTS

- Quarterly Internal Audit Report
 - Quarterly Financial Report
5. 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.

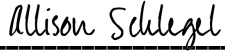
“Pursuant to § 30.06, Penal Code, (trespass by holder license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a concealed handgun.”

“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.”

**BOARD OF COMMISSIONERS
Finance Committee Meeting**

**RESOLUTION 6355, ADOPTING THE OPPORTUNITY HOME SAN ANTONIO INTERNAL
AUDIT PLAN FOR FISCAL YEAR 2023-2024**

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Ed Hinojosa, Jr.
President and CEO

DocuSigned by:

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Allison Schlegel
Director of Internal Audit

REQUESTED ACTION:

Consideration and approval regarding Resolution 6355, adopting the Opportunity Home San Antonio Internal Audit Plan for Fiscal Year 2023-2024.

SUMMARY:

The 2023-2024 Internal Audit Plan is a risk-based plan developed to determine that the priorities of the Internal Audit department are consistent with The Institute of Internal Auditors, Inc. (IIA) Definition of Internal Auditing, Code of Ethics, and International Standards for the Professional Practice of Internal Auditing (Standards), as well as, Opportunity Home San Antonio's (Opportunity Home) strategic goals. The IIA Standard 2020, "Communication and Approval" requires the Chief Audit Executive (CAE), i.e., the Director of Internal Audit, to communicate the internal audit activity's plans and resource requirements to senior management and the Board for review and approval. Opportunity Home's Internal Audit Plan is defined in the Opportunity Home Internal Audit Charter and included as part of the comprehensive internal audit program established pursuant to Opportunity Home's Internal Audit Policy. Internal Audit activities also align with Opportunity Home's strategic goal to transform core operations to be a high performing and financially strong organization. Final approval of the Internal Audit Plan for 2023-2024, resides with the Board of Commissioners.

The IIA Standard 2010, "Planning," requires the internal audit plan to be based on a documented risk assessment, undertaken at least annually, with input from senior management and the Board. Opportunity Home's CAE issued risk assessment surveys to the members of the Board of Commissioners, the Board's attorney, and to each member of senior management and multiple operational personnel. The results of these assessments were tabulated to identify the significant risk areas, which were then included as proposed audits for the 2023-2024 Internal Audit Plan.

Additionally, in accordance with the approved Internal Audit Charter: "At least twice a year, the Audit Committee will meet separately with the CAE to provide a status report on operations and to discuss any matters that the Audit Committee or the CAE believes should be discussed privately." The Internal Audit Charter also requires the CAE to communicate any significant deviation from the approved internal audit plan to the Audit Committee, the CEO, and the Legal

Opportunity Home San Antonio

May 17, 2023

and Compliance Officer, or equivalent, through periodic activity reports. This update provides the required communication, as follows:

- Internal Audit Plan Status – provided each quarter of the Fiscal Year
- Summary and Status of Management Corrective Action Plans (open action items only)

STRATEGIC OUTCOMES:

Supports all strategic outcomes.

ATTACHMENTS:

Resolution 6355

Presentation

**Opportunity Home San Antonio
Resolution 6355**

**RESOLUTION 6355, ADOPTING THE OPPORTUNITY HOME SAN ANTONIO INTERNAL
AUDIT PLAN FOR FISCAL YEAR 2023-2024**

WHEREAS, internal auditing is an independent, objective assurance and consulting activity designed to add value and improve Opportunity Home San Antonio (Opportunity Home) operations; and

WHEREAS, internal auditing helps Opportunity Home accomplish its mission by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes; and

WHEREAS, internal audit activities support all Opportunity Home strategic goals; and

WHEREAS, IIA Standard 2020, entitled "Communication and Approval," requires the Chief Audit Executive, i.e., the Director of Internal Audit, to communicate the internal audit activity's plans and resource requirements to senior management and the Board for review and approval.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of Opportunity Home San Antonio hereby:

- 1) Approves Resolution 6355, adopting the Opportunity Home San Antonio Internal Audit Plan for Fiscal Year 2023-2024, as attached to this Resolution.

Passed and approved the 7th Day of June 2023.

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

Attested and approved as to form:

**Ed Hinojosa, Jr.
President and CEO**

Internal Audit Plan 2023-2024

May 17, 2023

Objective

Review and adoption of the proposed 2023-2024 Internal Audit Plan by the Board, to set the priorities of the internal audit function for the fiscal year.

Background

- The Internal Audit Department adheres to The Institute of Internal Auditors, Inc. (IIA) Definition of Internal Auditing, Code of Ethics, and the following International Standards for the Professional Practice of Internal Auditing (Standards), as documented in the approved Internal Audit Policy and Internal Audit Charter.
- The IIA Standard 2010, “Planning,” Section A1, requires the following: “The internal Audit activity’s plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process.”
- The IIA Standard 2020, “Communication and Approval,” requires the following: “The Chief Audit Executive (CAE) must communicate the internal audit’s activity plans and resource requirements, including significant interim changes, to senior management and the board for review and approval. The CAE must also communicate the impact of resource limitations.”

Process for Developing the 2023-2024 Internal Audit Plan

Risk Assessment Survey conducted

Key variables assessed

- Public disclosure implications
- Increased Senior Management and/or Commissioner interest
- Internal and/or external compliance requirements

Other considerations

Oversight provided by other entities, including

- Independent Financial and Compliance Audits
- Regulatory Audits and Reviews
- Other Third-Party Reviews

Time since last audit

Process for Developing the 2023-2024 Internal Audit Plan

Risk Assessment Implementation

- Google Form with an option to interview
- Risk Assessment Methodology continued to focus on key variables, and providing an option for “no risk” helped to focus on processes identified with risk
- Risk Assessment Survey responses were received from the Board of Commissioners, Opportunity Home Executive Leadership, and Opportunity Home staff
- 77% response rate
- Feedback to format was positive and the Risk Assessment will continue to build upon feedback received
- The proposed audits were discussed with the CEO and Executive Leadership

Risk Assessment Survey Results

Significant alignment with Board of Commissioners and Opportunity Home Staff. Topics of Highest Interest:

Asset Management

- Financing and refinancing of real estate assets

Beacon Communities

- Program Exits process; focus on collection efforts and tracking
- Affordable program regulatory and Fair Housing compliance

Procurement

- Oversight of vendor compliance for Section 3 and Small, Women, Minority Owned Business (SWMBE) requirements

Risk Assessment Survey Results (Cont.)

Significant alignment with Board of Commissioners and Opportunity Home Staff. Topics of Highest Interest:

Human Resources

- Recruitment process — marketing, interviewing, selection, documentation, and background checks

Safety and Security

- Triage High Severity Incidents (severity index of incidents requiring resource intensive immediate intervention)

Risk Assessment Survey Results (Cont.)

Business Process	Board of Commissioners	Opportunity Home Staff
Assisted Housing Triennial recertification(s) for all households		X
Community Development Initiatives (CDI) Grant compliance and financial performance (e.g., timely expenditures)		X
Construction Services Oversight of new development construction	X	X
Human Resources Employee Relations — investigators, terminations, and grievance processes		X

Proposed Plan for FY 2023-2024


Internal Audit also participates in various committees throughout the organization providing opinions on internal controls, and may conduct requested audits, as needed.


1st Qtr. (July – Sept.)	2nd Qtr. (Oct. – Dec.)	3rd Qtr. (Jan. – March)	4th Qtr. (April – June)
Internal Audits			
Beacon Communities Repayment Agreements (carry over from FY 2022-2023)	Procurement – Oversight of vendor compliance for Section 3 and Small, Women, Minority Owned Business Enterprises (SWMBE) requirements	Human Resources – Recruitment process – marketing, interviewing, selection documentation, and background checks	Safety and Security – Triage High Severity Incidents (severity index of incidents requiring resource intensive immediate intervention)
Asset Management – Financing and refinancing of real estate assets			Beacon Communities – Affordable program regulatory and Fair Housing compliance
Compliance Reviews			
Assisted Housing Programs	Assisted Housing Programs	Assisted Housing Programs	Assisted Housing Programs
Beacon Communities/Mixed Income	Beacon Communities/Mixed Income	Beacon Communities/Mixed Income	Beacon Communities/Mixed Income
Public Housing	Public Housing	Public Housing	Public Housing
FSS Escrow Disbursement and TP/DPUY Funding	FSS Escrow Disbursement and TP/DPUY Funding	FSS Escrow Disbursement and TP/DPUY Funding	FSS Escrow Disbursement and TP/DPUY Funding

Questions?

BOARD OF COMMISSIONERS
Finance Committee Meeting

RESOLUTION 6358, APPROVING THE CONSOLIDATED OPERATING BUDGET FOR
OPPORTUNITY HOME SAN ANTONIO AND ITS AFFILIATED ENTITIES FOR THE FISCAL
YEAR ENDING JUNE 30, 2024

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Ed Hinojosa, Jr.
President and CEO

DocuSigned by:

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Diana Kollodziej Fiedler
Chief Financial Officer

REQUESTED ACTION:

Consideration and appropriate action regarding Resolution 6358, approving the Consolidated Operating Budget for Opportunity Home San Antonio and its affiliated entities for the fiscal year ending June 30, 2024.

SUMMARY:

The budget is to help the organization plan operational activities, while considering established goals with respect to the current and future funding environment. The budget has been developed in support of Opportunity Home’s Strategic Plan Outcomes:

Employee Outcomes

- Employees thrive at work
- Employees manage data effectively and ensure quality and security of data
- Employees develop, review and implement the organization’s strategic priorities

Resident Outcomes

- Residents have meaningful housing choices
- Residents live in quality homes
- Residents feel safe

Community Outcomes

- Enhance organizational image and relationships with the community

Value Outcomes

- **Equity:** Residents’ race or ethnicity does not determine or predict any housing assistance outcomes
- **Compassion:** Residents experience compassionate housing assistance that relieves suffering and improves their quality of life
- **Excellence:** Residents experience a high standard of housing assistance that improves continuously

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

OPPORTUNITY HOME SAN ANTONIO**May 17, 2023**

- Budgets are based on the Organization's Strategic Plan Outcomes.
- Due to current economic conditions, budgets reflect expense increases due to inflation.
- Section 8 HAP is budgeted at an estimated 99% funding proration.
- An estimate of 91% proration was used for Section 8 Administration funding.
- Public Housing property budgets reflect estimated subsidy funding at a 95.5% proration with a target occupancy of 96%.
- A targeted average occupancy of 97% was used to budget the Beacon properties.

Staff has been working on the Fiscal Year 2023-2024 budget process since October 2022. While staff continues to monitor the federal funding information, budgets were prepared using estimates based on available information.

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

Staff has focused on making prudent departmental and budgetary decisions while considering the existing uncertain funding environment compounded by the impact of inflation. As operations continue to adjust in this environment, we will continue to balance the needs of our families with these financial possibilities. The organization will also continue identifying and implementing solutions that will build on existing strengths and deliver services effectively and efficiently, while being innovative, ethical, and nimble.

Following review by the Finance Committee, the budget will be presented to the full Board of Commissioners for consideration and approval at the June 7, 2023, meeting.

STRATEGIC OUTCOMES:

Supports all strategic outcomes.

ATTACHMENTS:

Resolution 6358
HUD form 52574
Presentation

**Opportunity Home San Antonio
Resolution 6358**

RESOLUTION 6358, APPROVING THE CONSOLIDATED OPERATING BUDGET FOR OPPORTUNITY HOME SAN ANTONIO AND ITS AFFILIATED ENTITIES FOR THE FISCAL YEAR ENDING JUNE 30, 2024

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

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

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

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

WHEREAS, the Opportunity Home San Antonio Moving to Work (MTW) funds are available and obligated consistent with the MTW Plan as follows:

Sources:

- MTW Funds- \$68 million

Uses:

- Section 8 funding shortfall - \$1 million
- Public Housing operating shortfall - \$5 million
- Resident Services (CDI) - \$2.4 million
- Central Office operating shortfall - \$1 million
- Alazan Phase I and Predevelopment Costs - \$17 million
- Investment in MTW units at Tax Credit/Beacon Properties - \$9.5 million
- Balance of Snowden Development Funding Gap - \$6.5 million
- Investment in Midcrowne and Ravello Properties - \$5 million
- Acquisition of additional interest in the Horizon Pointe Property - \$5 million
- Additional Impact of Compensation Study - \$2.4 million
- Alazan Future Phases - \$5.7 million
- Building Readiness for Child Care centers - \$3 million
- Additional Investment in the 100 Labor Street Project - \$2.5 million
- Preservation of Affordable Housing - \$2 million

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of Opportunity Home San Antonio hereby:

- 1) Reviewed the Consolidated Budget and has found that the final plan is reasonable in that it indicates a source of funding adequate to cover proposed expenditures; and
- 2) Approves Resolution 6358, approving the Consolidated Operating Budget for Opportunity Home San Antonio and its affiliated entities for the Fiscal Year Ending June 30, 2024, and the obligation of funds as described in this Resolution and included in the referenced Consolidated Operating Budget; and
- 3) Authorizes the President and CEO and the Board Chair to submit and sign the HUD forms related to this Operating Budget.

Passed and approved the 7th day of June 2023.

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

Attested and approved as to form:

Ed Hinojosa, Jr.
President and CEO

PHA Board Resolution
Approving Operating Budget

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

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

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

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

PHA Name: San Antonio Housing Authority PHA Code: TX006

PHA Fiscal Year Beginning: 07/01/2023 Board Resolution Number:

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

DATE

- Operating Budget approved by Board resolution on: 06/07/2023
- Operating Budget submitted to HUD, if applicable, on:
- Operating Budget revision approved by Board resolution on:
- Operating Budget revision submitted to HUD, if applicable, on:

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

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

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

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

Print Board Chairperson's Name: Ana M. "Cha" Guzman	Signature:	Date: 06/07/2023
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Budget Workshop

Proposed Goals and Budget Fiscal Year 2023 – 2024
May 17, 2023

Agenda

BACKGROUND

- Significant Accomplishments in FY 2022-2023
- Mission Statement and Strategic Plan Outcomes
- What We Do
- Who We Serve

FUNDING ENVIRONMENT

- Federal Funding Trend
- Federal Funding Update

OPPORTUNITY HOME FY 2023-2024 BUDGET

- FY 2023-2024 Consolidated Budget - Revenues and Expenses
- MTW Proposed Uses
- Staffing Count and Organizational Chart
- Agency Goals and Priorities

FY22-23 Opportunity Home and Partner Accomplishments

- Awarded 41 **Stability Housing Vouchers**
- Awarded \$17.4M in **City Bond Funds** for Alazan, WRI, Cottage Creek, Woodhill, and Pecan Hill
- Received \$4.1M in **federal earmark funding** for Fair Ave, Alazan, and Cassiano
- Completed Victoria Plaza **renovations**; 50 individuals returned home
- Completed **beautification** projects at our Public Housing Communities
- Collaborated with multiple organizations to host a **Landlord Symposium**
- Increased 1,724 of affordable homes in our community through **expansion of Local Non Traditional units**
- Board approval of **anti-bullying policy** for Public Housing communities

Mission

Improve the lives of our residents by providing quality affordable housing and building sustainable, thriving communities

Strategic Plan Outcomes

Employee Outcomes

- Employees thrive at work
- Employees manage data effectively and ensure quality and security of data
- Employees develop, review and implement the organization's strategic priorities

Resident Outcomes

- Residents have meaningful housing choices
- Residents live in quality homes
- Residents feel safe

Community Outcomes

- Enhance organizational image and relationships with the community

Value Outcomes

- **Equity:** Residents' race or ethnicity does not determine or predict any housing assistance outcomes
- **Compassion:** Residents experience compassionate housing assistance that relieves suffering and improves their quality of life
- **Excellence:** Residents experience a high standard of housing assistance that improves continuously

The Need in San Antonio

1 in 15

San Antonians are on an Opportunity Home waiting list.

98,534

households as of April 1, 2023.

The number has continued to grow since the beginning of the pandemic.



What We Do

Opportunity Home improves the lives of our residents by providing quality affordable housing and building sustainable, thriving communities. We manage public housing and voucher programs under the Moving to Work Designation. Other portfolios and special voucher programs offer mixed affordability through programs like the low-income housing tax credit.

61,700
San Antonians served

11%
of the local rental market

6,070
Public Housing Homes

4,270
Beacon Homes

7,333
enrolled in Community Development Initiatives core programs

7,197
Partnership Homes

13,789
Assisted Housing Vouchers

Source: Opportunity Home San Antonio Monitoring Dashboard, as of Fiscal Year 2022-2023 Quarter 3 (March 31, 2023)

Who We Serve

Public Housing and Voucher Programs serve **41,700 individuals**.

16,700
households

94%

with one head
of household

46%

with children

2.5

household size

\$10,800

Median income

52%

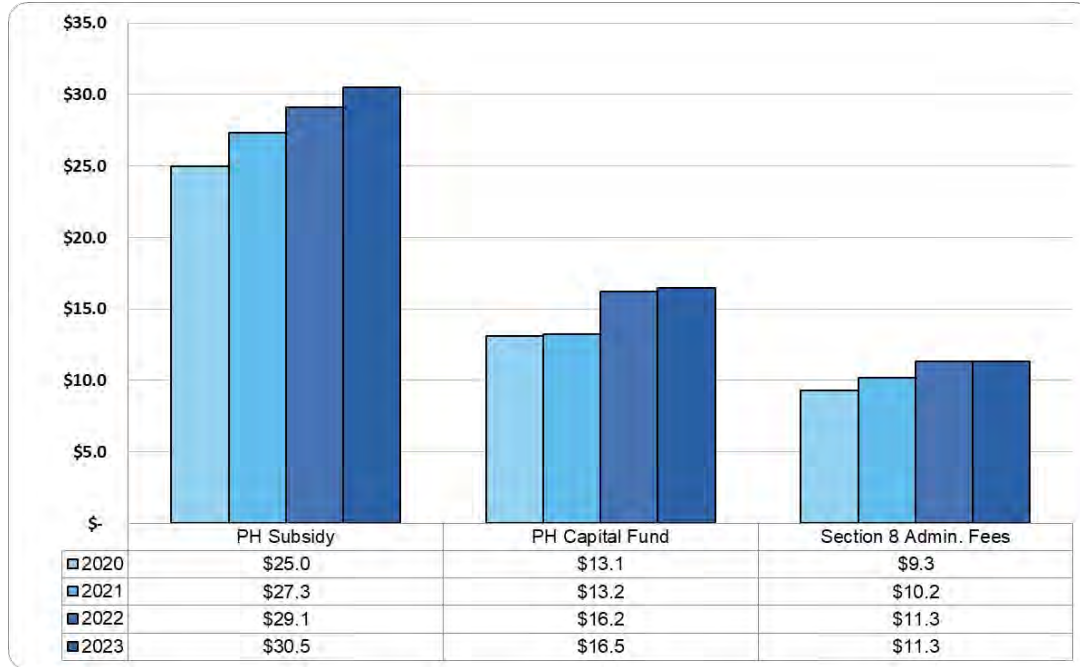
with fixed income
(SS, SSI, Pension)

32%

with earned
income
(Wages)

Source: Opportunity Home San Antonio Demographic Tracker,
as of Fiscal Year 2022-2023 Quarter 3 (March 31, 2023)

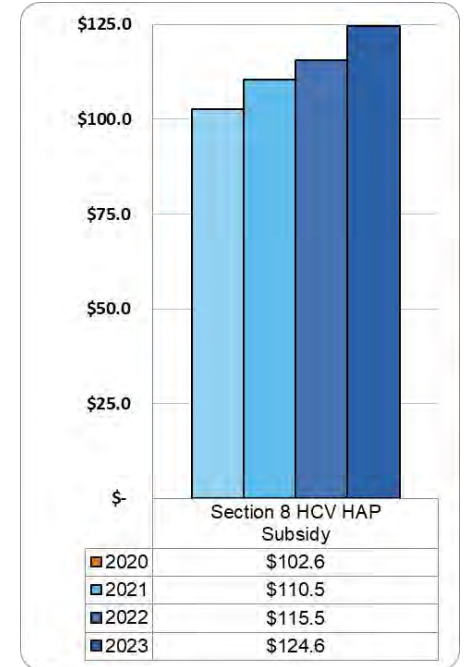
Federal Funding Trend



4.81%

1.85%

-%



7.88%

**Percentage Change
2023 vs 2022**

- Section 8 Housing Choice Voucher information indicated above does not include any Section 8 special programs
- Section 8 Choice Voucher HAP proration was 99.4% in 2020, 100.29% in 2021, 100% in 2022 and 100% in 2023
- Section 8 Admin Fee proration was 81.05% in 2020, 85.50% in 2021, 89.39% in 2022 and is projected to be 89.00% in 2023
- PH Operating Fund proration was 97.16% in 2020, 96.74% in 2021, 104.94% in 2022 and 95.51% in 2023

Federal Funding Update

- On **December 23, 2022**, President Biden signed into law the **2023 Consolidated Appropriations Act**. In general, the bill's funding levels represent a compromise between the House and Senate bills, providing most HUD programs with modest increases from 2022 enacted levels. It proposes:
- **\$30.2 billion for Tenant-based rental assistance**, a \$2.8 billion increase over the 2022 enacted level. Of this amount, \$26.4 billion is for Section 8 Housing Choice Voucher contract renewals, which is \$2.3 billion more from FY 2022 and should be sufficient to fund all renewals.
- **\$3.3 billion for the Public Housing Capital Fund**, an decrease of \$8 million over the 2022 enacted level.
- **\$5.1 billion for Public Housing operating subsidies**, an increase of \$70 million over the 2022 enacted level.
- **\$14.9 billion for Project-Based Rental Assistance**, an increase of \$967 million over the 2022 enacted level, which should be sufficient to renew all expiring contracts.
- **\$350 million for the Choice Neighborhoods Initiative**, level funding compared to the 2022 enacted level.
- **\$1.5 billion for the HOME Investment Partnership Programs**, level funding compared to the 2022 enacted level.
- **\$3.6 billion for Homeless Assistance Grants**, an increase of \$332 million over the 2022 enacted level.

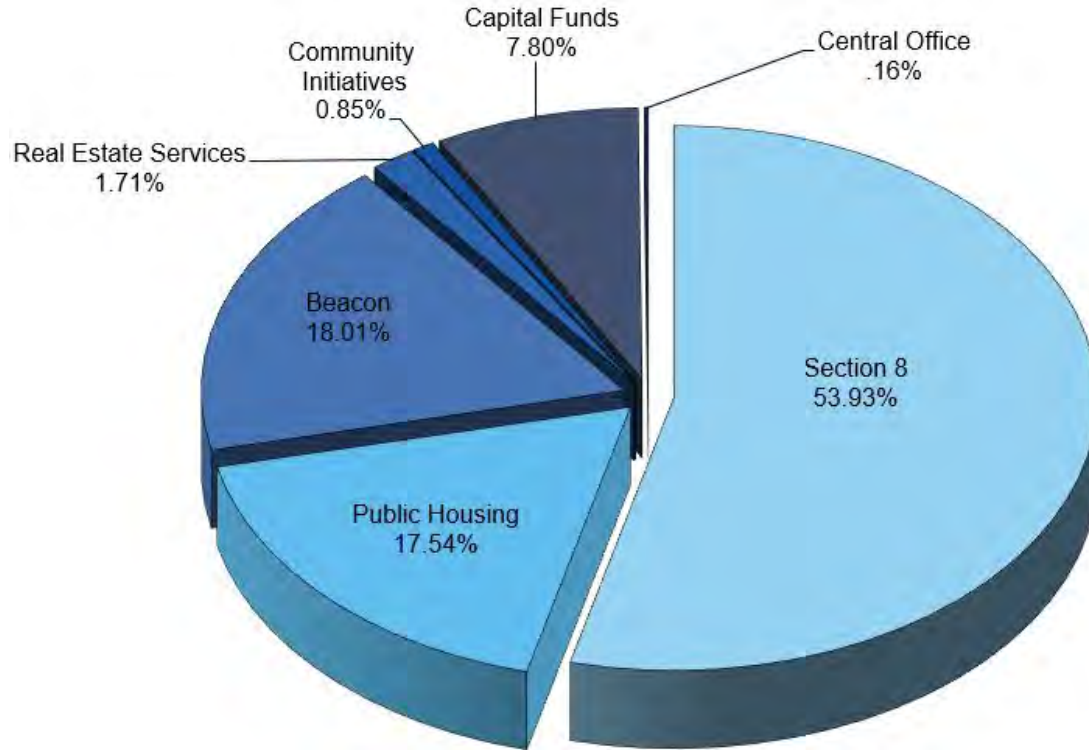
Average HAP By Calendar Year

YEAR	HAP COST PER UNIT	\$ INCREASE	% INCREASE
2018	\$618.65		
2019	\$631.23	\$12.58	2.03%
2020	\$647.68	\$16.45	2.61%
2021	\$642.16	-\$5.52	-.85%
2022	\$666.67	\$24.51	3.82%
2023	\$699.85	\$33.18	4.98%
2024*	\$767.81	\$67.96	9.71%

* **Projected**

FYE 2024 Consolidated Revenue

\$258.0 Million

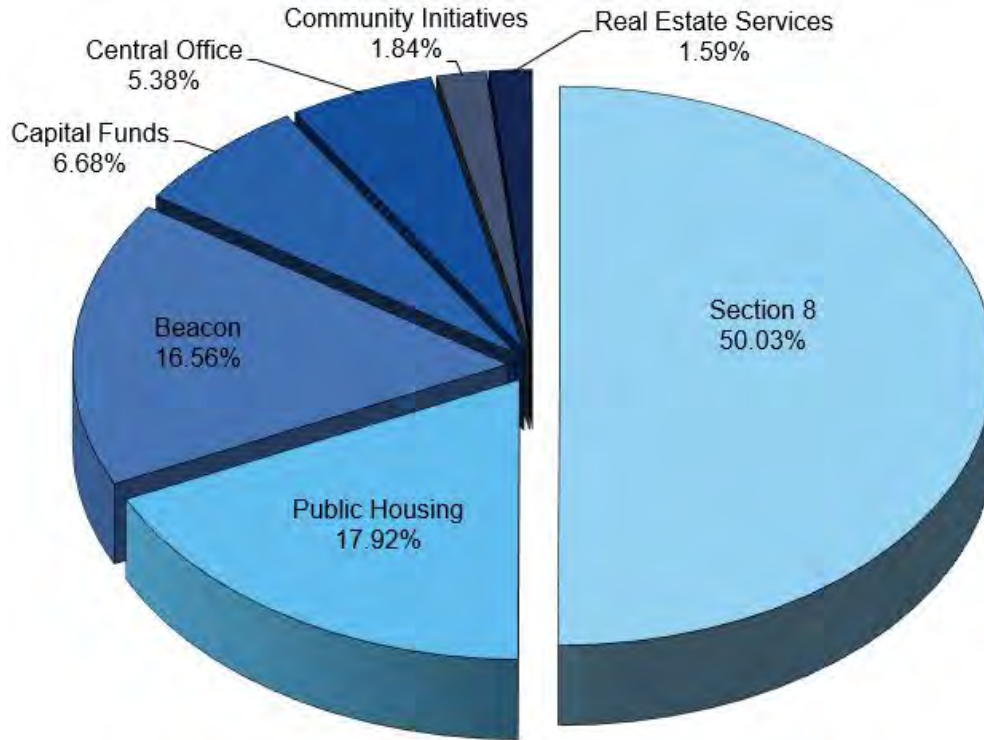


LINE OF BUSINESS	PROJECTED Revenue (MIL)
□ Section 8	\$139.1
□ Public Housing	\$ 45.3
■ Beacon	\$ 46.5
■ Real Estate Services	\$ 4.4
■ Community Initiatives	\$ 2.2
■ Capital Funds	\$20.1
■ Central Office	\$ 0.4

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

FYE 2024 Consolidated Expenses

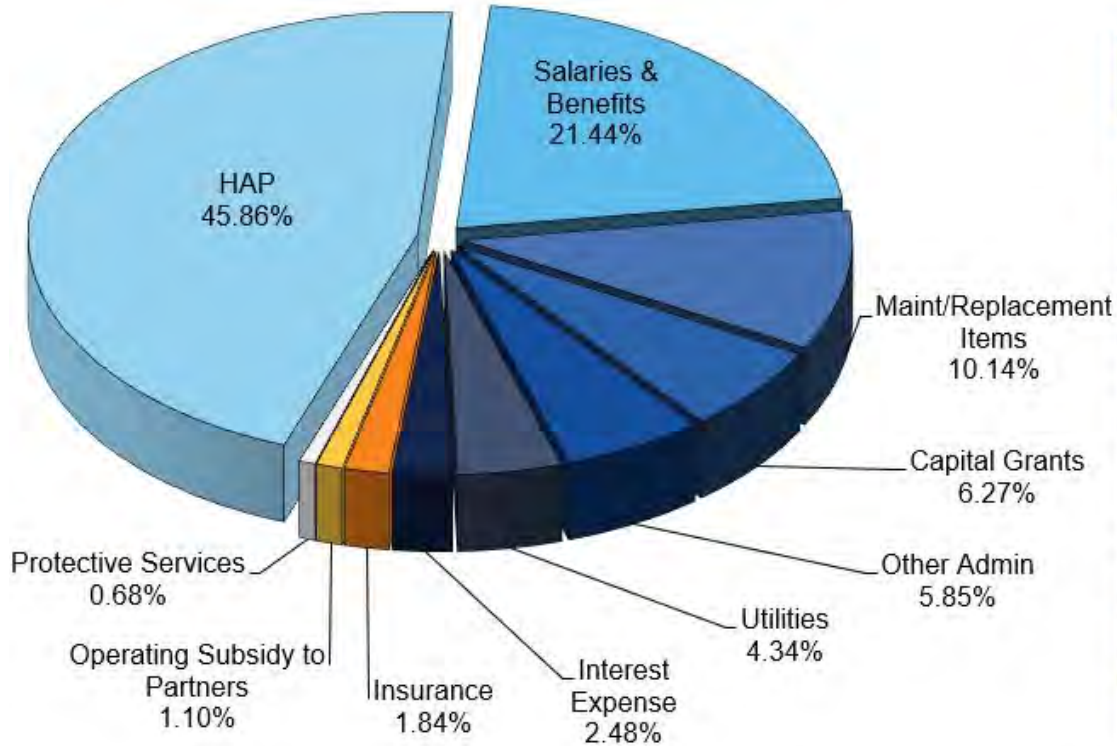
\$253.1 Million



LINE OF BUSINESS	PROJECTED EXPENSES (MIL)
Section 8	\$126.8
Public Housing	\$45.3
Beacon	\$41.9
Capital Funds	\$16.9
Central Office	\$ 13.6
Community Initiatives	\$4.6
Real Estate Services	\$4.0

FYE 2024 Consolidated Expenses

\$253.1 Million



BUDGET LINE ITEM	PROJECTED EXPENSES (MIL)
□ HAP	\$116.0
▣ Salaries & Benefits	\$54.2
■ Maint/Replacement Items	\$25.7
■ Capital Grants Transfer (PH)	\$15.9
■ Admin. & Other	\$14.8
■ Utilities	\$11.0
■ Interest Expense	\$6.3
■ Insurance	\$4.7
■ Operating Subsidy to Partners	\$2.8
□ Protective Services	\$1.7

Operating Budget by Line of Business

(Millions)

DESCRIPTION	PUBLIC HOUSING	SECTION 8	BEACON	CENTRAL OFFICE	CDI/ RESIDENT SERVICES	SUBTOTAL OPERATIONS	REAL ESTATE	CAPITAL	ELIM	TOTAL
Operating Revenue¹	\$44.2	\$139.1	\$46.8	\$1.6	\$2.2	\$233.9	\$4.2	\$20.1	-\$1.6	\$256.6
Operating Expenses										
Salaries and Benefits	15.9	7.3	11.0	13.7	3.4	51.3	2.9	-	-	54.2
Repairs and Maintenance	12.9	-	8.5	0.5	-	21.9	0.1	0.2	-	22.2
Utilities	6.2	-	4.6	0.2	-	11.0	-	-	-	11.0
Protective Services	0.9	-	0.7	0.1	-	1.7	-	-	-	1.7
Insurance	1.8	0.1	2.6	0.1	-	4.6	0.1	-	-	4.7
HAP Expense	-	116.0	-	-	-	116.0	-	-	-	116.0
Other Expenses	3.9	3.5	3.2	3.0	1.2	14.8	1.0	-	-1.5	14.3
Total Operating Expenses	41.6	126.9	30.6	17.6	4.6	221.3	4.1	0.2	-1.5	224.1
Net Operating Income	\$2.6	\$12.2	\$16.2	-\$16.0	-\$2.4	\$12.6	\$0.1	\$19.9	-\$0.1	\$32.5
Non-Operating Income (Expense)										
Interest Income	1.4	-	0.2	-	-	1.6	0.3	-	-0.5	1.4
Non-Operating ²	-9.0	-3.8	-11.9	15.0	0.0	-9.7	-	-4.0	0.6	-13.1
Capital Grants Transfer	-	-	-	-	-	-	-	-15.9	-	-15.9
Total Non-Operating Income (Expense):	-7.6	-3.8	-11.7	15.0	0.0	-8.1	0.3	-19.9	0.1	-27.6
Surplus or (Deficit)³	-\$5.0	\$8.4	\$4.5	-\$1.0	-\$2.4	\$4.5	\$0.4	\$0.0	\$0.0	\$4.9
MTW Transfers	5.0	-8.4	0.0	1.0	2.4	0.0	-	-	-	-
Net Surplus or (Deficit) after MTW Transfer	\$0.0	\$0.0	\$4.5	\$0.0	\$0.0	\$4.5	\$0.4	\$0.0	\$0.0	\$4.9

¹ Section 8 Revenue reflects a \$9.4 million increase to account for 126 new units which generate from Section 8.

² Management Fee and Interest Expense are the primary sources of the listed Non-Operating Expenses, but also includes Replacement/Extraordinary items.

³ Beacon net surplus of \$4.5 million does not include \$3 million in principal payments on loans or any bank required debt service coverage ratio which averages 1.19%.

Public Housing Five-Year Capital Plan

SOURCE OF FUNDS	ESTIMATED AMOUNTS				
	2023	2024	2025	2026	2027
CFP Grant	\$16,484,164	\$16,000,000	\$16,000,000	\$16,000,000	\$16,000,000
FY23 EDI Community Project Funding (CPF)	\$4,160,000	\$0	\$0	\$0	\$0
Total	\$20,644,164	\$16,000,000	\$16,000,000	\$16,000,000	\$16,000,000

PLANNED PROJECT	ESTIMATED COSTS				
	2023	2024	2025	2026	2027
Public Housing Operating Support	\$1,648,416	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000
Administration	\$1,648,416	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000
CFFP Loan Payment	\$2,192,650	\$1,365,000	\$0	\$0	\$0
CFP Project Manager-Inspector Salaries	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Fees and Costs: A/E; Permits; Studies; etc.	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Emergency/Unscheduled repairs	\$650,000	\$650,000	\$650,000	\$650,000	\$650,000
Priority items 5-6 from PNA / backlog capital needs	\$13,904,681	\$10,185,000	\$11,550,000	\$11,550,000	\$11,550,000
Total	\$20,644,164	\$16,000,000	\$16,000,000	\$16,000,000	\$16,000,000

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¹Details for this amount are provided by project and property separately in the budget packet

Beacon Five-Year Capital Plan

SOURCE OF FUNDS	ESTIMATED AMOUNTS				
	FY 23 - 24	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28
Loan Funds	\$1,000,000	\$2,561,569	\$0	\$0	\$0
Grant Funds	\$8,973,212	\$0	\$0	\$0	\$0
Operations	\$9,000	\$20,000	\$15,000	\$25,000	\$0
Reserves	\$2,233,000	\$500,000	\$70,000	\$110,000	\$2,835,000
Unfunded	\$1,521,000	\$2,300,000	\$15,000	\$1,750,000	\$0
Total	\$13,736,212	\$5,381,569	\$100,000	\$1,885,000	\$2,835,000

PLANNED PROJECT	ESTIMATED COSTS				
	FY 23 - 24	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28
Replacement/Repairs/Upgrades - Loan Funds	\$1,000,000	\$2,561,569	\$0	\$0	\$0
Replacement/Repairs/Upgrades - Grant Funds	\$8,973,212	\$0	\$0	\$0	\$0
Replacement/Repairs/Upgrades - Operations	\$9,000	\$20,000	\$0	\$25,000	\$0
Replacement/Repairs/Upgrades - Reserves	\$2,233,000	\$500,000	\$70,000	\$110,000	\$2,835,000
Replacement/Repairs/Upgrades - Unfunded	\$1,521,000	\$2,300,000	\$30,000	\$1,750,000	\$0
Total	\$13,736,212	\$5,381,569	\$100,000	\$1,885,000	\$2,835,000
Unfunded Total	\$1,521,000	\$2,300,000	\$15,000	\$1,750,000	\$0

¹ Details for this amount are provided by project and property separately in the budget packet

Sources and Uses of MTW Funds

SOURCE OF FUNDS	AMOUNT (In Mil)
MTW Funds	\$68.00
Total Sources	\$68.00

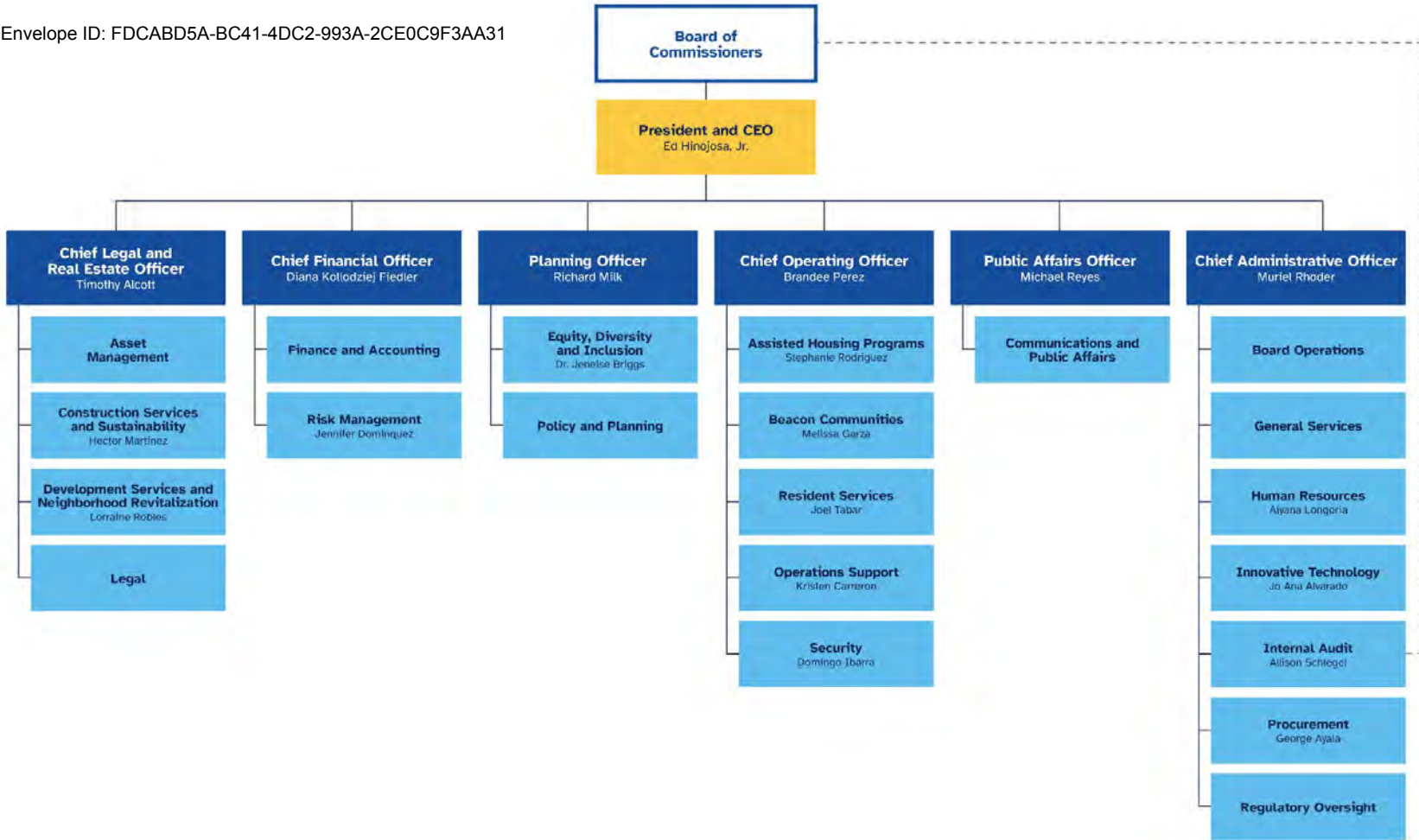
PROPOSED USES	AMOUNT (In Mil)
Section 8 - To enable Section 8 to continue to serve residents in spite of increased costs due to the effects of inflation	\$1.00
Public Housing - To enable the Public Housing Program to continue to serve residents in spite of increased costs due to the effects of inflation	\$5.00
Resident Services (CDI) - In collaboration with Policy and Planning, CDI will complete its strategic plan and focus department efforts to align with the established strategic goals. CDI will conduct community meetings to gather input from residents, community advocates, and partners to redesign Opportunity Home's role in supporting resident goals.	\$2.40
Central Office - To allow for continued support of our housing and resident support programs	\$1.00
Other Uses:	
Alazan Phase I and Predevelopment Costs	\$17.00
Investment in MTW units at Tax Credit/Beacon Properties	\$9.50
Balance of Snowden Development Funding Gap	\$6.50
Investment in Midcrowne and Ravello Properties	\$5.00
Acquisition of a Tax Credit investment	\$5.00
Additional Impact of Compensation Study	\$2.40
Alazan Future Phases	\$5.70
Building Readiness for Childcare Centers	\$3.00
Additional Investment in the 100 Labor Street Project	\$2.50
Preservation of Affordable Housing	\$2.00
Total Proposed Uses	\$68.00

Personnel Count

DEPARTMENT	2023 BUDGETED POSITIONS	2024 BUDGETED POSITIONS	INCREASE OR (DECREASE) IN POSITION COUNT	PERSONNEL DISTRIBUTION BY DEPARTMENT
Public Housing	217	227	10	33%
Assisted Housing Programs	90	70	(20)	10%
Community Development Initiatives	58	53 ¹	(5)	8%
Beacon	129	116	(13)	17%
Real Estate Services	9	9	-	1%
Operations Support	-	58	58	8%
Property Management	43	24	(19)	3%
Central Office	124	133	9	19%
Total	670	690	20²	100%

¹ Includes 26 grant-funded positions for the ROSS, Family Self Sufficiency, Jobs Plus, and Endowment

² Details for these increases/decreases are provided separately in the budget packet

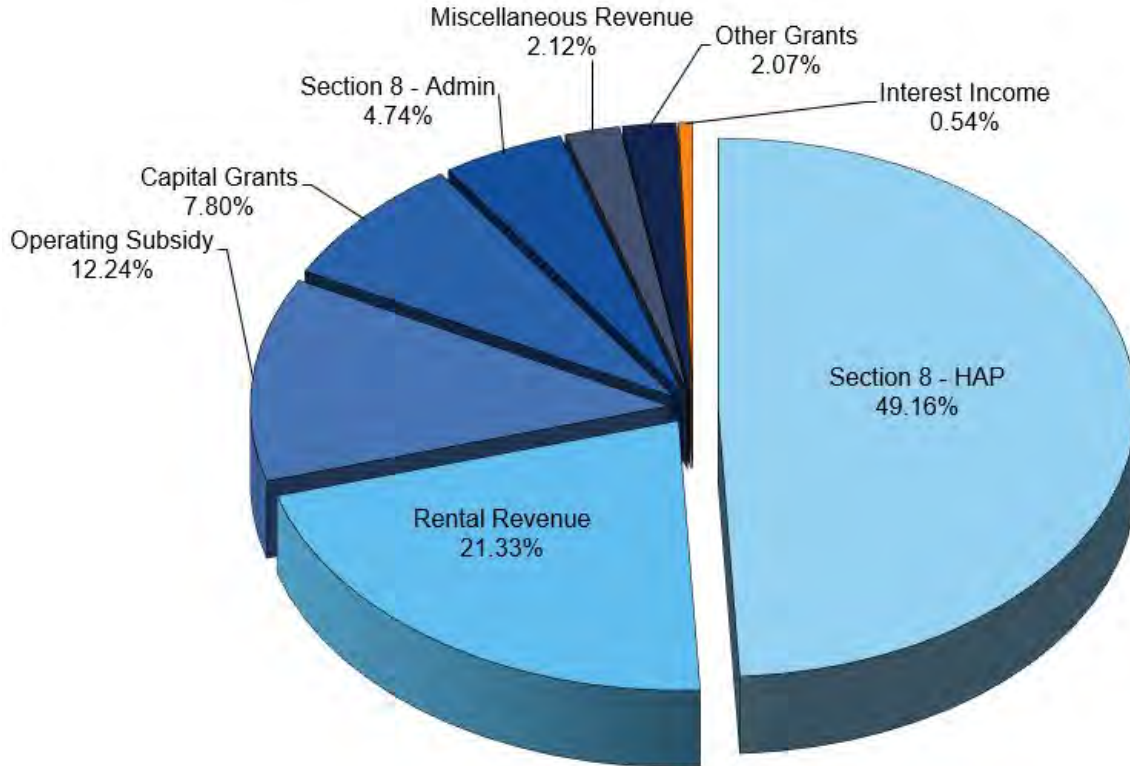


Questions?

Appendix

FYE 2024 Consolidated Revenue

\$258.0 Million



BUDGET LINE ITEM	PROJECTED Revenue(MIL)
Section 8 - HAP	\$126.9
Rental Revenue	\$ 55.0
Operating Subsidy	\$ 31.6
Capital Grants	\$ 20.1
Section 8 - Admin	\$ 12.2
Miscellaneous Revenue	\$ 5.5
Other Grants	\$ 5.3
Interest Income	\$ 1.4

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

FYE 2024 Consolidated Revenue Trend

Projected revenue in FYE 2024 will increase by \$37.4 Million

DESCRIPTION	FYE 6/30/22	FYE 6/30/22	FYE 6/30/23	FYE 6/30/24	VARIANCE 2024 BUDGET VS 2023 BUDGET INCREASE/ (DECREASE)
	ACTUAL	BUDGET	BUDGET	BUDGET	
Rental Revenue	\$37.9	\$47.6	\$46.3	\$55.0	\$8.7
Grant Revenue					
Section 8 - HAP	95.9	103.0	105.1	126.9	21.8
Section 8 - Admin.	11.5	9.6	9.9	12.2	2.3
Operating Subsidy	27.9	24.9	27.9	31.6	3.7
Capital Grants	10.2	13.2	16.5	20.1	3.6
Other Grants	5.5	3.9	5.5	5.3	-0.2
Total Grant Revenue	\$151.0	\$154.6	\$164.9	\$196.1	\$31.2
Other Revenue*	18.3	7.7	9.4	6.9	(2.5)
Total Revenue	\$207.2	\$209.9	\$220.6	\$258.0	\$37.4

* Other Revenue includes Lease Payments, Cash Donations, Compliance Monitoring Fees, Other Income, Deposit

FYE 2024 Consolidated Expense Trend

Projected expenses in FYE 2024 will increase by \$31.7 Million

DESCRIPTION	FYE 6/30/22	FYE 6/30/22	FYE 6/30/23	FYE 6/30/24	VARIANCE 2024 BUDGET VS 2023 BUDGET INCREASE/ (DECREASE)
	ACTUAL	BUDGET	BUDGET	BUDGET	
HAP Expense	\$90.9	\$102.7	\$104.8	\$116.0	\$11.2
Salaries & Benefits	39.4	42.4	48.7	54.2	5.5
Admin and Other*	7.2	9.8	10.7	14.8	4.1
Utilities	9.4	9.0	9.6	11.0	1.4
Maint/Replacement Items	24.7	18.7	20.2	25.7	5.5
Insurance	3.6	4.1	4.3	4.7	0.4
Protective Services	1.4	1.0	1.4	1.7	0.3
Interest Expense	5.2	5.8	5.3	6.3	1.0
Operating Subsidy to Partners	2.1	2.3	3.2	2.8	-0.4
Capital Grants Transfer (PH)	7.4	9.1	13.2	15.9	2.7
Total	\$191.3	\$204.9	\$221.4	\$253.1	\$31.7

* Includes expenses such as audit, postage, office supplies, dues and fees, advertising, legal fees, training, travel, telephone, technology/licensing costs, internet as well as supplies and funding for resident participation programs

Public Housing Communities

PROPERTY	TOTAL UNITS
Alazan	685
Alhambra Senior	14
Blanco	100
Cassiano Homes	499
Charles Andrews	52
Cheryl West	82
Christ the King	48
Cisneros	55
College Park	78
Convent	0
Converse Ranch I	25
Converse Ranch II	21

PROPERTY	TOTAL UNITS
Cross Creek	66
East Meadows	71
East Meadows II	42
Escondida	20
Fair Avenue	216
Francis Furey	66
Frank Hornsby	59
Gardens at San Juan	63
Glen Park	26
Guadalupe	56
HB Gonzalez	51
Hemisview	49

Public Housing Communities

(Continued)

PROPERTY	TOTAL UNITS
Highview	68
Jewett Circle	75
Kenwood Manor	9
Kenwood North	53
LC Rutledge	66
Le Chalet	34
Legacy at Alazan	40
Lewis Chatham	119
Lila Cockrell	70
Lincoln Heights	338
Linda Lou	10
Madonna	60

PROPERTY	TOTAL UNITS
Marie McGuire	63
Matt Garcia	55
Midcrown	39
Midway	20
Mirasol Homes	174
Mission Park	100
Morris Beldon	35
Olive Park	26
OP Schnabel	70
Park Square	26
Parkview	153
Pin Oak I	50

Public Housing Communities

(Continued)

PROPERTY	TOTAL UNITS
Pin Oak II	22
Raymundo Rangel	26
Refugio	50
Riverside	74
Sahara Ramsey	16
San Juan Sq I	46
San Juan Sq II	48
San Pedro Arms	16
Scattered Sites	69
South San	30
Springview	173
Sun Park Lane	65
Sutton Oaks PH I	49

PROPERTY	TOTAL UNITS
Tarry Towne	98
The Park at Sutton Oaks	49
TL Shaley	66
Victoria Plaza	185
Villa Hermosa	66
Villa Tranchese	201
Villa Veramendi	166
Village East	24
WC White	75
Westway	152
Wheatley Senior Park	42
William Sinkin	50
Williamsburg	15

Beacon Communities

PROPERTY	TOTAL UNITS
Bella Claire	67
Burning Tree	108
Castle Point	220
Churchill Estates	40
Claremont Townhomes	4
Converse Ranch I	124
Converse Ranch II	104
Costa Valencia	230
Cottage Creek I	253
Cottage Creek II	196
Courtland Heights	56

PROPERTY	TOTAL UNITS
Dietrich Road	30
Encanta Villa	56
Homestead	157
La Providencia	90
Legacy at Crown Meadows	192
Legacy at Science Park	120
Legacy on O'Connor	150
Midcrown Sr. Pavilion Apt	196
Monterrey Park	200
Pecan Hill	100
Ravello	252

PROPERTY	TOTAL UNITS
Reagan West	15
Refugio Place	210
Rosemont at Highland Park	252
San Juan Square II	144
Sunshine Plaza	100
Towering Oaks	128
Villa de San Alfonso	29
Villa de Valencia	104
Warren House	7
Woodhill	532
100 Labor	213

Partnership Interests

COMPLETION DATE	DEVELOPER	COMMUNITY	TOTAL UNITS	PH UNITS
2007	Franklin Development Corp	Artisan at Mission Creek	252	0
2008	Cascade Development	The Sorento	248	0
2008	Cascade Development	Rosemont @ University Park	240	0
2008	Franklin Development Corp	Artisan at Salado II	252	0
2008	NRP Group	Costa Mirada Apartments	212	0
2008	NRP Group	Costa Almadena Apartments	176	0
2008	NRP Group	San Juan Square Phase I	143	46
2008	NRP Group	Alhambra Senior	140	14
2009	Hogan Services	Elan Garden	228	0
2010	Carleton Development	HemisView Village	245	49

Partnership Interests

COMPLETION DATE	DEVELOPER	COMMUNITY	TOTAL UNITS	PH UNITS
2010	Franklin Development Corp	Artisan at Creekside	252	0
2010	Franklin Development Corp	Sutton Oaks (Sutton I)	194	49
2010	NRP Group	San Juan Square II	144	48
2011	NRP Group	The Mirabella	172	0
2013	Franklin Development Corp	The Park at Sutton Oaks	208	49
2014	NRP Group	San Juan Phase III	252	63
2018	MBS	East Meadows I	215	71
2018	MBS	Wheatley Park Senior Living	80	44
2019	Post Investment Group	Arroyo Seco	200	0
2019	Vesta Corporation	Marshall Meadows	250	0
2019	Vesta Corporation	Mission Del Rio	180	0
2019	Vesta Corporation	Port Royal	252	0

Partnership Interests

COMPLETION DATE	DEVELOPER	COMMUNITY	TOTAL UNITS	PH UNITS
2020	MBS	East Meadows II	119	42
2021	Franklin Development Corp	Artisan at Ruiz	102	0
2021	Hogan	Majestic Ranch	288	0
2022	Lynd	Culebra Crossing	327	0
2022	NRP Group	Arcadian (1604 Lofts)	324	0
2022	Mission DG	Aspire at Tampico	200	0
2022	NRP Group	Elevate at Kitty Hawk	212	0
2022	NRP Group	Legacy at Alazan	88	40
2022	Hogan	Mira Vista Apartments	312	0
2022	NRP Group	Scott at Medio Creek (Trader Flats)	324	0
2023	NRP Group	Frontera (Watson Road)	348	0
2023	NRP Group	Seven07 Lofts (Copernicus)	318	0
2023	Atlantic Pacific	Vista at Everest	64	0
2023	Atlantic Pacific	Vista at Interpark	65	0
TOTAL			7,626	515

Departmental Goals

Assisted Housing Programs Goals

Residents Experience a High Standard of Housing Assistance that Improves Continuously

- Contract with Nan McKay & Associates and Gilson Recertification Processing Service to focus on Recertifications for the department
- The Introduction of “QC days” for staff to correct errors found during Internal Affairs Quality Control Audits

Residents Experience Compassionate Housing Assistance that Relieves Suffering and Improves the Quality of Life

- Onboard temporary staff to reduce backlog files for timely processing
- Creation of how-to videos for successful completion of HQS inspections to help landlords and residents avoid final fails

Equity: Residents’ race or ethnicity does not determine or predict any housing assistance outcomes

- Review and identify communications to Landlords/Landlord resources for languages to have more accessible documents for non-english speaker/readers to further our equitable practices while increasing landlord participation

Public Housing Goals

Employees Develop, Review and Implement the Organization's Strategic Priorities

- The PH Department plans to be more proactive in collaborating and addressing problems across communities. This includes increased process improvement and collaboration with the Security and Operations Support departments

Residents Experience a High Standard of Housing Assistance that Improves Continuously

- The new role of Assistant Director of Maintenance will be responsible for developing, implementing, and managing a comprehensive maintenance program that provides a decent, safe and comfortable living environment for residents

Residents Feel Safe

- In order to address safety concerns and ensure resident and staff well-being, PH has collaborated with the Security Department to initiate a Rapid Response Team in three communities and aims to expand to additional PH Communities

Public Housing Goals

Residents have Sufficient Housing Choices

- Make Ready Incentives will be initiated in February 2023 to increase make-ready unit turnaround. Opportunity Home staff will be allowed to work additional hours at an increased pay to complete make-ready units at various PH communities

Equity: Residents' race or ethnicity does not determine or predict any housing assistance outcomes

- Continue identifying improvements in policy and procedures to further compassionate and equitable practices

Beacon Communities Goals

Residents Experience Compassionate Housing Assistance that Relieves Suffering and Improves the Quality of Life

- Centralize reasonable accommodation requests to enhance customer service
- Partner with IT to make the PBRA waitlist more accessible to the community
- Partner with IT to create a powerform in DocuSign to improve eligibility packet submissions

Enhance Organizational Image

- Increase occupancy through marketing strategies and utilize social media to highlight properties
- Develop a resident retention plan with incentives that include upgrades for residents with tenure
- Actively engage with residents and set up repayment agreements, and seek external resources to bring outstanding balances back to good standing

Equity: Residents' Race or Ethnicity Does Not Determine or Predict any Housing Assistance Outcomes

- Review standard operating procedures along with each of its affordable program screening criteria to ensure there is equity in the applicant eligibility process

Development Services Goals

Residents Have Sufficient Housing Choices/Residents Live in Quality Housing

- Complete construction on:
 - Bristol at Somerset (July 2023)
 - 100 Labor (July 2023)
 - Horizon Pointe (Sept 2023)
- Complete construction and sell 25 houses in Villa Fortuna/Palm Lake/Sunflower (June 2024)
- Obtain ERR approval:
 - Alazan Courts
 - Springview
 - Victoria Commons Admin Building
 - 202 Garcia Street
- Obtain Demo/Dispo approval:
 - Victoria Commons Admin Building
 - 202 Garcia Street
- Begin construction on Alazan Expansion
- Receive 9% Tax Credits for one of the following:
 - Vista West
 - Vista Reed
 - Vista at Henderson Pass
 - Park at North Hill/Rainbow Lofts (July 2023)

Development Services Goals

Employees Thrive at Work

- Attend development industry specific conferences (TAAHP, AFH, and Novogradac) (June 2024)

Equity: Residents' race or ethnicity does not determine or predict any housing assistance outcomes

- Complete an analysis of current operations, research best practices and seek out opportunities to embed equity into the real estate process
- Engage internal departments to determine if data is captured in all phases of the development process, review findings and research best practices implemented by housing authorities
- Utilize staff development to support the organization's values with the goal of training all DSNR staff in diversity, equity and inclusion (Groundwater) and trauma informed care (TIC)

Construction Services & Sustainability Goals

Residents Live in Quality Housing

Rehab Projects In Pre-Design or Design

- Riverside Building Envelope and Site Improvements Project: 74 Units
- Fair Avenue, Parkview, Villa Tranchese, Pecan Hill Elevator Modernizations: 570 Units

Residents Have Sufficient Housing Choices

New Self-Developed Projects Construction

- Snowden Senior Apartments First Units Delivered by 12/31/2023: 135 Units

Residents Feel Safe

- WC White and Lewis Chatham Emergency Generator Installation Projects: 194 Units

Enhance Organizational Image

- WRI Single Family Homes Delivered in Fiscal Year 2024: 25 Houses

Construction Services & Sustainability Goals

Residents have Affordable Utilities

- Develop and Submit Inflation Reduction Act and/or HUD Rate Reduction Incentive Application by Sept 2023

Equity: Residents' Race or Ethnicity Does Not Determine or Predict any Housing Assistance Outcomes

- Gain Membership in one minority contractor association and attend a minimum of two association events in order to provide outreach

Community Development Initiatives Goals

Residents Live in Quality Housing

- Achieve the Certified Organization for Resident Engagement & Services (CORES) Certification to develop a robust commitment, capacity, and competency in providing resident services coordination in affordable rental homes
- The redevelopment of the Resident Ambassadors Program will provide required manpower to promote CDI events, activities, and programs

Residents are Able to Live at Their Desired Level of Independence

- Resident Council development and support will result in increased job opportunities for more residents within the organization

Employees Develop, Review and Implement the Organization's Strategic Priorities

- Develop a formal onboarding training program and annual training for all positions in the department
- Maintain a strong relationship with HUD representatives to increase visibility
- Develop a webpage to advertise partnership benefits and opportunities to service providers

Community Development Initiatives Goals

Equity: Residents' race or ethnicity does not determine or predict any housing assistance outcomes

- Ensure equitable enrollment of eligible CDI program participants

Asset Management Goals

Residents have Sufficient Housing Choices

- Complete Conversion of Partnership properties approaching the end of 15 year compliance. (Midcrown Seniors Pavillion, Costa Mirada, San Juan Square I, Elan Gardens, Alhambra Seniors, Artisan at Mission Creek and Artisan at Salado Falls)
- Evaluate real estate holdings of non strategic assets for future development or disposition

Residents Live in Quality Housing

- Complete refinance transactions of Beacon properties to payoff (or reduce) mortgage debt and consider investing refinance proceeds and/or MTW funds for capital needs
- Continue effective asset management oversight responsibilities of forty four (44) Partnership properties including approximately ten (10) additional properties currently under construction

Equity: Residents' race or ethnicity does not determine or predict any housing assistance outcomes

- Asset Management will reach out to other Asset Management departments on how they incorporate Equity, Diversion and Inclusion in their capital planning

Procurement Goals

Employees Thrive at Work

- In collaboration with Innovative Technology and the Accounting departments, continue to adopt more streamlined, simplified internal purchasing processes with the expanded use of existing financial systems and redesigned purchasing processes
- Provide opportunities for staff to attend training that are industry specific at the State of Texas and other organizations in the Procurement training field to include HUD training

Employees Develop, Review and Implement the Organization's Strategic Priorities

- Improve efforts to increase awards to Section 3 business concerns and minority contractors
- Provide quarterly vendor training to increase vendor participation in our solicitation process

Equity: Residents' race or ethnicity does not determine or predict any housing assistance outcomes

- Work with departments to forecast multi-year service contracts that allow for cost savings for the organization and expedite the procurement process
- Update Procurement Policy with relative changes to law and those suggestions found through the disparity study results

Innovative Technology Goals

Employees Thrive at Work

- Implement the LMS along with a New Employee engagement platform for the organization

Employees Manage Data Effectively and Ensure Quality and Security of Data

Data Strategy - Data Access Management

- Develop a 3 year plan for Data Access management strategies to improve DG Maturity Model Score
- Play an integral role in the implementation and education of the Data team in support of Data literacy
- Implement and support the survey team with automation, APIs and new software for POS surveys
- Implement the ILDSA with SAWS to build an automated API process for monthly sharing of data

Data Strategy - Data Management

- Develop a 3 year plan for Data Management strategies to improve DG Maturity Model Score
- Audit and review of current data asset and implement data asset inventory in accordance with DG
- Document the current procedure to consume and catalog 3rd party data
- Perform a review of encryption standards as part of our data security and integrity strategies

Finance Goals

Employees Thrive at Work

- Continue to develop the skill set of departmental staff by offering cross-training opportunities in addition to encouraging staff to pursue educational opportunities and professional certifications
- Raise awareness of departmental objectives and capabilities while creating internal networks

Residents Have Sufficient Housing Choices

- Continue to work on attempting to increase the amount of funding through possible repositioning of existing public housing units, as well as collaborating on the expansion of the current number of public housing units
- Support the Board and CEO's vision for the organization to provide new opportunities for affordable housing by working collaboratively with the community, elected officials, HUD, and other partners
- Collaborate with the Asset Management, Legal, and Beacon departments to convert tax credit properties reaching the end of their 15 year compliance period into the Beacon portfolio
- Restructure debt within the Beacon portfolio
- Facilitate the accounting conversion for properties that are transitioning back to our management and acquisitions of new properties

Finance Goals

Equity: Residents' race or ethnicity does not determine or predict any housing assistance outcomes

- Attend training specifically on the topics of Equity, Diversity and Inclusion
- The budget team will attend a Budget Equity Tool workshop with the City of San Antonio

Human Resources Goals

Employees Thrive at Work

Recruitment

- Increase marketing efforts to include social media and electronic advertising
- Increase networking opportunities; participate in quarterly job fairs
- Support COSA “Ready to Work” program with Workforce Solutions Alamo (WSA)

Retention

- Expand benefits for wellness initiatives utilizing employee responses from Employees Thrive surveys, and continue seek enhanced services for Employee Assistance Program (EAP)
- Continue participation in the Successfully Aging and Living in San Antonio (SALSA) roundtable and support efforts for “Caregivers in the workplace” initiative
- Continue evaluations of positions and market trends to ensure both internal equity and external comparability

TIC Certification and Training

- Develop the HR Trainer position to support employee orientation and engagement through provisional period
- Acquire a Learning Management System (LMS) and develop training and tracking of training

Human Resources Goals

Equity: Residents' race or ethnicity does not determine or predict any housing assistance outcomes

- Review education and experience requirements for entry level and harder to fill positions (Recruitment)
- Review evaluation process for equity; rating styles, consideration of events, staffing, and organizational priorities (Retention)

Internal Audit Goals

Residents Live in Quality Housing

- IA will continue the review of AHP files at 65 per month, 780 per year
- All FSS escrow packets valued over \$5,000 will be reviewed for compliance, estimating a minimum of 25 files will be processed
- The Risk Assessment for the Annual Audit Plan will update the key department processes to ensure that risks are clearly identified and evaluated for future audits; 1 audit per quarter (4 per fiscal year) is expected to be completed

Equity: Residents' Race or Ethnicity Does Not Determine or Predict any Housing Assistance Outcomes

- IA will continue training specifically on the topic of Diversity and Inclusion
- IA will complete its review for Equity, Diversity and Inclusion with the completion of the Audit of the Assisted Housing Waitlist, Eligibility, and Admissions Process, and will work with Policy and Planning and the Director of EDI regarding outcomes
- Staff will raise awareness of IA department objectives and capabilities, while learning about other Opportunity Home departments and creating additional internal networks

Internal Audit Goals

Employees Thrive at Work

- IA will ensure that training continues to be a priority with a minimum of 20 hours per staff person completed, 40 hours of training for the Director
- 100% of the department staff will volunteer on a committee and serve at an Opportunity Home event
- IA staff will participate in local Institute of Internal Auditors chapter events and training

Legal Goals

Employees Thrive at Work

- Continue to seek opportunities to develop knowledge and skills by cross-training with other departments
- Will encourage staff to attend educational trainings and obtain professional certifications
- Staff will continue to work with other departments to achieve a more efficient and effective workflow between departments

Legal Goals that Support all Outcomes

- Staff will continue to work collaboratively with other departments and outside partners to provide new opportunities for residents to remain stably housed
- Staff will continue to work with and provide training opportunities for other departments in various areas which will minimize our legal risk exposure
- Collaborate with Beacon to help facilitate a smooth transition of bringing management back in house to Opportunity Home. Continue to provide training opportunities to new property management staff
- Staff will continue to collaborate with outside counsel on litigation issues to bring quick and efficient resolutions

Equity: Residents' race or ethnicity does not determine or predict any housing assistance outcomes

- Research opportunities to identify decision points whereby equitable remedies can be identified on a case by case basis
- Legal department will continue to attend trainings on topics such as equity and inclusion

Policy & Planning Goals

Equity: Residents' Race or Ethnicity Does Not Determine or Predict any Housing Assistance Outcomes

- Expand pilot and establish organization-wide annual Equity review process

Employees Manage Data Effectively and Ensure Quality and Security of Data

- Overall Data Governance Maturity assessment score of **2** by end of FY24

Employees Develop, Review and Implement the Organization's Strategic Priorities

- Achieve average Level **2.5** Maturity Assessment across all strategy management processes
- Increase Alignment: 60% of logic model activities are supported by at least one department goal
- Increase Outcome Achievement: 50% of outcomes on track to meet targets

Public Affairs Goals

Enhance Organizational Image

- Draw attention of national housing thought leaders, trade associations, policymakers and other national entities

Residents Have Sufficient Housing Choices

- Serves as the primary affordable housing resource for families in San Antonio by developing a mobile platform
- Produce an annual funding request for an allocation dedicated solely for Opportunity Home programs

Relationship with Community

- Solicit input on the direction of the organization and ways in which they can partner with Opportunity home to deliver improved or new programs and services to residents

Risk Goals

Employees Manage Data Effectively and Ensure Quality and Security of Data

- Launch risk management software, which will allow us to view claims paid versus neighborhood

Employees Thrive at Work

- Safety fair + continuous training opportunities for employees
- Emergency preparedness - PSA videos

Equity: Residents' race or ethnicity does not determine or predict any housing assistance outcomes

- Staff will attend the Groundwater training

Regulatory Oversight Goals

Employees Thrive at Work

- Compliance Manager and Compliance Analyst will continue education courses related to updates and changes in Tax Credit field.
- Hire a new Compliance Analyst to assist with compliance for the increase in new partnership developments.
- Board Relations Manager will obtain a minimum of 20 hours of training related to her field.

Residents Live in Quality Housing

- Compliance Manager will continue to collaborate with internal departments to report on performance tracking for Partnerships as this information is vital when entering into new management/ development contracts.
- Fraud Investigator will follow up on all Lighthouse case received throughout 2022, complete preliminary investigations and close out all non-relevant cases within three business days.
- Board Relations Manager will continue to research Board management software and complete the Board document scanning project.

Equity: Residents' race or ethnicity does not determine or predict any housing assistance outcomes

- Staff will ensure procedures used to review files and other documents from Partnerships properties do not adversely affect any particular race or gender

Security Goals

Employees Develop, Review and Implement the Organization's Strategic Priorities

- **Hotspot** Crime Reduction Evidence-based Intervention Plan
- **GAS** (Geospatial Analysis Strategy)

Residents Feel Safe

- **ET-ID** (Early Threats - Identification & Detection) Managed and Measured
- **PRIDE** (Pooling Resources in Defense of our Environment) Residents, Security, Police & Social Services
- **SWAT** - Silent Witness Anonymous Tips - Crime Prevention platform to report incidents anonymously

Equity: Residents' race or ethnicity does not determine or predict any housing assistance outcomes

- **DICE** (Data Informed Community Engagement)- staff will implement and prioritize crime problems and disaster recovery with guidance from its community partners using DICE

Equity Diversity & Inclusion Goals

Organizational Culture Reflects/Advances Equity

- Spring and Fall Equity Brunch: Addressing/advancing equity across systems (housing, labor, health, justice, education, consumer and finance, transportation etc
- Circles of Change for Continual Learning Series (unpacking the history of housing in San Antonio, impacting communities: understanding implicit bias and decision making, etc.)
- Review of 2-4 Policies, processes, and performance evaluations with an equity lens

General Services Goals

Employees Thrive at Work

- Continue to assess energy and cost savings products and methods to the benefit of the organization's overall cost to operate the buildings
- Complete a redesign and renovation of both lobbies at the Central Office
- Continue to update the five-year facility improvement plan with the help of the physical needs assessment
- Continue to upgrade Central Office HVAC systems (to include automated controls)
- Install EV charging stations
- Resurface Nathan St and build pedestrian safe sidewalks
- Reduce the number of physical boxes in storage to reduce costs and comply with our Record Retention guidelines

Equity: Residents' race or ethnicity does not determine or predict any housing assistance outcomes

- General services will ensure any projects that result in changes to the Central Office building are ADA compliant to allow all current and prospective staff equal access across the building

Operations Support Goals

Employees Manage Data Effectively and Ensure Quality and Security of Data

- Implement quarterly Operations Report to highlight major aspects of operating activities and resident engagement
- Collaborate with IT and Yardi representatives to gain access to greater reporting capabilities

Residents Experience a High Standard of Housing Assistance that Improves Continuously

- Collaborate with IT and Operations departments to build a resident portal

Equity: Residents' race or ethnicity does not determine or predict any housing assistance outcomes

- Continue identifying improvements in policy and procedures to further compassionate and equitable practices across departments

Questions?

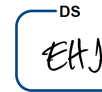
MEMORANDUM

To: Finance Committee

From: Ed Hinojosa, Jr., President and CEO

Presented by: Allison Schlegel, Director of Internal Audit

RE: Update and Discussion Regarding Internal Audit


SUMMARY:

Internal Audit provides independent and objective assurance, auditing, and consulting services to add value, improve internal controls, and strengthen the organization's operations. The function helps the organization 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 Opportunity Home San Antonio's Internal Audit Department is to:

- Ensure the organization 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 2022-2023 Quarter 4
- 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 that the action is behind schedule; and yellow indicates the action has a due date less than 30 days in the future.

PROPOSED ACTION:

Opportunity Home San Antonio

May 17, 2023

None at this time.

STRATEGIC OUTCOME:

Supports all strategic outcomes.

ATTACHMENTS:

Status of Management Corrective Action Plans
Presentation

STATUS OF MANAGEMENT CORRECTIVE ACTION ITEMS as of 8/1/22

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 2016-2017</u>											
FY 16-17	4/16/19	Audit of Tenant Participation Funds at Parkview Apartments	Significant Deficiency	Finding 3 - Check Disbursements	Recommendation Internal Audit recommends that the Property Manager or Case Management Specialist assist the RC with establishing a bank account that will conform to the requirements set forth in the RC Manual. including the requirement for dual signatures, with the Treasurer being one of the signatories on each disbursement. Additionally, either the Property Manager or the Case Management Specialist should be on the bank account.	<i>CDI Management will meet with PH Management to determine the best course of action for supporting RC with establishing bank accounts. An SOP will be developed to provide guidance for SAHA staff who have expressed concerns with adding their names to the RC bank account.</i>	5/8/2019	5/31/2023	In Progress	BP	The completion of the Tenant Participation Funds SOP was scheduled for March 1, and the completion of the Resident Leadership Council (RLC) manual was scheduled for March 15; however, due to CDI staff turnover, the completion dates have been moved to May 31, 2023. CDI is working with HR to remediate the staffing issues.
<u>Fiscal Year 2019-2020</u>											
FY 19-20	10/30/20	Audit of Rent Calculation and Collection Processes at Public Housing Communities	Significant Deficiency	Finding 3 - Incorrect Account Settlement in Elite	Recommendation Management should reemphasize to staff the importance of calculating prorated rent and verifying that they have been appropriately accounted for in the tenant ledger.	<i>Move Out SOP is being updated and training is scheduled for February 2021.</i>	2/28/2021	5/31/2023	In Progress	BP	Final review and approval in progress. Training and rollout will be provided by May 31.
FY 19-20	10/30/20	Audit of Rent Calculation and Collection Processes at Public Housing Communities	Significant Deficiency	Finding 4 - Inconsistent move-out procedures	Recommendation Written procedures should be established specifically for the move-out process that is separate from the eviction process. The procedures should address the processing time required to close-out tenant accounts, collections process, EIV module notification, as well as standardize usage of entering information into Elite for tenant ledgers, tenant notes, and entity alerts.	<i>The Move Out SOP is being updated and training is scheduled for February 2021.</i>	2/28/2021	5/31/2023	In Progress	BP	Final review and approval in progress. Training and rollout will be provided by May 31.
FY 19-20	10/30/20	Audit of Rent Calculation and Collection Processes at Public Housing Communities	Observation	Observation 1 - Electronic Documentation in Shared Google Drive.	Recommendation Tenant documents, to include forms and letters should be "backed up" or copied as a pdf to a shared Public Housing folder in the SAHA Google shared drive. This prevents the need to obtain the physical file when it is not possible, and allows for any SAHA staff person to access this document in the future if the creator of the document is no longer a SAHA employee.	<i>Management is not currently expecting to move to a digital file system. Move Out SOP is being updated and training is scheduled for February 2021</i>	2/28/2021	5/31/2023	In Progress	BP	Final review and approval in progress. Training and rollout will be provided by May 31.

STATUS OF MANAGEMENT CORRECTIVE ACTION ITEMS as of 8/1/22

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 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Significant Deficiency	Finding 1 - Outstanding debt owed to SAHA	Recommendation Ensure every effort is made to recoup monies owed to SAHA to include reporting any bad debt to SAHA's third-party collection agency.	<i>Assisted Housing Programs has removed the policy to send bad debt to SAHA's third-party collection agency effective July 1, 2020. The change was made due to the concern that the collection reporting would have on the client's credit history. An applicant will not be housed in the future, as all debts will show and they must make arrangements before continuing in the process. Management is currently reviewing current AHP policies / procedures on recoupment of monies for bad debts owed, including performing collections within SAHA. The Public Housing Move Out SOP is being updated to include specific procedures and timeline for collections in order to provide reinforcement of collection policies and procedures for property managers to abide by in collecting debt. Staff training is scheduled for February 2021. Management has followed up with the appropriate property managers to send the monies to collections in PH, and with appropriate action (depending on whether for participant / owner) for AHP cases.</i>	2/28/2021	5/31/2023	In Progress	BP	Final review and approval in progress. Training and rollout will be provided by May 31.
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Significant Deficiency	Finding 2 - Court fees not charged on Public Housing tenant ledgers	Recommendation Ensure all charges to include judgments and or evictions are documented and applied consistently to each file.	<i>Monthly Quality Control for eviction reports will be run for Property manager review. Move Out SOP is being updated to include move out reason definitions and training is scheduled for February 2021.</i>	2/28/2021	5/31/2023	In Progress	BP	Final review and approval in progress. Training and rollout will be provided by May 31. Training and rollout scheduled for the week of April 3.
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Significant Deficiency	Finding 3 - Terminations not entered into Enterprise Income Verification (EIV)	Recommendation Ensure this process is part of the termination/move out checklist and create a standard operating procedure to ensure terminations are entered into the EIV DOTM.	<i>A reminder will be issued to AHP and PH staff responsible for entering information into EIV. The AHP Terminations SOP will be updated to include the EIV reporting process. PH Move Out SOP being updated will include the EIV reporting process. Will establish a procedure to ensure EIV/PIC Analyst sends out email to Property Managers when submissions are complete to remind properties to enter termination into EIV. Property Manager will QC information entered. Move Out SOP is being updated and training is scheduled for February 2021.</i>	2/28/2021	5/31/2023	In Progress	BP	Final review and approval in progress. Training and rollout will be provided by May 31.
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Internal Control Deficiency	Finding 4 - Termination report discrepancy	Recommendation Ensure management confirms all information in Elite is entered properly and any system generated reports reflect accurate information	<i>Move Out SOP is being updated to include move out reason definitions and training is scheduled for February 2021. A reminder will be issued to staff on termination reasons and reporting.</i>	2/28/2021	5/31/2023	In Progress	BP	Final review and approval in progress. Training and rollout will be provided by May 31.
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Internal Control Deficiency	Finding 5 - Delay in reviewing files for termination	Recommendation Ensure staff and management are aware of the importance of sending files through the termination process in a timely manner. Include a time frame to specify how long both staff and management have to review the file prior to sending the file for review of termination	<i>A reminder will be issued to staff and a report for expired vouchers will be established to notify staff of when to move forward with termination. Move Out SOP is being updated to include move out reason definitions and training is scheduled for February 2021. The Move Out SOP will include clarification on timelines for Public Housing.</i>	2/28/2021	5/31/2023	In Progress	BP	Final review and approval in progress. Training and rollout will be provided by May 31.
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Internal Control Deficiency	Finding 6 - Notice to Vacate and/or Final Notice to Vacate (FNTV)	Recommendation Ensure procedures are reviewed and reinforced with staff to ensure all required documents are maintained in the program file.	<i>Move Out SOP is being updated and will include timelines for Notice to Vacates. File Order SOP will be updated to clarify the process for termination / evicted files.</i>	7/1/2021	5/31/2023	In Progress	BP	Final review and approval in progress. Training and rollout will be provided by May 31.

STATUS OF MANAGEMENT CORRECTIVE ACTION ITEMS as of 8/1/22

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 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Observation	Observation 1 - No abandonment policy	Recommendation Recommend adding steps to the PH Eviction SOP regarding when to use the abandonment policy vs court eviction proces	<i>Move Out SOP is being updated and will include Texas Property Law sections on handling Abandonment of units and related SAHA Policy.</i>	2/28/2021	5/31/2023	In Progress	BP	Final review and approval in progress. Training and rollout will be provided by May 31.
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Observation	Observation 2 - Inconsistent use of Public Housing termination end date	Recommendation Ensure an SOP is created to assist staff in clarifying which date to use for the end of participation depending on situations for termination.	<i>Move Out SOP is being updated and will include effective dates and timelines.</i>	2/28/2021	5/31/2023	In Progress	BP	Final review and approval in progress. Training and rollout will be provided by May 31.
Fiscal Year 2020-2021											
FY 20-21	4/9/21	Public Housing Midyear Modified Compliance Audit	Significant Deficiency	Finding 1- Incorrect security deposit charged and/or collected	Recommendation Management should reemphasize to staff that a security deposit must be collected in full, and applied to the ledger correctly.	<i>Revised reponse from Managment, "Monthly Quality Control for Security deposit collection Reports have been occurring since July 2020 for Property manager review. Move Out SOP is being updated and training is scheduled for June 2021."</i>	6/30/2021	5/31/2023	In Progress	BP	Final review and approval in progress. Training and rollout will be provided by May 31.
Fiscal Year 2021-2022											
FY 21-22	3/8/23	Audit of the Redevelopment/Modernization Process of Victoria Plaza Draft Final Report	Other Internal Control Deficiency	Finding 1 - Missing the updated Certificates of Insurance (COI)	Recommendation Develop a clear and defined written procedure of who is responsible for ensuring, collecting, and saving the updated Certificate of Insurance in the file or folder.	The Procurement Department will work with Risk Management to develop procedures for obtaining updated insurance certificates after the award stage.	11/17/2022	6/1/2023	In Progress	MR	
FY 21-22	3/8/23	Audit of the Redevelopment/Modernization Process of Victoria Plaza Draft Final Report	Observation	Observation 3 - Missing a Relocation Directive or Standard Operating Procedure (SOP) for Public Housing Specific to Redevelopment Projects	Recommendation Develop an SOP for the relocation of residents due to redevelopment or significant modernization of a community. The SOP should be written clearly, providing step-by-step instructions to guide staff through the process based on HUD Regulations and from the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. The guidance should also cover the end of a modernization project, and steps to bring residents back to their original community	Operations Support will collaborate with Public Housing management to establish a Relocation SOP for future redevelopment and modernization projects.	3/31/23	07/01/2024	In Progress	BP	The completion of the Relocation SOP has been moved to July 2024 due to HUD mandates scheduled to be implemented beginning June 2023.

Internal Audit Update

May 17, 2023

Internal Audit Quarter Four Activities

Support Strategic Outcomes

Internal Audit activities that support all strategic outcomes:

- Continuing to work with CDI Family Self-Sufficiency (FSS) program on escrow review process and streamlining review to meet the changes in the FSS program direction
 - 24 escrows over \$5,000 were reviewed and approved for graduation in FY 2022-2023
 - A total of \$234,547.72
 - Average escrow: \$9,772.82
- Audit of Assisted Housing Program Waitlist, Eligibility and Admissions Process
- Audit of Public Housing Program Waitlist, Eligibility and Admissions Process
- Audit of Public Housing Repayment Agreements
- Standard Operations Compliance Audits of Public Housing, Assisted Housing Programs, and Beacon Communities
- Support of Resident Leadership Coordinator in development of Resident Councils

Status

2022–2023 Audit Plan

Audit of the Assisted Housing Waitlist, Eligibility, and Admissions Process

- Audit kick-off was held on September 22, 2022, and fieldwork is underway.
 - Internal Audit is reviewing the waitlist process for the most current waitlist opened on July 2022, and will review the eligibility and admissions process through a sample of the September 2021 waitlist.
 - Auditor is currently focused on the development of the report.

Status

2022–2023 Audit Plan

Audit of the Public Housing Repayment Agreements

- Audit kick-off was held on March 29, 2023, and fieldwork is underway.
 - Allison Schlegel, Director of Internal Audit, and Michelle McDermott, Compliance Auditor, will be the lead for this audit.
 - Internal Audit is reviewing Repayment Agreements executed between July 1, 2022 through February 28, 2023. The sample size will be 10%, or a maximum of 65 files, based on the number of Repayment Agreements executed and actively collected during the timeframe.

Status

2022–2023 Audit Plan

Audit of the Public Housing Waitlist, Eligibility, and Admissions Process

- Audit kick-off was held on April 5, 2023, and fieldwork is underway.
 - Vanessa Herrera, Auditor I, will be the lead for this audit.
 - Internal Audit is reviewing the waitlist process for the most current waitlist opened on July 2022, and will review the eligibility and admissions process through a sample of the February 2023 waitlist. The sample size will be 10%, or a maximum of 45, of new admitted applicants and 10 denied applicants.

Status

2022-2023 Audit Plan

Compliance Audits focus on permanent documents, rent determination and calculation

Assisted Housing Programs (Ongoing)

- Files reviewed are all digital; however, the physical file is reviewed for permanent documentation if the digital file is a recertification or interim certification
- Completed the review of 585 digital files and 213 physical files from July 1, 2022 - March 31, 2023

Status

2022-2023 Audit Plan

Public Housing (Ongoing)

- 10% of occupied units with no less than 5 files reviewed per community
- All files are physical, follow-up of corrections is digitally reviewed
- Completed 36 PH and Mixed Income Communities (440 files)

Status

2022-2023 Audit Plan

Beacon Communities (Ongoing)

- 10% of occupied units with no less than 5 files reviewed per community
- Completed 22 Beacon Communities (383 files)

Status

Action Items

Status of Corrective Action Items resulting from Internal Audits

- Currently, there are fifteen (15) open action items
- The fifteen (15) action items are pending review and approval of an SOP, and are expected to be completed this fiscal year
 - 1 is pending Resident Leadership Coordinator (RLC) completion of the Resident Council (RC) manual and the Tenant Participation Funds SOP; however, due to CDI staff turnover, the completion dates have been moved to May 31, 2023. CDI is currently working with HR to remediate the staffing issues.
 - 12 are pending final approval of the *Move Out SOP*, with training and rollout scheduled for the week of May 31, 2023.

Status

Action Items (Cont.)

Status of Corrective Action Items resulting from Internal Audits

- 1 is pending the development of procedures for obtaining updated insurance certificates after the award stage. The completion date is scheduled for June 1, 2023.
- 1 is pending the establishment of a Relocation SOP for future redevelopment and modernization projects. The completion date has been rescheduled to July 1, 2024, to allow Operations Support the ability to focus on HUD mandates being implemented as early as June 2023.

Status

Third Party Audits

CohnReznick LLP Reports Include

- Financial Audit Results Opinion | Unmodified (Clean Audit)
- Internal Control Audit Results Opinion | Unmodified (Clean Audit)
- Compliance Audit Results Opinion | Unmodified (Clean Audit)

Questions?

OPPORTUNITY HOME SAN ANTONIO**May 17, 2023****MEMORANDUM**

To: Finance Committee

From: Ed Hinojosa, Jr., President and CEO

Presented by: Diana Kollodziej Fiedler, Chief Financial Officer

RE: Update and discussion regarding the Quarterly Financial Performance Report for Opportunity Home San Antonio

DS
EHJ

SUMMARY:**Financial Performance Highlights**

The Quarterly Financial Report for Opportunity Home San Antonio for the nine months ended March 31, 2023 is attached. The Financial Performance Report provides separate condensed statements of revenue and expenses, one for Opportunity Home's core business activities of housing, management, and resident services ("Operations"); and another for the Capital Fund and Real Estate Services lines of business ("Capital"). The results for the nine months ended March 31, 2023 reflect a Surplus Before Non-Cash Items of \$6.0 million for Operations (\$10.7 million above budget) and \$15.7 million for Capital (\$2.2 million above budget).

Total Operating Revenue for the Operations segment was approximately \$0.2 million below budget due primarily to an unfavorable variance of \$6.5 million in Tenant Revenue. This was partially offset by favorable variances of \$2.1 million in Grants revenue, \$3.7 million in Housing Assistance Payment (HAP) Revenue, and \$0.4 million in Miscellaneous Revenue. Tenant Revenue was below budget by \$6.5 million due to unfavorable variances in both the Beacon and Public Housing sectors of \$5.6 million and \$0.9 million, respectively. Grant revenue was above budget by \$2.1 million mainly due to favorable variances of \$1.7 million in Section 8 administrative fees and \$0.8 million in Public Housing operating subsidy, which was offset by \$0.2 million in Jobs Plus Lincoln funds budgeted but not realized. Section 8 HAP Revenue ended the period with a \$3.7 million favorable variance and HAP Expense ended the period with a favorable variance of \$10.0 million. The \$3.7 million favorable variance in Section 8 HAP Revenue was favorable primarily due to the Housing Choice Voucher (HCV) program receiving \$13.0 million to fund the FY22 Public Housing operating shortfall, pay off the Woodhill loan that matured September 2022, and fund the Ravello acquisition and refinance. The \$10.0 million favorable variance in HAP expenses was related to a decrease in leasing. Lastly, the \$0.4 million favorable variance in Miscellaneous Revenue was related to \$0.4 million in Community Initiatives for supportive services provided at various properties.

Total Operating Expenses ended the period \$9.9 million below budget for Operations largely due to favorable variances of \$10.0 million in HAP Expense, \$5.4 million in Salaries and Benefits, and \$0.2 million in Utilities, offset by an unfavorable variance of \$5.7 million in Ordinary Maintenance and Operations. Staffing vacancies and positions placed on hold have led to all segments reporting favorably for Salaries and Benefits. The Ordinary Maintenance and

OPPORTUNITY HOME SAN ANTONIO**May 17, 2023**

Operations line item ended the period \$5.7 million above budget primarily due to an unfavorable variance in Public Housing. Unfavorable expenses arose from lawn services, major repairs, and maintenance materials.

Total Operating Revenue for the Capital segment was approximately \$1.8 million above budget due primarily to a favorable variance of \$4.9 million in Miscellaneous Revenue offset by a shortfall of \$3.0 million in Grants revenue related to the timing of Capital Fund grant expenditures. Miscellaneous Revenue was above budget by \$4.9 million due to favorable variances of \$5.1 million for various earned fees associated with the closing of capital transactions for co-developed tax credit partnerships and \$0.8 million for bond issuer fees earned by Las Varas Public Facility Corporation ("Las Varas PFC").

Total Assets and Deferred Outflows of Resources increased by \$40.4 million due to increases of \$5.9 million in Current Assets, \$31.4 million in Fixed Assets, \$5.0 million in Other Non-Current Assets, and a decrease of \$1.8 million in Deferred Swap Outflows. The \$5.9 million increase in Current Assets resulted largely from the resyndication of Rosemont at University Park, which resulted in a distribution of \$4.3 million to Las Varas PFC paid from net sales proceeds. Additionally, \$0.5 million was received representing the final distribution paid to Las Varas PFC from net sales proceeds as part of the tax credit resyndication of The Sorento Apartments. The organization also sold eight single-family homes in the Villa de Fortuna subdivision for an aggregate amount of \$1.3 million. The \$31.4 million upswing in Fixed Assets was due to the addition of buildings, site improvements, and land of \$45.2 million as well as an increase of \$6.6 million related to capital projects offset by the recording of depreciation. The increase in buildings was attributable to Beacon's purchase of the San Juan II property and the capitalization of construction projects in both the Beacon and Public Housing portfolios. Other Non-Current Assets increased by \$5.0 million due to an increase in development fees receivable of \$3.3 million and the recognition of a non-current lease receivable of \$2.8 million due to implementation of Governmental Accounting Standards Board Statement No. 87 ("GASB 87"). Deferred Swap Outflows decreased by \$1.8 million as a result of changes in the fair value of various interest rate swaps.

Total Liabilities and Deferred Inflows of Resources increased by \$24.8 million, or 13.42 percent, due primarily to the Facility Corporation entering into ground leases with the Palo Alto, Potranco, Horizon Pointe and Bristol at Somerset partnerships, which resulted in an aggregate increase of \$12.2 million. In prior periods, unearned ground lease revenue was presented in Non-Current Liabilities, but as a result of the GASB 87 implementation, all current and future ground leases will be presented in the new line item, Leased Assets, which is reported under Deferred Inflows of Resources. Significant increases in Non-Current Liabilities included \$11.9 million of new debt related to 100 Labor Street construction draws and the addition of \$3.5 million in debt related to the acquisition of the San Juan II property. Furthermore, the Science Park, O'Connor, and Refugio refinances resulted in an aggregate net addition to debt of \$13.6 million. Partially offsetting the overall increase in Total Liabilities and Deferred Inflows of Resources were a \$5.9 million decrease in unearned revenue for Section 8 programs (funds were expended), the \$6.3 million payoff of the Woodhill bonds and scheduled principal payments of \$4.9 million.

OPPORTUNITY HOME SAN ANTONIO**May 17, 2023**

The Comparative Balance Sheet reflects an overall increase in Total Net Position of \$15.6 million from March 31, 2022 to March 31, 2023 as a result of the changes described above.

Supplemental Information–Funding Environment

On March 13, 2023, the Biden Administration released its full fiscal year 2024 (FY24) budget request. Generally, for public housing and related programs, the proposal is a modest increase over previous years. The Administration requests a total \$73.3 billion in discretionary funding for the U.S. Department of Housing and Urban Development (HUD), a \$1.1 billion or 1.6 percent increase over the FY23 enacted level. Below are highlights of the bill:

- \$32.7 billion for Tenant-Based Rental Assistance, a \$2.5 billion increase over the FY23 enacted level. Of this amount, \$27.8 billion is for Section 8 Housing Choice Voucher contract renewals, which is 1.1 billion more than FY23 levels and should be sufficient to fund all renewals.
- \$3.2 billion for Public Housing Capital Fund, an increase of \$25 million over the FY23 enacted level.
- \$5.1 billion for Public Housing operating subsidies, a decrease of \$24 million compared to the FY23 enacted level.
- \$15.9 billion for Project-Based Rental Assistance, an increase of \$997 million over the FY23 enacted level, which should be sufficient to renew all expiring contracts.
- \$185 million for the Choice Neighborhoods Initiative, \$165 million less than the FY23 enacted level.

On April 26, 2023, the U.S. House of Representatives passed the “Limit, Save, and Grow Act” (H.R.2811). If enacted, the bill would lift the federal debt ceiling in exchange for massive spending cuts to federal domestic programs in FY24, including HUD’s affordable housing programs. Below are highlights of the bill:

- The bill would increase borrowing authority by \$1.5 trillion or until March 31, 2024, whichever comes first.
- The bill proposes FY24 spending levels to be cut to FY22 levels. This would be about a 22% decrease in funding for domestic programs.
- The bill would limit future spending growth to 1% per year for a decade.
- The bill is expected to be dead on arrival in the Senate. The Senate is not expected to vote on the measure.
- President Biden is expected to meet with congressional leaders on May 12 for continued negotiations.

PROPOSED ACTION:

None.

STRATEGIC OUTCOMES:

Supports all strategic outcomes.

ATTACHMENTS:

Financial Performance Report

OPPORTUNITY HOME SAN ANTONIO

May 17, 2023

Grants Report
Presentation

Opportunity Home San Antonio
Financial Performance Report
Condensed Statement of Revenue and Expenses - Operations
(For the Nine Months Ended 3/31/2023)
(Unaudited)

	OPERATIONS ACTUAL 3/31/2023	OPERATIONS BUDGET 3/31/2023	OPERATIONS Variance	%	Highlights Section
Operating Revenue					
Tenant Revenue	\$ 28,270,338	\$ 34,735,011	\$ (6,464,673)	-18.61%	l(a)(1)
Grants	34,548,559	32,417,675	2,130,884	6.57%	l(a)(2)
HAP Revenue	82,561,077	78,852,643	3,708,434	4.70%	l(a)(3)
Miscellaneous Revenue	1,118,389	696,118	422,271	60.66%	l(a)(4)
Total Operating Revenue	\$ 146,498,362	\$ 146,701,446	\$ (203,084)	-0.14%	
Operating Expenses					
Salaries and Benefits	\$ 29,501,309	\$ 34,911,163	\$ (5,409,855)	-15.50%	l(b)(1)
Ordinary Maintenance and Operations	18,491,039	12,795,649	5,695,390	44.51%	l(b)(2)
Utilities	7,023,412	7,218,039	(194,627)	-2.70%	l(b)(3)
Other Expenses	10,993,939	11,044,894	(50,955)	-0.46%	
HAP Expense	68,655,223	78,627,250	(9,972,026)	-12.68%	l(a)(3)
Total Operating Expenses	\$ 134,664,922	\$ 144,596,995	\$ (9,932,073)	-6.87%	
Net Operating Income	\$ 11,833,440	\$ 2,104,450	\$ 9,728,990	462.31%	
Non-Operating Income (Expenses)					
Interest Expense	\$ (4,921,043)	\$ (3,776,373)	\$ (1,144,670)	30.31%	l(c)(1)
Interest Income	1,796,678	767,517	1,029,161	134.09%	l(c)(1)
Other Income (Expenses)	(2,686,303)	(3,759,027)	1,072,724	-28.54%	l(c)(1)
Total Non-Operating Income (Expenses)	\$ (5,810,667)	\$ (6,767,883)	\$ 957,215	-14.14%	
Surplus (Deficit) Before Non-Cash Items	\$ 6,022,773	\$ (4,663,432)	\$ 10,686,205	-229.15%	
Non-Cash Items					
Depreciation and Amortization	\$ (10,608,684)	\$ (11,135,696)	\$ 527,012	-4.73%	l(c)(1)
Non-Operating Income (Expense)	63,925	8,910,899	(8,846,974)	-99.28%	l(c)(2)
Total Non-Cash Items	\$ (10,544,759)	\$ (2,224,797)	\$ (8,319,962)	373.97%	
Change in Net Position	\$ (4,521,986)	\$ (6,888,229)	\$ 2,366,243	-34.35%	l(c)(1)

**Opportunity Home San Antonio
Financial Performance Report
Condensed Statement of Revenue and Expenses - Capital Activities**
(For the Nine Months Ended 3/31/2023)
(Unaudited)

	CAPITAL ACTUAL 3/31/2023	CAPITAL BUDGET 3/31/2023	CAPITAL Variance	%	Highlights Section
Operating Revenue					
Grants	\$ 9,360,878	\$ 12,401,217	\$ (3,040,339)	-24.52%	II(a)(1)
Miscellaneous Revenue	10,168,418	5,294,909	4,873,509	92.04%	II(a)(2)
Total Operating Revenue	\$ 19,529,295	\$ 17,696,126	\$ 1,833,170	10.36%	
Operating Expenses					
Salaries and Benefits	\$ 1,228,572	\$ 1,838,669	\$ (610,097)	-33.18%	I(b)(1)
Ordinary Maintenance and Operations	665,218	118,327	546,890	462.18%	I(b)(2)
Utilities	1,446	2,138	(691)	-32.33%	
Other Expenses	1,462,416	903,513	558,904	61.86%	I(b)(3)
Total Operating Expenses	\$ 3,357,652	\$ 2,862,647	\$ 495,005	17.29%	
Net Operating Income	\$ 16,171,643	\$ 14,833,479	\$ 1,338,164	9.02%	
Non-Operating Income (Expenses)					
Interest Expense	\$ (236,291)	\$ (237,791)	\$ 1,500	-0.63%	
Interest Income	837,538	129,064	708,473	548.93%	II(c)(1)
Other Income (Expenses)	(1,098,461)	(1,202,252)	103,791	-8.63%	
Total Non-Operating Income (Expenses)	\$ (497,214)	\$ (1,310,978)	\$ 813,765	-62.07%	
Surplus (Deficit) Before Non-Cash Items	\$ 15,674,430	\$ 13,522,501	\$ 2,151,929	15.91%	
Non-Cash Items					
Depreciation and Amortization	\$ (115,912)	\$ (116,249)	\$ 337	-0.29%	
Non-Operating Income (Expense)	(1,966,008)	(10,158,333)	8,192,325	-80.65%	II(c)(1)
Total Non-Cash Items	\$ (2,081,919)	\$ (10,274,582)	\$ 8,192,662	-79.74%	
Change in Net Position	\$ 13,592,510	\$ 3,247,919	\$ 10,344,591	318.50%	II(c)(1)

*Capital Fund column includes Capital Fund and Real Estate Services

**Opportunity Home San Antonio
Financial Performance Report
Comparative Balance Sheet
As of March 31, 2023
(Unaudited)**

	3/31/2023	3/31/2022	Increase (Decrease)	%	Highlights Section
Assets					
Current Assets	\$ 121,226,068	\$ 115,338,679	\$ 5,887,389	5.10%	
Fixed Assets	348,586,234	317,226,288	31,359,946	9.89%	
Other Non-Current Assets	72,007,036	66,971,781	5,035,255	7.52%	
Total Assets	\$ 541,819,338	\$ 499,536,748	\$ 42,282,590	8.46%	
Deferred Outflows of Resources					
Deferred Charges on Refunding	\$ 203,075	\$ 297,502	\$ (94,427)	-31.74%	
Deferred Swap Outflows	55,761	1,893,929	(1,838,168)	-97.06%	
Total Deferred Outflows of Resources	\$ 258,836	\$ 2,191,431	\$ (1,932,595)	-88.19%	
Total Assets and Deferred Outflows of Resources	\$ 542,078,174	\$ 501,728,179	\$ 40,349,995	8.04%	III(a)
Liabilities					
Current Liabilities	\$ 26,186,846	\$ 35,158,243	\$ (8,971,397)	-25.52%	
Non-Current Liabilities	131,235,526	149,527,936	(18,292,410)	-12.23%	
Total Liabilities	\$ 157,422,372	\$ 184,686,179	\$ (27,263,807)	-14.76%	
Deferred Inflows of Resources					
Leased Assets	\$ 51,854,931	\$ -	\$ 51,854,931	N/A	
Deferred Swap Inflows	186,451	-	186,451	N/A	
Total Deferred Inflows of Resources	\$ 52,041,382	\$ -	\$ 52,041,382	N/A	
Total Liabilities and Deferred Inflows of Resources	\$ 209,463,754	\$ 184,686,179	\$ 24,777,575	13.42%	III(b)
Net Position					
Net Investment in Capital Assets	\$ 215,122,818	\$ 200,398,854	\$ 14,723,964	7.35%	
Restricted Net Position	48,973,297	40,764,477	8,208,820	20.14%	
Unrestricted Net Position	68,518,305	75,878,669	(7,360,364)	-9.70%	
Total Net Position	\$ 332,614,420	\$ 317,042,000	\$ 15,572,420	4.91%	III(c)
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 542,078,174	\$ 501,728,179	\$ 40,349,995	8.04%	

**Opportunity Home San Antonio
Financial Performance Report
As of March 31, 2023
(Unaudited)**

HIGHLIGHTS

For the nine months ended March 31, 2023, the Operations segment generated a surplus before non-cash items of \$6.0 million, which was \$10.7 million above budget. Total Operating Revenue was below budget by \$0.2 million, or 0.14 percent, and Total Operating Expenses were below budget by \$9.9 million, or 6.87 percent.

For the nine months ended March 31, 2023, the Capital segment produced a surplus before non-cash items of \$15.7 million, which was \$2.2 million above budget. Total Operating Revenue was above budget by \$1.8 million, or 10.36 percent, and Total Operating Expenses were above budget by \$0.5 million, or 17.29 percent.

Total Assets and Deferred Outflows of Resources increased by \$40.4 million, or 8.04 percent. Total Liabilities and Deferred Inflows of Resources increased by \$24.8 million, or 13.42 percent. Presented below are explanations which summarize the results of operations (Operations and Capital segments) and the combined changes in financial condition.

I. Income Statement (Operations)

Total Operating Revenue was below budget by \$0.2 million and Total Operating Expenses were below budget by \$9.9 million.

(a) **Operating Revenue**

- (1) Tenant revenue was below budget by \$6.5 million due to unfavorable variances in the Beacon and Public Housing sectors of \$5.6 million and \$0.9 million, respectively. The primary properties contributing to the unfavorable variance for the Beacon sector were Woodhill, Rosemont at Highland Park, Cottage Creek, Costa Valencia and Burning Tree. Occupancy remains an ongoing challenge with fiscal year-to-date occupancy for these properties ranging between 72 and 83 percent. Average occupancy for the Beacon portfolio was 84 percent.
- (2) Grant revenue was above budget by \$2.1 million primarily due to favorable variances of \$1.7 million in Section 8 and \$0.8 million in Public Housing. The \$1.7 million variance consisted of Section 8 administrative fees and the \$0.8 million variance consisted of operating subsidy. Offsetting this was an unfavorable variance of \$0.2 million in Emergency Housing Voucher service fees and \$0.2 million in the Jobs Plus Lincoln grant due to timing of expenditures.

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(Unaudited)

- (3) Section 8 Housing Assistance Payment (HAP) Revenue ended the period with a favorable variance of \$3.7 million and HAP Expense ended the period with a favorable variance of \$10.0 million. HAP Revenue was favorable primarily due to the organization requesting \$13.0 million from HUD-Held MTW funds to support the Public Housing operating shortfall, pay off the Woodhill loan which matured in September 2022, and fund the Ravello acquisition and refinance in February 2023. HAP expenses were lower for the HCV program compared to what was budgeted related to a decrease in leasing.
- (4) Miscellaneous Revenue ended the period with a favorable variance of \$0.4 million in Community Initiatives. The \$0.4 million variance was comprised of other income for supportive services provided to various properties.

(b) **Operating Expenses**

- (1) Salaries and Benefits ended the period \$5.4 million below budget. Staffing vacancies and positions placed on hold have led to all segments reporting favorably for Salaries and Benefits. The Central Office, Public Housing and Beacon segments were the primary contributors to the favorable variance.
- (2) Ordinary Maintenance and Operations ended the period \$5.7 million above budget primarily due to an unfavorable variance in Public Housing of \$5.1 million. Unfavorable expenses arose from lawn services, major repairs, and maintenance materials.
- (3) Utilities ended the period \$0.2 million below budget primarily due to favorable variances for water and electricity expenses realized in the Public Housing segment.

(c) **Summary of Changes in Net Position**

- (1) Change in Net Position ended the period \$2.4 million above budget. Net Operating Income was above budget by \$9.7 million. Interest Expense ended the period \$1.1 million above budget due to refinancing fees related to four properties. Interest Income performed \$1.0 million better than budget due to rising interest rates. Other Income (Expenses) was favorable by \$1.1 million primarily due to a net gain on insurance proceeds.
- (2) Non-Operating Income (Expense) ended the period \$8.8 million below budget due to the timing of capitalizing projects.

**Opportunity Home San Antonio
Financial Performance Report
As of March 31, 2023
(Unaudited)**

II. Income Statement (Capital)

Total Operating Revenue was above budget by \$1.8 million and Total Operating Expenses were above budget by \$0.5 million.

(a) **Operating Revenue**

- (1) Grant revenue was below budget by \$3.0 million primarily due to the timing of Capital Fund grant expenditures.
- (2) Miscellaneous Revenue was above budget by \$4.9 million due to a favorable variance of \$5.1 million for various earned fees associated with the closing of capital transactions for co-developed tax credit partnerships of \$4.5 million and \$0.8 million for bond issuer fees for Las Varas Public Facility Corporation. Partially offsetting the overall favorable variance was \$0.3 million in unearned development fees that were budgeted but not realized.

(b) **Operating Expenses**

- (1) Salaries and Benefits were below budget by \$0.6 million primarily due to a favorable variance in the Real Estate Services sector.
- (2) Ordinary Maintenance and Operations were above budget by \$0.5 million primarily due to an unfavorable variance in Capital Funds related to major repairs and upgrades.
- (3) Other Expenses were above budget by \$0.6 million primarily due to an unfavorable variance in the Real Estate Services sector. Unfavorable expenses arose from consulting fees related to Snowden and pre-development for the Alazan expansion project.

(c) **Summary of Changes in Net Position**

- (1) Change in Net Position ended the period with a \$10.3 million favorable variance. Net Operating Income was above budget by \$1.3 million. Interest income was favorable by \$0.7 million due to the unexpected increase in interest earnings. There was a \$8.2 million favorable variance in Non-Operating Income (Expense) related to equity transfers budgeted but not realized.

Opportunity Home San Antonio
Financial Performance Report
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(Unaudited)

III. Balance Sheet

Total Assets and Deferred Outflows of Resources increased by \$40.4 million, Total Liabilities and Deferred Inflows of Resources increased by \$24.8 million, and Total Net Position increased by \$15.6 million.

- (a) Total Assets and Deferred Outflows of Resources increased by \$40.4 million, or 8.04 percent. Current Assets and Fixed Assets increased by \$5.9 million and \$31.4 million, respectively, and were partially offset by a decrease in Deferred Swap Outflows of \$1.8 million. The \$5.9 million increase in Current Assets resulted largely from the resyndication of Rosemont at University Park, which resulted in a distribution of \$4.3 million to Las Varas Public Facility Corporation (“Las Varas PFC”) paid from net sales proceeds. Additionally, \$0.5 million was received representing the final distribution paid to Las Varas PFC from net sales proceeds as part of the tax credit resyndication of The Sorento Apartments. The organization also sold eight single-family homes in the Villa de Fortuna subdivision for an aggregate amount of \$1.3 million. The \$31.4 million increase in Fixed Assets resulted primarily from increases of \$29.6 million in buildings and site improvements and \$15.6 million in land. The \$29.6 million increase in buildings and site improvements resulted primarily from the purchase of the San Juan II property in the Beacon portfolio, as well as the capitalization of projects in both the Beacon and Public Housing portfolios. This increase was largely offset by the routine recording of depreciation. Land increased by \$15.6 million due to various ground leases executed between San Antonio Housing Facility Corporation or Las Varas PFC and tax credit limited partnerships. Additionally, there was an increase of \$6.6 million in construction in progress related to ongoing modernization projects. Other Non-Current Assets increased by \$5.0 million due to an increase in development fees receivable of \$3.3 million and the recognition of a non-current lease receivable of \$2.8 million due to Governmental Accounting Standards Board Statement No. 87 (“GASB 87”) implementation. The \$1.8 million decrease in Deferred Swap Outflows was a result of changes in the fair value of various interest rate swaps.
- (b) Total Liabilities and Deferred Inflows of Resources increased by \$24.8 million, or 13.42 percent, due primarily to the Facility Corporation entering into ground leases with the Palo Alto, Potranco, Horizon Pointe and Bristol at Somerset partnerships which resulted in an aggregate increase of \$12.2 million. In prior periods, unearned ground lease revenue was presented in Non-Current Liabilities but as a result of GASB 87 implementation, all current and future ground leases will be presented in the new line item, Leased Assets, which is reported under Deferred Inflows of Resources. Significant increases in Non-Current Liabilities included \$11.9 million of new debt related to 100 Labor Street construction draws and the addition of \$3.5 million in debt related to the

Opportunity Home San Antonio
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(Unaudited)

acquisition of the San Juan II property. Furthermore, the Science Park, O'Connor, and Refugio refinances resulted in an aggregate net addition to debt of \$13.6 million. Partially offsetting the overall increase in Total Liabilities and Deferred Inflows of Resources were a \$5.9 million decrease in unearned revenue for Section 8 programs (funds were expended), the \$6.3 million payoff of the Woodhill bonds and scheduled principal payments of \$4.9 million.

- (c) Total Net Position increased by \$15.6 million, or 4.91 percent, as a result of the changes described above.

IV. MTW Expenditures

Projects	Cumulative Expenditure Balance as of 03/31/23	
Program Administration and Implementation of MTW Initiatives	\$	1,293,692
Public Housing Operating Shortfall		6,799,249
Expansion of Public Housing Wi-Fi		147,846
Preservation and Expansion of Affordable and Public Housing:		
Development of Labor Street Multifamily Property		464,734
Alazan Courts Predevelopment Costs		141,638
Woodhill Bonds Pay-off		5,706,866
Investment in MTW units at Tax Credit/Beacon Properties:		
Acquisition of San Juan II		900,000
Acquisition of Ravello Apartments		1,584,638
Snowden Development Funding		2,547
Total	\$	17,041,210

GRANTS REPORT AS OF March 31, 2023

Grant Number	Obligation End Date	Expenditure End Date	CAPITAL GRANTS								
			Amount to be Obligated by End Date	LOCCS Authorized	Cumulative PHA Obligated	Unobligated Amount	Obligation Percentage	Cumulative GL PHA Expended	Expended Percentage	LOCCS Disbursement	
Capital Fund Program (CFP)											
Capital Projects at various PH Properties											
TX59P006501-10	07/14/12	07/14/14	\$ 8,770,114.80	\$ 9,744,572.00	\$ 9,744,572.00	\$ -	100%	\$ 9,744,572.00	100%	\$ 9,744,572.00	(1)
*Major Project: Marie McGuire											
TX59P006501-11	08/02/13	08/02/15	\$ 7,336,199.70	\$ 8,151,333.00	\$ 8,151,333.00	\$ -	100%	\$ 8,151,333.00	100%	\$ 8,151,333.00	(1)
*Major Projects: Blanco, Marie McGuire, Westway											
TX59P006501-12	03/11/14	03/11/16	\$ 6,669,297.00	\$ 7,410,330.00	\$ 7,410,330.00	\$ -	100%	\$ 7,410,330.00	100%	\$ 7,410,330.00	(1)
*Major Projects: Fair Avenue, South San, Sun Park											
TX59P006501-13	09/08/15	09/08/17	\$ 6,472,918.80	\$ 7,192,132.00	\$ 7,192,132.00	\$ -	100%	\$ 7,192,132.00	100%	\$ 7,192,132.00	(1)
*Major Projects: Lewis Chatham, Jewett Circle, Westway											
TX59P006501-14	05/12/16	05/12/18	\$ 6,564,698.10	\$ 7,294,109.00	\$ 7,294,109.00	\$ -	100%	\$ 7,294,109.00	100%	\$ 7,294,109.00	(1)
*Major Projects: Westway, Charles Andrews, Cassiano Homes											
TX59P006501-15	04/12/17	04/12/19	\$ 6,785,826.30	\$ 7,539,807.00	\$ 7,539,807.00	\$ -	100%	\$ 7,539,807.00	100%	\$ 7,539,807.00	(1)
*Major Projects: Charles Andrews, HB Gonzalez											
TX59P006501-16	04/12/18	04/12/20	\$ 7,024,842.00	\$ 7,805,380.00	\$ 7,805,380.00	\$ -	100%	\$ 7,805,380.00	100%	\$ 7,805,380.00	(1)(2)
*Major Projects: Westway, WC White											
TX59P006501-17	08/15/19	08/15/21	\$ 7,176,040.20	\$ 7,973,378.00	\$ 7,973,378.00	\$ -	100%	\$ 7,973,378.00	100%	\$ 7,973,378.00	(1)(2)
*Major Projects: Victoria Plaza, Villa Tranchese											
TX59P006501-18	05/28/21	05/28/23	\$ 11,098,890.00	\$ 12,332,100.00	\$ 12,332,100.00	\$ -	100%	\$ 12,332,100.00	100%	\$ 12,332,100.00	(1)(2)
*Major Projects: Victoria Plaza, Fair Avenue											
TX59P006501-19	10/15/22	10/15/24	\$ 11,636,649.90	\$ 12,929,611.00	\$ 12,929,611.00	\$ -	100%	\$ 12,929,611.00	100%	\$ 12,929,611.00	(1)(2)
*Major Projects: Victoria Plaza, Fair Avenue											
TX59P006501-20	09/25/23	09/25/25	\$ 11,827,386.00	\$ 13,141,540.00	\$ 13,141,540.00	\$ -	100%	\$ 10,320,353.35	79%	\$ 9,682,636.54	(2)
*Major Projects: Madonna, L.C. Rutledge											
TX59P006501-21	02/22/23	02/22/25	\$ 11,865,870.90	\$ 13,184,301.00	\$ 12,537,701.10	\$ 646,599.90	95%	\$ 8,896,006.78	67%	\$ 9,134,119.67	(2)
*Major Projects: Mirasol, Francis Furey											
TX59P006501-22	05/11/24	05/11/26	\$ 14,541,291.90	\$ 16,156,991.00	\$ 7,728,484.97	\$ 8,428,506.03	48%	\$ 3,231,398.20	20%	\$ 3,231,398.20	(3)
*Major Projects: Villa Veramendi, Riverside											
TX59P006501-23	02/16/25	02/16/27	\$ 14,835,747.60	\$ 16,484,164.00	\$ -	\$ 16,484,164.00	0%	\$ -	0%	\$ -	
*Major Projects: Fair Avenue, Villa Hermosa											
TX59E006501-18	08/12/21	08/12/22	\$ 225,000.00	\$ 250,000.00	\$ 250,000.00	\$ -	100%	\$ 250,000.00	100%	\$ 250,000.00	(1)
*Major Projects: Riverside, Villa Veramendi											
TX59E006501-22	09/25/23	09/25/24	\$ 225,000.00	\$ 250,000.00	\$ -	\$ 250,000.00	0%	\$ -	0%	\$ -	
*Major Projects: Springview, Villa Tranchese											
TX59L006501-20	05/10/23	05/10/25	\$ 4,374,949.50	\$ 4,861,055.00	\$ 31,760.00	\$ 4,829,295.00	1%	\$ 31,760.00	1%	\$ 31,760.00	(4)
*Major Projects: Lincoln Heights, Mission Park, Riverside											
Urban Revitalization Program (Hope 6) (URP)											
Choice Neighborhood Grant											
TX6J006CNG112	09/30/19	09/30/19		\$ 29,652,649.09	\$ 29,652,649.09	\$ -	100%	\$ 29,652,649.09	100%	\$ 29,652,649.09	(1)
*Implementation grant for Wheatley Neighborhood											

(1) These grants are expended and disbursed at 100% however, HUD still requests monthly updates in eLOCCS.

(2) A portion of the grant contains DDTF funding. Total DDTF funding has been expended.

(3) A portion of the 2022 CFP grant contains DDTF funding of \$304,850. No DDTF funding has been expended.

(4) Staff is working to procure an alternate vendor for the risk assessment and hazard evaluation to ensure compliance with HUD guidelines. An official obligation extension request has been submitted to HUD.

GRANTS REPORT AS OF March 31, 2023

HUD - PROGRAM GRANTS								
Grant Number	Effective Date	Expenditure End Date	LOCCS Authorized	Cumulative Expended	PROGRAM GRANTS		Remaining to Expend	LOCCS Disbursement
					Expended Percentage	Grant expenditure is not progressing as planned.		
Resident Opportunities & Self Sufficiency (ROSS) Funding for Family Self Sufficiency (FSS) Coordinators								
ROSS221724-01-00	06/01/22	05/31/25	\$ 621,050.50	\$ 121,644.44	20%		\$ 499,406.06	\$ 107,384.69 (5)
*2021 ROSS Service Coordinators								
FSS23TX5042	01/01/23	12/31/23	\$ 1,166,035.00	\$ 211,221.39	18%		\$ 954,813.61	\$ - (6)
*PH & HCV Combined FSS 2022								
Jobs Plus Funding for PHAs to develop locally-based approaches to increase earnings and advance employment outcomes for Public Housing residents								
TX006FJP6JPH20	05/14/21	09/30/28	\$ 2,300,000.00	\$ 293,972.70	13%		\$ 2,006,027.30	\$ 268,606.86 (7)
*Jobs Plus - Lincoln Heights								
EDI CPF Economic Development Initiative/Community Project Funding grants provide investment in a wide variety of projects such as housing, homelessness prevention, workforce training, public facilities, parks, resilience planning and other critical infrastructure and services								
B-22-CP-TX-0861	09/30/22	08/30/30	\$ 1,000,000.00	\$ 95,576.00	10%		\$ 904,424.00	\$ -
EDI CPF - Resident Internet Service								

NON-HUD - PROGRAM GRANTS							
Grant Number	Performance Date	Award Amount	Cumulative Expended	Expended Percentage	Remaining to Expend	Reimbursement Received	
VIA Metropolitan Transit Authority Capital Assistance Program For Elderly Persons and Persons With Disabilities							
TX-2021-010-00	09/25/2020 - 09/30/2023	\$ 79,110.00	\$ 60,738.00	77%	\$ 18,372.00	\$ -	(8)
*VIA Grant 2021							

(5) Grant expenditures are approximately \$51K short of the projected average cumulative expended amount or expected percentage of 27.8%
 (6) Grant expenditures are approximately \$80K short of the projected average cumulative expended amount or expected percentage of 25.0%
 (7) Grant expenditures are approximately \$300K short of the projected average cumulative expended amount or expected percentage of 25.8%.
 (8) The vehicle was delivered on March 2023. The Remaining to Expend amount will be used for maintenance.

GRANTS REPORT AS OF March 31, 2023

LIST OF GRANT APPLICATIONS							
Grant Name	Award Amount	Date Submitted	Match Amount	Term of the Grant	Application Status	Description	
FY22 Special Unsheltered CoC Program	\$171,531	09/20/22	N/A	N/A	Pending	South Alamo Regional Alliance for the Homeless CoC Program	
City of San Antonio FY22 Housing Bond	\$1,093,276	10/04/22	N/A	N/A	Pending	City of San Antonio Housing Bond - Homeownership Westside	
City of San Antonio FY22 Housing Bond	\$8,227,426	10/03/22	N/A	N/A	Pending	City of San Antonio Housing Bond - Alazan	
City of San Antonio FY22 Housing Bond	\$1,733,659	10/03/22	N/A	N/A	Awarded 10/31/22	City of San Antonio Housing Bond - Cottage Creek	
City of San Antonio FY22 Housing Bond	\$436,250	10/03/22	N/A	N/A	Awarded 10/31/22	City of San Antonio Housing Bond - Pecan Hill	
City of San Antonio FY22 Housing Bond	\$6,774,078	10/03/22	N/A	N/A	Awarded 10/31/22	City of San Antonio Housing Bond - Woodhill	
FCC FY23 Affordable Connectivity Program	\$125,000	01/09/23	N/A	N/A	Awarded 3/10/23	Federal Communications Commission Outreach Grant Program	
FY23 Lead-Based Paint Capital Fund Program	\$4,764,665	04/04/23	N/A	N/A	Pending	HUD Lead-Based Paint Grant	
FY23 Housing-Related Hazards Capital Fund Program	\$4,516,200	04/04/23	N/A	N/A	Pending	HUD Housing-Related Hazards Capital Fund Grant	
FY23 AARP Community Challenge - Flagship Grants	\$16,007	03/15/23	N/A	N/A	Pending	AARP Community Challenge Grant	
City of San Antonio FY23 Housing Bond	\$2,500,000	03/17/23	N/A	N/A	Pending	City of San Antonio Housing Bond - Victoria Plaza	
City of San Antonio FY23 Housing Bond	\$9,889,917	03/17/23	N/A	N/A	Pending	City of San Antonio Housing Bond - Snowden	
City of San Antonio FY23 Housing Bond	\$2,500,000	03/17/23	N/A	N/A	Pending	City of San Antonio Housing Bond - Ravello	
City of San Antonio FY23 Housing Bond	\$2,500,000	03/17/23	N/A	N/A	Pending	City of San Antonio Housing Bond - Midcrown	
City of San Antonio FY23 Housing Bond	\$801,144	03/17/23	N/A	N/A	Pending	City of San Antonio Housing Bond - Westside Redevelopment Initiative	

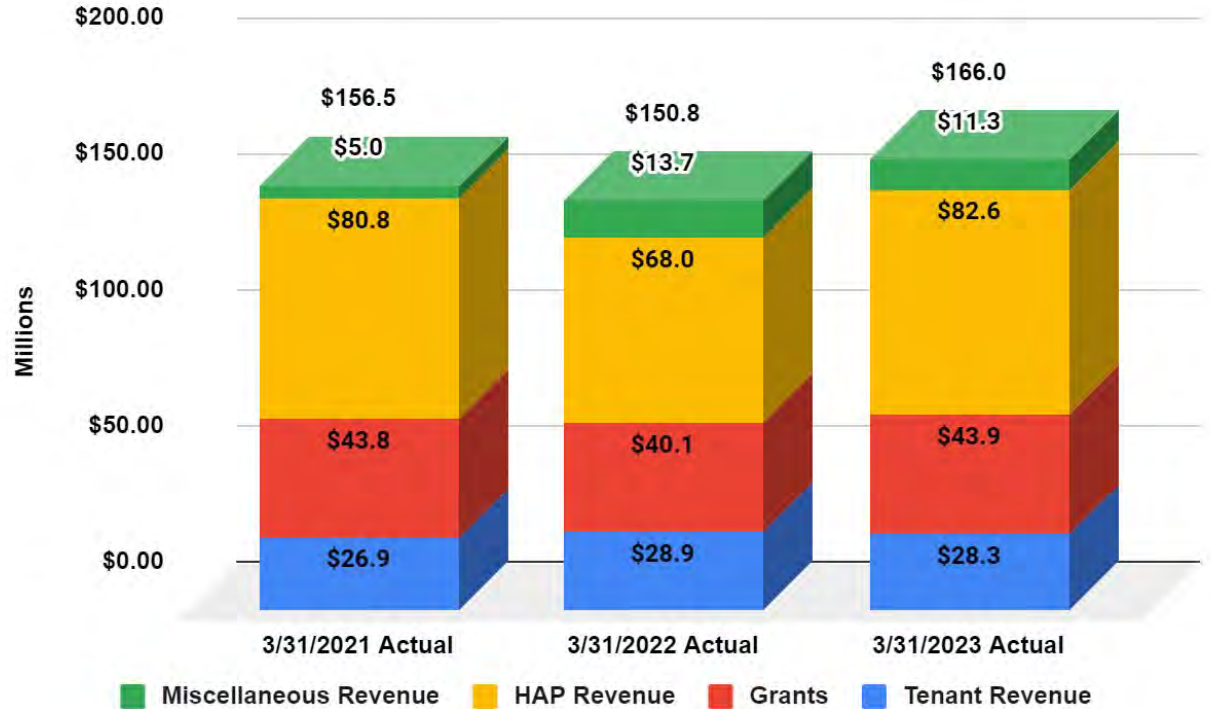
Financial Performance Report

For the Nine Months Ended March 31, 2023

Fiscal Year Comparison

Consolidated Revenue

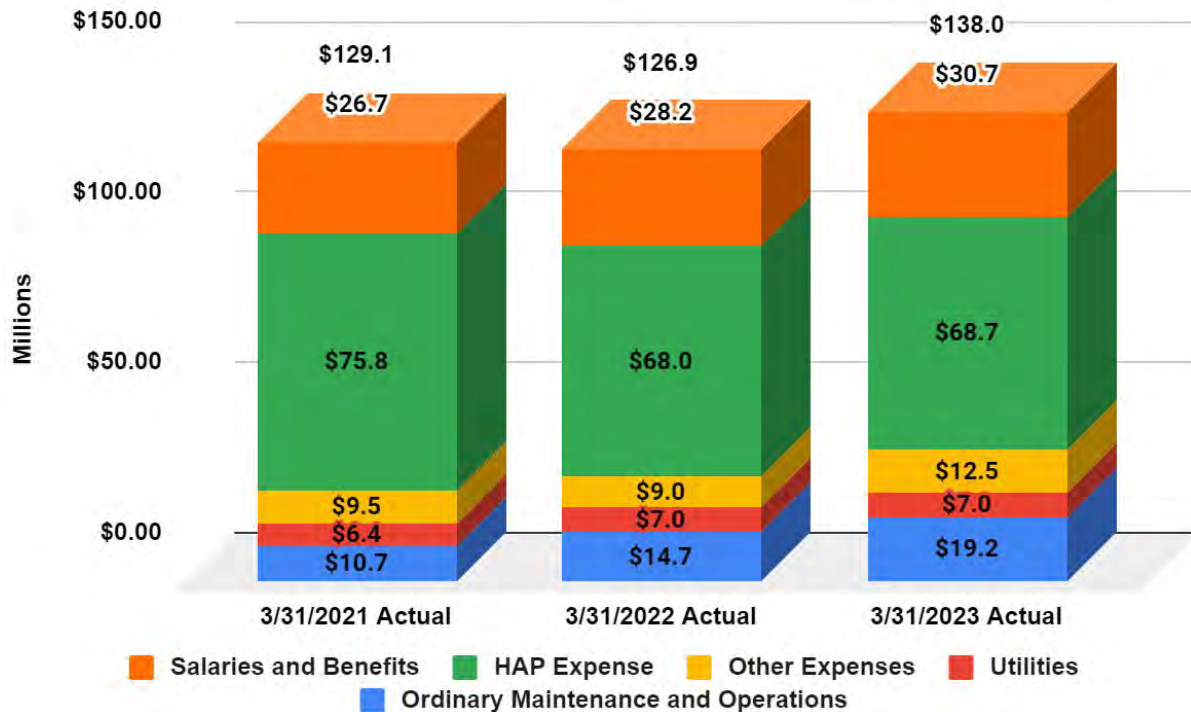
Total Revenue was approximately **10% greater** compared to the previous year primarily due to an increase in HAP Revenue.



Fiscal Year Comparison

Consolidated Expenses

Total Expenses increased by 9% compared to the previous year. Ordinary Maintenance and Operations experienced the **largest percentage increase of 30%**.



Financial Ratios

Financial Strength

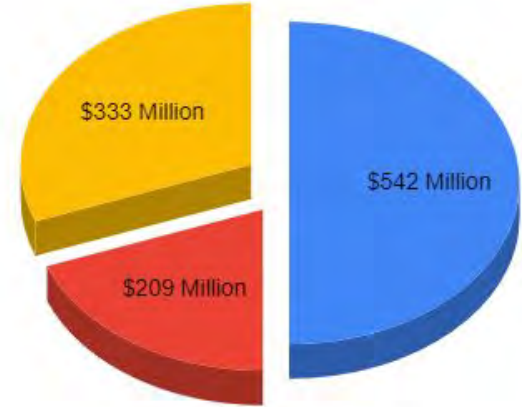
The debt-to-equity ratio increased from **.42 to .45** and signifies a strong solvency position.

Mar. 31, 2022



● Assets ● Debt ● Equity

Mar. 31, 2023



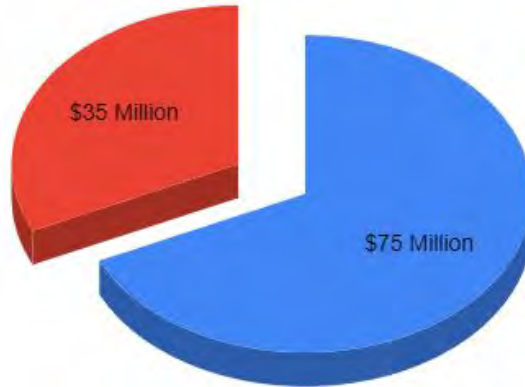
● Assets ● Debt ● Equity

Financial Ratios

Financial Liquidity

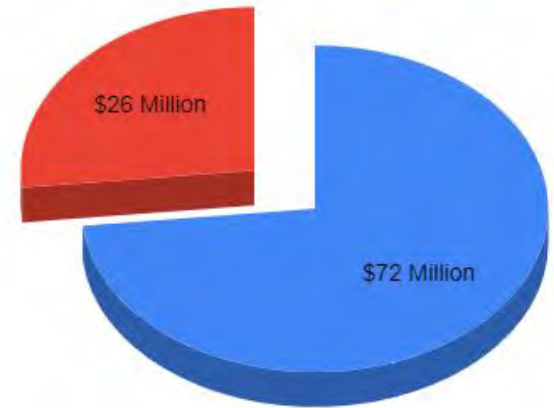
The current ratio increased from **2.14 to 2.77** and remains an indicator of Opportunity Home's strong capacity to meet its short-term financial commitments.

Mar. 31, 2022



● Current Assets ● Current Liabilities

Mar. 31, 2023



● Current Assets ● Current Liabilities

Project**Moving to Work Uses
as of 3/31/2023**

Program Administration and Implementation of MTW Initiatives	\$1,293,692
Public Housing Operating Shortfall	\$6,799,249
Expansion of Public Housing Wi-Fi	\$147,846
Development of Labor Street Multifamily Property	\$464,734
Alazan Courts Predevelopment Costs	\$141,638
Payment of Matured Woodhill Bond Debt	\$5,706,866
San Juan II Las Varas Bridge Loan	\$900,000
Ravello Apartments Acquisition and Refinance	\$1,584,638
Snowden Development Funding	\$2,547

Total**\$17,041,210**

Questions?