



SAHA | SAN ANTONIO
HOUSING AUTHORITY
Opportunity Lives Here



ASSET MANAGEMENT RETREAT MEETING MAY 28, 2020

BOARD OF COMMISSIONERS

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

PRESIDENT & CEO
David Nisivoccia

SAN ANTONIO HOUSING AUTHORITY
ASSET MANAGEMENT RETREAT or
****SPECIAL BOARD MEETING**
TELECONFERENCE
Call In Phone Number: (513) 783-1246
PIN Number: 819767554#
1:00 p.m., Thursday, May 28, 2020

The Board of Commissioners will convene for an Asset Management Retreat or Special Board meeting, by teleconference, for discussion on the following matters:

MEETING CALLED TO ORDER

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

PUBLIC COMMENT

2. Public Comment - Citizens are provided three minutes each to speak to any agenda items. Citizens requesting to speak to the agenda, should access Phone Number: **(513) 783-1246** and enter PIN Number: **819767554#**, prior to 1:00 p.m.

OPERATIONS

3. Asset Management Retreat for Board of Commissioners for the San Antonio Housing Authority
4. Discussion regarding the Affordable Housing Preservation and Expansion Policy to guide the selective redevelopment, acquisition and new development activities of the San Antonio Housing Authority (Timothy E. Alcott, Real Estate and Legal Services Officer)
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.

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



Board Retreat Presentation

Asset Management
May 28, 2020

INTRODUCTION AND OVERVIEW

OUR VISION AND MISSION

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First, we will review our:

Vision

Create dynamic communities where people thrive.

Mission

The San Antonio Housing Authority provides quality affordable housing that is well integrated into the fabric of neighborhoods and serves as a foundation to improve lives and advance resident independence.

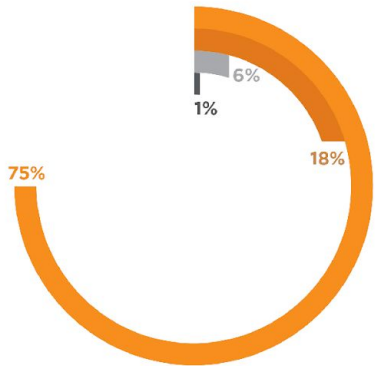
WHO WE SERVE

57,000

individuals housed

27,000

children (48%)



RACE/ETHNICITY

- Hispanic/Latino (75%)
- African American (18%)
- White (6%)
- Other (1%)

97%

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

8%

of San Antonio rental market

FINANCIAL BARRIERS

\$9,899

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

52%

on a fixed income

53%

are elderly and/or disabled

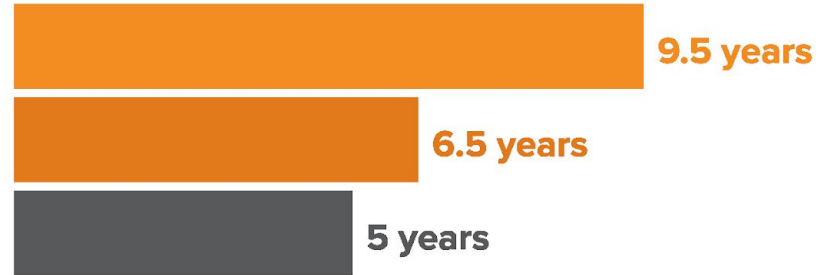
32%

are earning wages
OPPORTUNITY LIVES HERE
@SAHAhousing

\$234

average household rent

MEDIAN TENURE



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

RESIDENT EMPOWERMENT

6



1,649

served through veteran and homeless programs with supportive services

1,703

receiving Community Development Initiatives services

THE SAHA BOARD OF COMMISSIONERS ADOPTED THE AFFORDABLE HOUSING PRESERVATION AND EXPANSION POLICY (*Policy is attached as a separate file*)

- The Policy establishes SAHA's principles, goals, priorities and strategies to preserve and expand the supply of high quality, sustainable and affordable housing in San Antonio.
- An estimated 200,000 San Antonio households are eligible for some form of housing assistance -- to meet this demand requires a combination of preservation of existing affordable housing stock and expansion of supply.
- The Policy establishes Goals, Priorities, a Portfolio Evaluation Process and an Asset Management Plan.
- The Policy was revised in April 2016 as part of the draft 2017 MTW Plan to include re-prioritizing the five year investments and adding flexibility for Build San Antonio Green.

THE ASSET MANAGEMENT PLANNING PROCESS

THE ASSET MANAGEMENT PLANNING PROCESS

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WHY WE NEED ASSET MANAGEMENT:

- Average property age in portfolio is 40 years old
- Growing capital needs with many building components approaching or exceeding estimated useful life (EUL)
- Unpredictable forecasting of HUD Capital Funds
- How do we continue to serve our clients given this challenge
- How do we prioritize short term and long term capital needs, which exceed current financial resources

DEVELOPING THE ASSET MANAGEMENT PROCESS

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- SAHA previously commissioned a third party Physical Needs Assessment (PNA) of the entire Public Housing portfolio (6,097 units in 69 properties) and Beacon Communities portfolio (2,912 units in 2 properties).
- Updated PNA is in process and will be available second half of 2020.
- Developed a strategy to rank and prioritize capital projects.
- Our Executive Leadership Team endorsed the formation of a PNA task force to develop a process and parameters.
- Task force consisted of subject matter experts from the following disciplines:

| | |
|------------------------|-------------------------------------|
| Asset Management | Compliance |
| Finance and Accounting | Policy, Planning and Public Affairs |
| Development Services | Internal Audit |
| Property Management | Construction Services |
- Task force met to develop a framework to analyze and rank assets.
- Asset Management methodology presented to BOC and approved in December 2013.

Objective: Evaluate Public Housing and Beacon Communities portfolios and determine short term and long term initiatives to address deficiencies identified in PNA Report.

Methodology: Develop a standardized objective process to evaluate assets in SAHA portfolio, while incorporating the requirements of SAHA's Affordable Housing Preservation & Expansion Policy into the rating process.

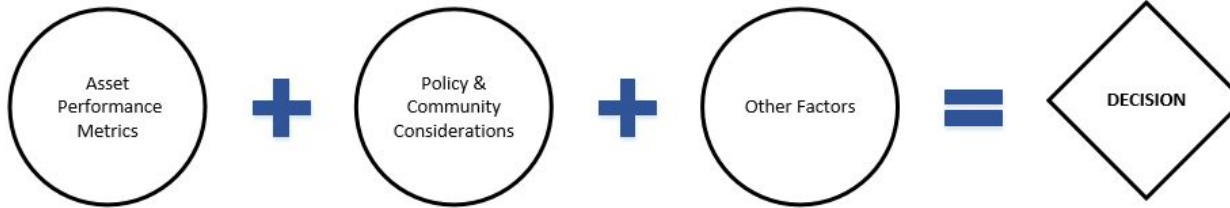
Results: Utilize this methodology to accomplish the following:

- Determine which assets to keep, fix or dispose
- Identify and evaluate other potential sources of capital via sale or refinance of assets
- Allocate limited financial resources to assets that are self sufficient or can become self sufficient with a reasonable capital infusion, and meet current/future needs of SAHA and its clients

EVALUATING PROPERTY ASSETS IN OUR PORTFOLIO

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THERE ARE MULTIPLE FACTORS THAT WE LOOK AT WHEN EVALUATING THE PROPERTY ASSETS IN OUR PORTFOLIO



Physical Condition

- PNA CI Index
- Inspection results

Financial Performance

- Occupancy
- Expense per unit
- Net Operating Income

- Poverty
- School Proficiency
- Labor Market Engagement
- Job Access
- Transit Access
- Racial & Ethnic concentrated areas of poverty

- Community support and input of various stakeholders
- Leverage initiatives of others (City, Non profits, Federal) to maximize impact of SAHA investments
- COSA Bond Projects

ASSET PERFORMANCE METRICS

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OUR “ASSET PERFORMANCE METRICS” HAVE SEVERAL COMPONENTS

Physical Condition:

- PNA Condition Index.

The Condition Index (CI) is a calculation that quantifies the physical condition.

$$\text{Condition Index (CI)} = 1 - (\text{Cost of Required Replacement} \div \text{Asset Replacement Value}) \times 100$$

For example, a property with immediate and short term capital repair costs of \$1,000,000 and a replacement value of \$4,000,000 would have a CI of 75%. The higher the CI, the better the condition of the asset.

- Inspection Results [Real Estate Assessment Center (REAC) and the Texas Department of Housing and Community Affairs (TDHCA)]

Financial Performance:

- Occupancy (Compared to market and other comparable properties in SAHA portfolio)
- Expense per Unit (Compared to market and other comparable properties in SAHA portfolio)
- Net Operating Income (Operating Income less Operating Expenses)

OUR POLICY AND COMMUNITY CONSIDERATIONS

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OUR “POLICY AND COMMUNITY” CONSIDERATIONS HAVE SEVERAL COMPONENTS USED TO DETERMINE A COMMUNITY ASSET SCORE

- Poverty
 - Captures the depth and intensity of poverty using:
 - Family poverty rate
 - Percentage of households receiving public assistance
- School Proficiency
 - Measures nearby elementary school performance using:
 - Percentage of 4th graders that achieve state math and reading proficiency
- Labor Market Engagement
 - Describes relative intensity of labor market engagement and human capital using:
 - Unemployment rate
 - Labor force participation rate
 - Percentage of adults with bachelor degrees or higher
- Job Access
 - Assesses the accessibility to jobs using:
 - Distance to all job locations, with distance to larger employment centers weighted more heavily
- Transit Access
 - Assesses the accessibility to transit using:
 - Distance to accessible rail and bus stops
- Racially and Ethnically Concentrated Areas of Poverty
 - Non-white population is 50% or more and poverty rate exceeds 40% or is 3 times the average for the metro area (whichever is lower)

OTHER FACTORS FOR EVALUATION

OUR “OTHER FACTORS” FOR EVALUATION HAVE SEVERAL COMPONENTS

- Community support and input of various stakeholders
- Leverage initiatives of our partners and others
- CoSA Affordable Housing Initiatives

POLICY ANALYSIS

| Property | Type | Policy Analysis Components | | | | | | | | | | |
|----------------------|------------------|--|--------------------|--------------|------------|----------------|---|--------------------|---|---------------------|----------------------------------|--------------------------------|
| | | Affirmatively Further Fair Housing Neighborhood Indices 0-100 where 100 is best | | | | | AFFH Average Index Score (SAHA-generated) | HUD-defined R/ECAP | Location Affordability Index Average Cost as % of Income | | Subsidized Housing Concentration | Leverage (CRMP, REnewSA, TRIZ) |
| | | Poverty | School Proficiency | Labor Market | Job Access | Transit Access | | | Regional Moderate 80% AHI* | Low Income 50% AHI* | | |
| O.P. Schnabel | Elderly/Disabled | 77 | 34 | 79 | 80 | 80 | 77 | NO | 54 | 72 | 19 | 0 |
| Sahana Ramsey | Elderly/Disabled | 77 | 34 | 55 | 80 | 80 | 77 | NO | 45 | 59 | 1 | 0 |
| Glen Park | Family | 53 | 22 | 80 | 80 | 80 | 53 | NO | 46 | 61 | 6 | 0 |
| Kenwood North | Elderly/Disabled | 53 | 22 | 60 | 80 | 80 | 53 | NO | 46 | 61 | 6 | 0 |
| Tarry Towne | Elderly/Disabled | 53 | 60 | 47 | 80 | 80 | 53 | NO | 41 | 54 | 10 | 0 |
| Francis J. Pury | Family | 33 | 68 | 80 | 80 | 80 | 33 | NO | 48 | 63 | 2 | 0 |
| Madonna | Elderly/Disabled | 50 | 33 | 80 | 80 | 80 | 50 | NO | 58 | 77 | 6 | 1 |
| Lewis Chatham | Elderly/Disabled | 59 | 55 | 80 | 80 | 80 | 59 | NO | 49 | 68 | 7 | 2 |
| Kenwood Manor | Family | 53 | 22 | 80 | 80 | 80 | 53 | NO | 53 | 70 | 6 | 0 |
| College Park | Elderly/Disabled | 51 | 17 | 80 | 80 | 80 | 51 | NO | 40 | 55 | 19 | 0 |
| Parkview | Elderly/Disabled | 51 | 17 | 80 | 80 | 80 | 51 | NO | 43 | 55 | 19 | 2 |
| Dr. Charles Andrews | Family | 14 | 10 | 80 | 80 | 80 | 14 | NO | 46 | 60 | 2 | 0 |
| San Pedro Arms | Elderly/Disabled | 42 | 19 | 80 | 80 | 80 | 42 | NO | 46 | 61 | 2 | 1 |
| L.C. Rutledge | Family | 25 | 72 | 80 | 80 | 80 | 25 | NO | 47 | 63 | 8 | 1 |
| Marie McGuire | Elderly/Disabled | 60 | 1 | 80 | 80 | 80 | 60 | NO | 57 | 63 | 23 | 2 |
| H.B. Gonzales | Elderly/Disabled | 22 | 80 | 80 | 80 | 80 | 22 | NO | 54 | 21 | 0 | 0 |
| Villa Hermosa | Elderly/Disabled | 60 | 1 | 80 | 80 | 80 | 60 | NO | 53 | 23 | 2 | 2 |
| Pin Oak I | Elderly/Disabled | 34 | 59 | 80 | 80 | 80 | 34 | NO | 60 | 10 | 0 | 0 |
| Pin Oak II | Family | 34 | 59 | 80 | 80 | 80 | 34 | NO | 60 | 10 | 0 | 0 |
| Village East | Family | 11 | 21 | 80 | 80 | 80 | 11 | NO | 62 | 9 | 1 | 0 |
| Sun Park Lane | Elderly/Disabled | 41 | 3 | 80 | 80 | 80 | 41 | NO | 67 | 8 | 1 | 0 |
| Williamsburg | Elderly/Disabled | 13 | 64 | 80 | 80 | 80 | 13 | NO | 64 | 13 | 0 | 0 |
| Victoria Plaza | Elderly/Disabled | 6 | 1 | 80 | 80 | 80 | 6 | NO | 61 | 24 | 1 | 1 |
| Morris C. Beldon | Family | 19 | 2 | 80 | 80 | 80 | 19 | NO | 71 | 17 | 1 | 1 |
| Villa Tranchese | Elderly/Disabled | 20 | 2 | 80 | 80 | 80 | 20 | NO | 51 | 34 | 1 | 1 |
| Olive Park | Family | 11 | 30 | 80 | 80 | 80 | 11 | NO | 54 | 10 | 1 | 1 |
| W.C. White | Elderly/Disabled | 11 | 20 | 80 | 80 | 80 | 11 | NO | 41 | 54 | 3 | 2 |
| Midway | Elderly/Disabled | 23 | 3 | 80 | 80 | 80 | 23 | NO | 48 | 63 | 3 | 1 |
| Cherry West | Family | 10 | 56 | 80 | 80 | 80 | 10 | NO | 47 | 60 | 18 | 0 |
| Blanco | Elderly/Disabled | 73 | 17 | 80 | 80 | 80 | 73 | NO | 45 | 59 | 2 | 0 |
| Fair Avenue | Elderly/Disabled | 23 | 65 | 80 | 80 | 80 | 23 | NO | 39 | 53 | 13 | 0 |
| Mission Park | Family | 1 | 47 | 80 | 80 | 80 | 1 | NO | 37 | 49 | 63 | 0 |
| Riverside | Family | 1 | 47 | 80 | 80 | 80 | 1 | NO | 37 | 49 | 63 | 1 |
| Blueridge | Family | 21 | 11 | 80 | 80 | 80 | 21 | NO | 49 | 66 | 8 | 2 |
| Cross Creek | Family | 19 | 8 | 80 | 80 | 80 | 19 | NO | 42 | 56 | 17 | 0 |
| Lila Cockrell | Elderly/Disabled | 21 | 27 | 43 | 80 | 80 | 21 | NO | 47 | 64 | 7 | 0 |
| Escondida Apartments | Elderly/Disabled | 51 | 18 | 45 | 80 | 80 | 51 | NO | 47 | 62 | 6 | 0 |
| Alazan | Family | 1 | 18 | 1 | 80 | 80 | 1 | NO | 45 | 36 | 84 | 2 |
| Guadalupe | Family | 1 | 18 | 1 | 80 | 80 | 1 | YES | 36 | 48 | 84 | 2 |
| Park Square | Family | 5 | 2 | 3 | 98 | 95 | 5 | NO | 48 | 64 | 10 | 1 |
| Miraflo | Family | 5 | 15 | 1 | 84 | 95 | 5 | YES | 48 | 65 | 16 | 1 |
| Christ the King | Elderly/Disabled | 27 | 11 | 3 | 65 | 70 | 27 | NO | 43 | 58 | 13 | 1 |
| Frank Homeby | Elderly/Disabled | 19 | 6 | 39 | 62 | 70 | 19 | NO | 49 | 66 | 19 | 1 |
| Linda Lou | Elderly/Disabled | 33 | 3 | 8 | 65 | 80 | 33 | NO | 50 | 70 | 9 | 1 |
| Cisneros | Elderly/Disabled | 15 | 43 | 3 | 54 | 70 | 15 | NO | 49 | 66 | 16 | 0 |
| Villa Veramendi | Family | 19 | 43 | 11 | 23 | 80 | 19 | NO | 43 | 58 | 11 | 1 |

Policy Analysis Components

1. Affirmatively Further Fair Housing (AFFH)
2. Racially/Ethnically Concentrated Areas of Poverty (R/ECAP)
3. Location Affordability Index (LAI)
4. Subsidized Housing Concentration
5. Leverage

PHYSICAL NEEDS CATEGORIES

THE PROPERTY PHYSICAL NEEDS ARE CATEGORIZED BY THE PRIORITY OF THE CAPITAL NEED

| Priority Number | |
|-----------------|--|
| 1 | Critical - Immediate Need: Identifies critical issues that pose immediate threat to life, health or safety of persons within the facility. |
| 2 | Approaching Critical - Assigned to systems that are critical for the functionality of the facility and beyond their useful life and to mitigate additional damage. |
| 3 | Necessary - Assigned to systems that are critical for the functionality of the facility and beyond their expected life cycles; however, exhibit no signs of immediate repair requirements. |
| 4 | Recommended - Assigned to systems that are not critical for the functionality of the facility and beyond their expected life cycles, but deferring their replacement will not cause additional damage to the facility. |

OVERALL CAPITAL NEEDS OF THE PORTFOLIO

THE OVERALL CAPITAL NEEDS OF THE PORTFOLIO BASED ON 2012 PNA WAS \$528 MILLION

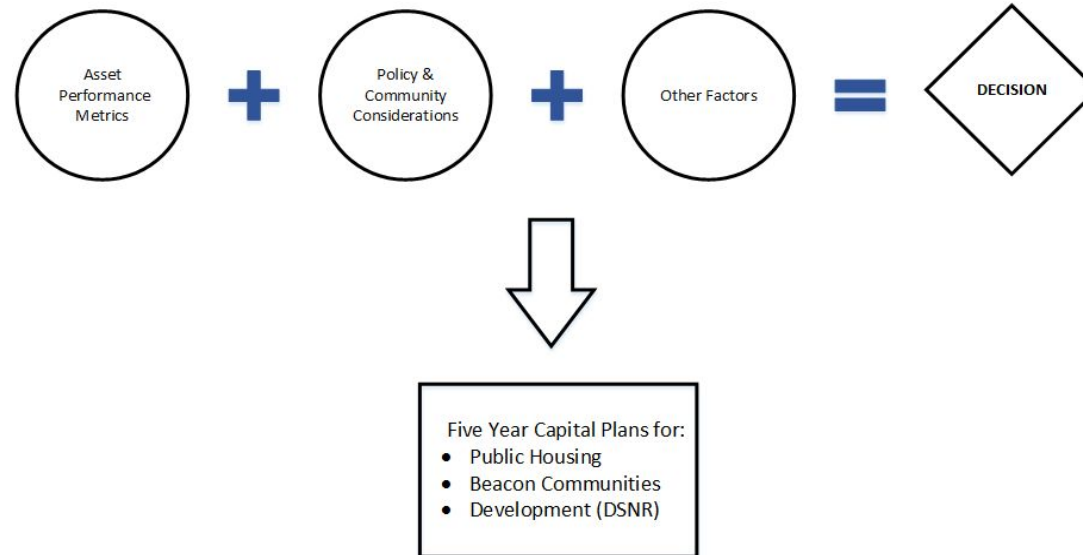
SUMMARY OF PHYSICAL NEEDS

| Priority: | 1 Critical Need | 2 Approaching Critical | 3 Necessary Long Term | 4 Recommended Long Term | Total |
|-------------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|
| Senior Developments | \$ 1,100,000 | \$ 4,800,000 | \$ 79,500,000 | \$ 68,000,000 | \$ 153,400,000 |
| Family Developments | \$ 400,000 | \$ 19,000,000 | \$ 61,500,000 | \$ 121,600,000 | \$ 202,500,000 |
| Commercial | <u>\$ 100,000</u> | <u>\$ 1,200,000</u> | <u>\$ 1,200,000</u> | <u>\$ 2,200,000</u> | <u>\$ 4,700,000</u> |
| Public Housing | \$ 1,600,000 | \$ 25,000,000 | \$ 142,200,000 | \$ 191,800,000 | \$ 360,600,000 |
| Beacon Communities | <u>\$ 400,000</u> | <u>\$ 17,000,000</u> | <u>\$ 61,000,000</u> | <u>\$ 89,200,000</u> | <u>\$ 167,600,000</u> |
| Grand Totals PH/Beacon | \$ 2,000,000 | \$ 42,000,000 | \$ 203,200,000 | \$ 281,000,000 | \$ 528,200,000 |

Note: All amounts are rounded to the nearest \$100,000.

FIVE YEAR CAPITAL PLANNING PROCESS

ALL THESE FACTORS FORM OUR FIVE YEAR CAPITAL PLANNING PROCESS



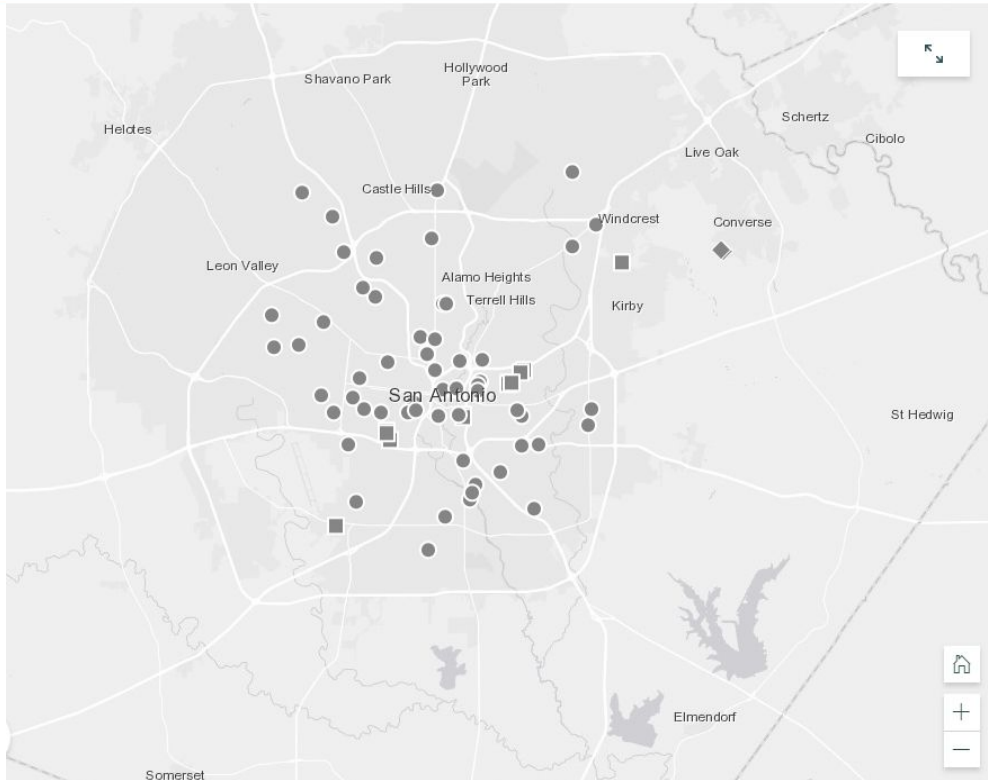
THE PUBLIC HOUSING PROGRAM

HIGHLIGHTS OF OUR PUBLIC HOUSING PROGRAM

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- Public Housing has 6,062 units in 75 communities
- 38 of the communities are designated for families and 37 for elderly/disabled
- Resident turnover averages 14.6% within the last Fiscal Year
- Operations are funded by HUD Subsidy and tenant rent
- The average tenant rent is \$184 and average HUD subsidy is \$340 per unit
- 14% of tenants are non-elderly, disabled
- 13% of tenants are elderly
- 73% of tenants are non-elderly and non-disabled
- We have 13,184 people living in Public Housing, of which 6,614 are children
- The wait list has 34,028 applicants (non duplicate)

PUBLIC HOUSING PROPERTIES



PUBLIC HOUSING PROPERTIES ARE MORE PREVALENT WITHIN LOOP 410

- 6,062 units in 75 communities

NUMBER OF PUBLIC HOUSING UNITS

THE NUMBER OF PUBLIC HOUSING UNITS HAS DECREASED OVER THE YEARS

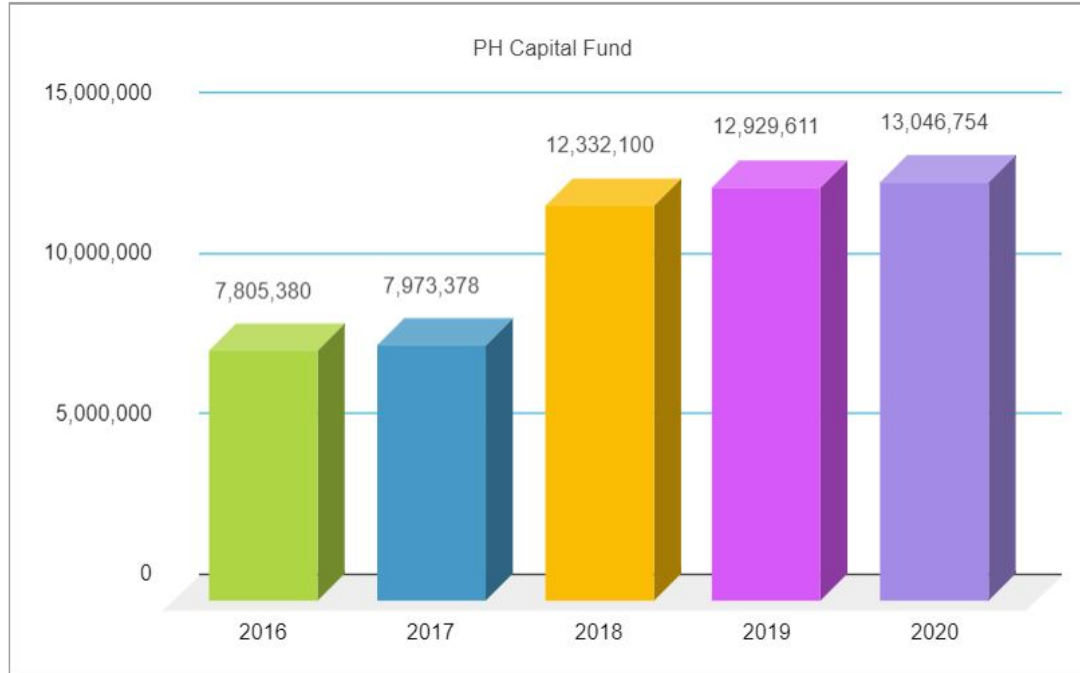
| YEAR | UNITS |
|------|-------|
| 2009 | 6,511 |
| 2010 | 6,516 |
| 2011 | 6,323 |
| 2012 | 6,322 |
| 2013 | 6,322 |
| 2014 | 6,322 |

| YEAR | UNITS |
|----------------------|-------|
| 2015 | 6,316 |
| 2016 | 6,065 |
| 2017 | 6,097 |
| 2018 | 6,137 |
| 2019 | 6,092 |
| 2020 | 6,062 |
| Cumulative Reduction | 449 |

*NOTE: 2011 reduction reflects the demolition of Sutton Homes
2016 reduction reflects the demolition of Wheatley Courts
2017 increase reflects the new East Meadows Phase I
2018 increase reflects Wheatley Senior
2019 reduction reflects Scattered Sites sold
2020 reduction reflects Scattered Sites sold*

CAPITAL FUNDING

PUBLIC HOUSING CAPITAL FUNDING OVER THE YEARS



CAPITAL NEEDS OF PUBLIC HOUSING PROPERTIES

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THE ASSET MANAGEMENT PLAN HAS ADDRESSED THE CAPITAL NEEDS OF TWENTY-FIVE PUBLIC HOUSING PROPERTIES *

| | | | |
|------------------|-----------------|--|------------|
| Completed | Blanco | Basement Structural & Waterproofing Repairs (Completed 6/2019) | \$ 545,000 |
| | Charles Andrews | Comp Mod/Site, Bldg Interior, Parking Improvements (Completed 2/2019) | 3,300,000 |
| | Cross Creek | Roof Replacement (Completed 11/2017) | 765,000 |
| | Cross Creek | Burn Unit Restoration (1-unit) (Completed 5/2018) | 109,000 |
| | Escondida | Roof Replacement (Completed 1/2018) | 160,000 |
| | Francis Furey | Roof Replacement (Completed 1/2019) | 880,000 |
| | Frank Hornsby | Roof Replacement (Completed 7/2018) | 620,000 |
| | H.B. Gonzalez | Structural Foundation Repairs (Completed 10/2017) | 1,000,000 |
| | Lila Cockrell | Domestic Hot Water Replacement (Completed 7/2018) | 124,000 |

CAPITAL NEEDS OF PUBLIC HOUSING PROPERTIES

THE ASSET MANAGEMENT PLAN HAS ADDRESSED THE CAPITAL NEEDS OF TWENTY-FIVE PUBLIC HOUSING PROPERTIES *

| | | | |
|------------------|-----------------|--|-----------|
| Completed | Lincoln Heights | Roof Replacement (Completed 7/2018) | 6,100,000 |
| | Le Chalet | Elevator Modernization (Completed 3/2019) | 85,000 |
| | Le Chalet | Water Heater Replacement (Completed 3/2020) | 18,000 |
| | Madonna | Roof and Window Replacement (Completed 1/2018) | 770,000 |
| | Morris Beldon | Roof Replacement (Completed 2/2018) | 190,000 |
| | O.P. Schnabel | Elevator Modernization (Completed 3/2019) | 75,000 |
| | San Pedro Arms | Boiler Replacement (Completed 3/2020) | 15,000 |
| | Tarry Towne | Roof Replacement (Completed 12/2018) | 1,000,000 |
| | T.L. Shaley | Fire Restoration (Completed 9/2019) | 247,000 |

CAPITAL NEEDS OF PUBLIC HOUSING PROPERTIES

THE ASSET MANAGEMENT PLAN HAS ADDRESSED THE CAPITAL NEEDS OF TWENTY-FIVE PUBLIC HOUSING PROPERTIES *

| | | | |
|------------------|-----------------|--|----------------------|
| Completed | Villa Hermosa | Chiller Replacement (Completed 4/2020) | 126,000 |
| | Villa Tranchese | Fence Installation (Completed 9/2019) | 6,000 |
| | Villa Tranchese | Chiller Replacement (Completed 4/2019) | 494,000 |
| | W.C. White | Basement: Drainage/Crawl Space/Screen Wall Repairs (Completed 12/2017) | 260,000 |
| | Westway | Sewer/Site Drainage/Solar Improv. (Compl. 3/2018) | 3,100,000 |
| | | Total Completed | \$ 19,989,000 |

CAPITAL NEEDS OF PUBLIC HOUSING PROPERTIES

*28

(continued) THE ASSET MANAGEMENT PLAN HAS ADDRESSED THE CAPITAL NEEDS OF TWENTY-FIVE PUBLIC HOUSING PROPERTIES

| | | | |
|--------------------|-----------------|--|----------------------|
| In Progress | Cassiano | Burn Units Rehabilitation (8 Units) | \$ 917,000 |
| | College Park | Elevator Cylinder Replacement | 75,000 |
| | Fair Avenue | Fire Sprinkler & Alarm Upgrade/Installation | 3,650,000 |
| | Lila Cockrell | Elevator Modernization | 72,000 |
| | Lincoln Heights | Connect Home Computer Lab Conversion | 1,572,000 |
| | Parkview | Roof Replacement, Structural & Waterproofing | 469,000 |
| | Victoria Plaza | Comprehensive Modernization | 18,800,000 |
| | Villa Tranchese | Fire Sprinkler & Alarm Upgrade/Installation | 2,600,000 |
| | | Total In Progress | \$ 28,155,000 |
| | | GRAND TOTAL | \$ 48,144,000 |

*Excludes soft costs, architectural and engineering (A&E) fees, and salaries. Funding sources include CFP, MTW, Insurance Proceeds and Net Sale Proceeds from sale of PH Assets.

FIVE YEAR CAPITAL PLAN

| Sources and Uses for Five Year Capital Plan | | | | | | | |
|--|----------------------|-------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Prepared as of March 31, 2020 | | | | | | | |
| | Total | Current FY 2019-2020 | Year 1 FY 2020-2021 | Year 2 FY 2021-2022 | Year 3 FY 2022-2023 | Year 4 FY 2023-2024 | Year 5 FY 2024-2025 |
| CFP Sources: | | | | | | | |
| CFP funds available for capital projects | 30,021,038 | 3,794,522 | 9,549,428 | 4,169,272 | 4,169,272 | 4,169,272 | 4,169,272 |
| Subtotal CFP Sources | \$30,021,038 | \$3,794,522 | \$9,549,428 | \$4,169,272 | \$4,169,272 | \$4,169,272 | \$4,169,272 |
| CFP Uses for Capital Projects: | | | | | | | |
| COVID-19 Initiatives | | | 3,513,823 | | | | |
| DDTF Development Activity / Capital Projects | 217,972 | 217,972 | | | | | |
| A&E Fees and Construction Management Salaries | 2,197,419 | 197,419 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| PHA Wide - (TBD) Emergency/Unscheduled Repairs, etc. | 2,582,352 | 0 | 500,000 | 650,000 | 650,000 | 650,000 | 132,352 |
| College Park - Elevator #2 - Cylinder Replacement | 75,000 | 75,000 | | | | | |
| Fair Avenue - Asbestos Consultant Services | 152,065 | 152,065 | | | | | |
| L.C. Rutledge - Roof Replacement | 905,637 | 905,637 | | | | | |
| Madonna - Boiler Replacement | 1,000,000 | 1,000,000 | | | | | |
| Villa Tranchese - Asbestos Consultant Services | 152,695 | 152,695 | | | | | |
| Victoria Plaza - Window Abatement | 48,039 | 48,039 | | | | | |
| Victoria Plaza - Comprehensive Modernization | 5,591,300 | 1,045,695 | 4,545,605 | | | | |
| Mirasol Homes - Roofing | 1,209,800 | | 400,000 | 809,800 | | | |
| Sun Park Lane - Elevator Modernization | 90,000 | | 90,000 | | | | |
| W.C. White - HVAC Replacement | 225,000 | | 100,000 | 125,000 | | | |
| Cassiano - 2424 Chihuahua - Foundation | 200,000 | | | 200,000 | | | |
| Cross Creek - Parking Lot Repairs | 120,000 | | | 120,000 | | | |
| Highview - Storm Drainage | 161,200 | | | 161,200 | | | |
| San Pedro Arms - Elevator Modernization | 90,145 | | | 90,145 | | | |
| South San - Drainage Repairs | 161,200 | | | 161,200 | | | |
| T.L. Shaley - Foundation Repairs - 827 & 829 Rita | 278,814 | | | 278,814 | | | |
| Villa Veramendi - Roofing | 950,000 | | | 950,000 | | | |
| Le Chalet - Substantial Renovation | 1,498,720 | | | 223,113 | 1,275,607 | | |
| Morris Beldon - Substantial Renovation | 912,885 | | | | 912,885 | | |
| Francis Furey - Substantial Renovation | 2,448,955 | | | | 930,780 | 1,518,175 | |
| College Park - Substantial Renovation | 796,326 | | | | | 796,326 | |
| Kenwood North - Substantial Renovation | 936,864 | | | | | 790,066 | 146,798 |
| Midway Apts - Substantial Renovation | 701,096 | | | | | 14,705 | 686,391 |
| Olive Park - Substantial Renovation | 1,814,561 | | | | | | 1,814,561 |
| Park Square - Substantial Renovation | 989,170 | | | | | | 989,170 |
| Total CFP Uses | \$ 26,507,215 | \$ 3,794,522 | \$ 9,549,428 | \$ 4,169,272 | \$ 4,169,272 | \$ 4,169,272 | \$ 4,169,272 |
| Net Sources and Uses | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

THE BEACON COMMUNITIES

PORTFOLIO OF BEACON COMMUNITIES

31

BEACON COMMUNITIES CONSIST OF TWENTY-EIGHT MULTI-FAMILY COMMUNITIES WITH 3,644 UNITS

- Beacon Communities include: Bella Claire, Burning Tree, Castle Point, Churchill Estates, Claremont, Converse Ranch I, Converse Ranch II, Cottage Creek I, Cottage Creek II, Courtland Heights, Crown Meadows, Dietrich Rd., Encanta Villa, Homestead, La Providencia, Legacy at O'connor, Legacy at Science Park, Monterrey Park, Pecan Hill, Reagan West, Refugio, Rosemont at Highland Park, Sunshine Plaza, Towering Oaks, Villa de San Alfonso, Villa de Valencia, Warren House, and Woodhill.
- The portfolio's average age is 31 years old with most properties being built during the early 70's to late 80's; however, a few were built more recently in the 2000's.
- The current occupancy rate is 91% (SAHA managed=93.36% vs. contract managed=88.73%) The market average occupancy is currently 89.9%.
- The affordable portfolio has extensive regulatory, compliance, and reporting requirements due to the variety of housing types: Tax Credit units, HOME Fund units, Tax-exempt Bond units, Housing Trust Fund units, Affordable Housing Disposition Program units, Project Based Assistance administered by HUD, Housing Assistance Payment (Section 8) contracts with both SAHA and Bexar County and market rate units.

MAP OF BEACON COMMUNITIES

32



BEACON COMMUNITIES ARE WELL REPRESENTED ON THE NORTHSIDE OF SAN ANTONIO

- 3644 units in 28 communities
- affordability programs include public housing, tax credits, project based vouchers, project based assistance, HOME, and bonds.

CAPITAL NEEDS

WHILE BEACON COMMUNITIES CAN RAISE CASH FOR CAPITAL IMPROVEMENTS IN SEVERAL WAYS, THIS WILL NOT BE SUFFICIENT TO ADDRESS ALL THE CAPITAL NEEDS

- Place new debt on the property and use net loan proceeds for capital improvement
- Refinance existing debt on a property and use proceeds for capital improvement
- Use property “Replacement Reserves” held by HUD and lenders to address property needs
- Use excess cash flow from property operations to address needs

THE TWENTY EIGHT COMMUNITIES HAVE AN ESTIMATED VALUE OF \$153 MILLION AND CARRY MORTGAGES TOTALING \$75 MILLION FOR AN ESTIMATED EQUITY POSITION OF \$86 MILLION

CAPITAL INVESTMENT PLAN TOTAL \$18.5M (2 yr)

BEACON COMMUNITIES

| | | | |
|---------------------------|---------------------------------|---|--------------------|
| Completed | Castle Point | Burn units restoration | 1,000,000 |
| | Cottage Creek | Fire rehabilitation | 600,000 |
| | Crown Meadows | Exterior Painting | 175,000 |
| | Monterrey Park | Exterior rehab | 1,250,000 |
| | Towering Oaks | Exterior Painting and siding maintenance | 142,000 |
| | Villa de Valencia | AACOG Weatherization (Estimated \$250,000 in maintenance) | 0 |
| | Woodhill | Roof and HVAC replacement | 5,000,000 |
| Total | | | \$8,167,000 |
| In Progress (FY21) | Castle Point | Comprehensive modernization | 3,827,588 |
| | Churchill Estates/Encanta Villa | Exterior Rehab | 3,000,000 |
| | Cortland/Dietrich | Decking and play area maintenance | 82,000 |
| | La Providencia | Comprehensive modernization | 2,000,000 |
| | Pecan Hill | Sewer and site drainage | 1,000,000 |

CAPITAL INVESTMENT PLAN TOTAL \$18.5M (2 yr)

BEACON COMMUNITIES

35

(continued)

| | | | |
|--------------------------|-----------------------|--|---------------------|
| In progress(cont) | Reagan/San Alfonso | Roof replacement, Paint and elevator maintenance | 130,000 |
| | Woodhill | Redevelopment building 24 | 900,000 |
| Total | | | \$10,439,588 |
| FY2022 | Bella/Courtland/Crown | Parking and fencing maintenance | 115,00 |
| | Burning Tree | Comprehensive Modernization | 2,000,000 |
| | Converse Ranch I | Drainage project | 20,000 |
| | Cottage Creek I | Electrical wall pack replacement/upgrade | 425,00 |
| | Cottage Creek II | Parking, pool and fencing maintenance | 175,000 |
| | Homestead | Comprehensive Modernization | 3,000,000 |
| | La Prov/Monterrey | Pool, fencing and paint maintenance | 55,000 |
| Total | | | \$8,140,000 |

THE PARTNERSHIPS

PARTNERSHIP BACKGROUND

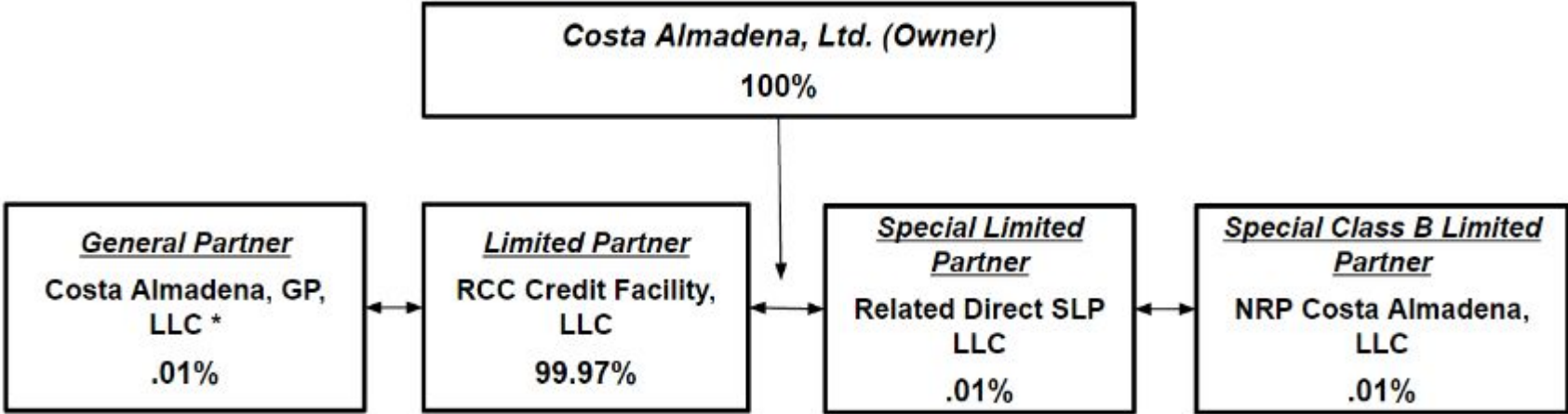
SAHA is the “General Partner” in the partnerships; the property operates independently from SAHA for at least 15 years, due to tax credit rules.

The Low Income Housing Tax Credit (LIHTC) Program was enacted as part of the Tax Reform Act of 1986.

- Tax Credit Investors receive financial incentives for investing in the construction and preservation of affordable housing units.
- The proceeds from the sale of the tax credits are combined with bonds, mortgage debt and other funds, such as HOME, MTW funds, Community Development Block Grant (CDBG) to fund construction.
- SAHA has the option to take ownership at the end of 15 years.
- We are the General Partner in 26 partnership communities with 5,332 housing units (includes East Meadows II, which has scheduled completion for second quarter 2020).

PARTNERSHIP OWNERSHIP STRUCTURE

This is an example of the partnership ownership structure



* Sole Member, Las Varas Public Facility Corporation

PARTNERSHIP INTERESTS

We have a financial interest in twenty-six partnerships

| Completion Date | Developer | Property | Total Units | PH Units | Total Cost |
|------------------------|---------------------------|----------------------------|--------------------|-----------------|-------------------|
| 2007 | American Affordable Homes | Midcrown Seniors Pavilion | 196 | 39 | 16,400,000 |
| 2007 | Cascade Development | Primrose @ Mission Hills | 252 | 0 | 24,000,000 |
| 2007 | Franklin Development Corp | Artisan at Mission Creek | 252 | 0 | 22,500,000 |
| 2007 | NRP Group | Costa Valencia Apts. | 230 | 0 | 20,900,000 |
| 2008 | Cascade Development | Primrose @ Monticello | 248 | 0 | 19,800,000 |
| 2008 | Cascade Development | Rosemont @ University Park | 240 | 0 | 22,600,000 |
| 2008 | Franklin Development Corp | Artisan at Salado II | 252 | 0 | 27,400,000 |
| 2008 | NRP Group | Costa Mirada Apartments | 212 | 0 | 21,700,000 |
| 2008 | NRP Group | Costa Almadena Apartments | 176 | 0 | 18,700,000 |
| 2008 | NRP Group | San Juan Square Phase I | 143 | 46 | 14,900,000 |

PARTNERSHIP INTERESTS

(continued)

40

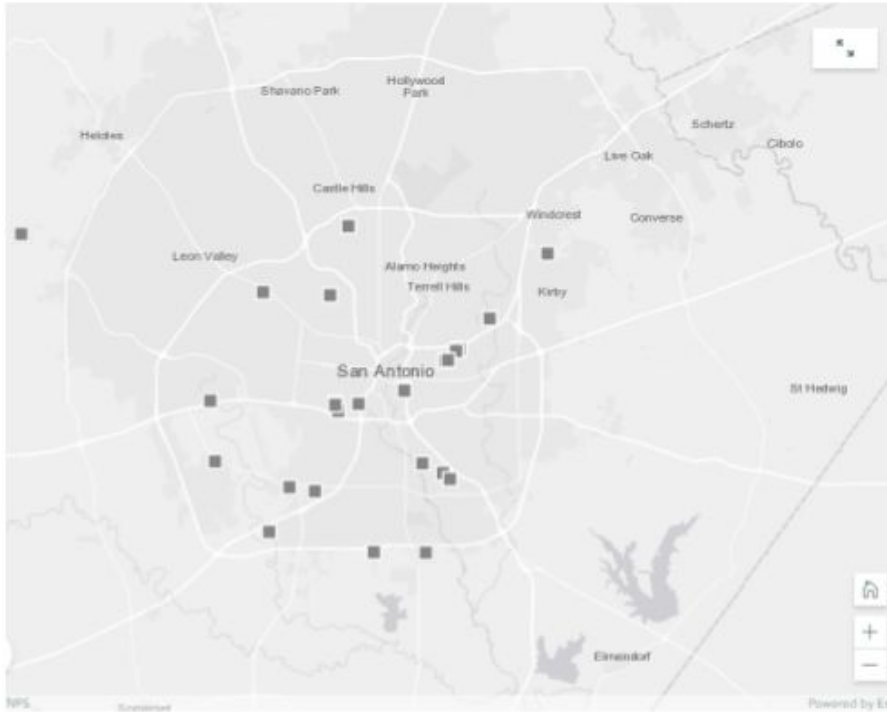
| Completion Date | Developer | Property | Total Units | PH Units | Total Cost |
|------------------------|---------------------------|-------------------------|--------------------|-----------------|-------------------|
| 2008 | NRP Group | Alhambra Senior | 140 | 14 | 13,900,000 |
| 2009 | Hogan Services | Elan Garden | 228 | 0 | 21,700,000 |
| 2010 | Carleton Development | HemisView Village | 245 | 49 | 36,200,000 |
| 2010 | Franklin Development Corp | Artisan at Creekside | 252 | 0 | 27,500,000 |
| 2010 | Franklin Development Corp | Sutton Oaks (Sutton I) | 194 | 49 | 24,400,000 |
| 2010 | NRP Group | San Juan Square II | 144 | 48 | 17,300,000 |
| 2011 | NRP Group | The Mirabella | 172 | 0 | 19,900,000 |
| 2013 | Franklin Development Corp | The Park at Sutton Oaks | 208 | 49 | 29,400,000 |
| 2014 | NRP Group | San Juan Phase III | 252 | 63 | 31,700,000 |

PARTNERSHIP INTERESTS

(continued)

| Completion Date | Developer | Property | Total Units | PH Units | Total Cost |
|-----------------|-----------------------|-----------------------------|--------------|------------|-----------------------|
| 2018 | MBS | East Meadows I | 215 | 71 | 41,800,000 |
| 2018 | MBS | Wheatley Park Senior Living | 80 | 44 | 15,600,000 |
| 2019 | Post Investment Group | Arroyo Seco | 200 | 0 | 20,500,000 |
| 2019 | Vesta Corporation | Marshall Meadows | 250 | 0 | 21,250,000 |
| 2019 | Vesta Corporation | Mission Del Rio | 180 | 0 | 13,500,000 |
| 2019 | Vesta Corporation | Port Royal | 252 | 0 | 18,500,000 |
| 2020 | MBS | East Meadows II | 119 | 42 | 25,100,000 |
| Total | | | 5,332 | 514 | \$ 587,150,000 |

MAP OF OUR PARTNERSHIPS



Our partnerships are predominantly located inside Loop 410

- 5332 units in 26 communities
- Affordability programs include public housing, tax credits, project based vouchers, project based assistance, HOME, and bonds.

MULTI FAMILY ACQUISITIONS

CREATION/PRESERVATION OF AFFORDABLE HOUSING UNITS

VESTA CORPORATION

| Property | Units | AMI | Purchase Price |
|---|-------|-------------------------------|-------------------------------|
| Mission Del Rio 927 VFW Blvd. San Antonio, TX | 180 | 100% @ 60% AMI | \$13,500,000 \$75,000/unit |
| Marshall Meadow 1803 Marshall Cross San Antonio, TX | 250 | 40% @ Market 60% @ 60% AMI | \$21,250,000 \$85,000/unit |
| Port Royal 5350 W. Military Drive San Antonio, TX | 252 | 100% @ 60% AMI | \$18,500,000 \$73,400/unit |

CREATION/PRESERVATION OF AFFORDABLE HOUSING UNITS

45

POST INVESTMENT GROUP

| Property | Units | AMI | Purchase Price |
|--|------------|--|------------------------------------|
| Arroyo Seco 12311 Culebra Road San Antonio, TX | 200 | 50% @ Market 40% @ 80% AMI 10% @ 60% AMI | \$20,500,000 \$102,500/unit |
| TOTAL | 882 | | |

MAP OF ACQUISITIONS



Acquisitions

- Champion at Del Rio
- Champion at Marshall Meadow
- Champion at Port Royal
- Arroyo Seco

REAL ESTATE DEVELOPMENT ACTIVITIES

REAL ESTATE DEVELOPMENTS

48

SAHA IS ACTIVELY ENGAGED IN DEVELOPMENT AND NEIGHBORHOOD REVITALIZATION THROUGH THE CONSTRUCTION OF MULTI-FAMILY, MIXED USE AND SINGLE FAMILY HOUSING.

MULTIPLE PROJECTS ARE IN THE LONG TERM DEVELOPMENT PLAN. IN ORDER TO PROCEED, WE WILL NEED TO RAISE ADDITIONAL CASH TO COVER THE GAPS IN SOURCES AND USES.

- 100 Labor Street a 213 unit multifamily development with 20% affordable and 80% market has a funding gap of \$4.8 million.
- Alazan Lofts, an 88 unit mixed-income, multi-family development consisting of 40 public housing units, 40 affordable units and 8 market rate units. Financing includes 9% low income housing tax credits, CoSA HOME loan, a permanent loan, a land loan, and deferred developer fee.
- Victoria Commons Admin Building rehab development cost funding gap is \$2 million; however, this concept may change through the Master Planning work of Catellus.

REAL ESTATE DEVELOPMENTS

- Mira Vista a 312 unit multi-family development, 100% affordable, utilizing 4% Tax Credits and bonds with a 221 (d)(4), financial gap filled by SAHA putting the land into the deal at no cost.
- NRP has been selected as the developer for the redevelopment of the Alazan Courts. Number of units, unit mix, financing to be determined as well as any funding gaps.
- Based on current sales proceeds and projected costs we do not believe the redevelopment of the Westside Reinvestment Initiative Single Family Homes will have a funding gap, if we are able to obtain HUD approval to demolish the remaining 20 houses and re-issue a Builder RFP for the remaining 48 units in the last three subdivisions.

DEVELOPMENT PIPELINE

ADDITIONALLY, WE HAVE MULTIPLE OPPORTUNITIES IN THE DEVELOPMENT PIPELINE

Under Construction

| | Total Units | Financial Closing | Construction Completion |
|------------------------|-------------|-------------------|-------------------------|
| ➤ East Meadows II | 119 | Closed | 05/2020 |
| ➤ Artisan at Ruiz | 102 | Closed | 12/2020 |
| ➤ Choice Infill Homes* | 25 | Closed | 12/2020 |
| ➤ Majestic Ranch | 288 | Closed | 11/2021 |
| Total: | 534 | | |

In Predevelopment

| | | | |
|--------------------------|-----|-----------------------------|---------|
| ➤ Alazan Lofts | 88 | 07/2020 | 08/2022 |
| ➤ 100 Labor | 213 | 06/2020 | 07/2022 |
| ➤ Alazan Courts I and II | 648 | | |
| ➤ Mira Vista | 312 | 06/2020 | 07/2022 |
| ➤ St. John's | 252 | Pending New Bond Allocation | |
| ➤ Tampico | 200 | 07/2020 | 08/2022 |

* Single Family Homes

DEVELOPMENT PLANNING PIPELINE

In Predevelopment *(continued)*

| | Total Units | Financial Closing | Construction Completion |
|--------------------------|--------------|----------------------|-------------------------|
| ➤ Culebra Crossing | 327 | Pending HUD Approval | |
| ➤ 1604 Lofts | 324 | 06/2020 | 07/2022 |
| ➤ Trader Flats | 324 | 07/2020 | 08/2022 |
| ➤ Fiesta Trails | 74 | Pending | |
| ➤ Pearsall Flats | 348 | 11/2020 | 12/2022 |
| ➤ Convent and Springview | 234 | Pending | |
| ➤ Artisan Park Townhomes | (TBD) | 2020 | 2022 |
| ➤ Artisan Park Midrise | (TBD) | 06/2020 | 10/2023 |
| ➤ Villa de Fortuna * | 28 | Pending | |
| ➤ Palm Lake * | 11 | Pending | |
| ➤ Sunflower * | 9 | Pending | |
| Total | 3,392 | | |

*Single Family Homes

DEVELOPMENT PLANNING PIPELINE

52

| | Total Units | Financial Closing | Construction Completion |
|-------------------------|-------------|--------------------------|-------------------------|
| Under Discussion | | | |
| ➤ Fischer Road | 348 | Pending | 12/2022 |
| ➤ Horizon Pointe | 330 | Awaiting Bond Allocation | TBD |
| ➤ Snowden Road | 160 | Pending | TBD |
| ➤ Flores | 400 | TBD | TBD |
| ➤ Rustico at Fair Oaks | 292 | 8/2020 | Acquisition |
| ➤ Wurzbach Parkway | 350 | TBD | TBD |
| ➤ Kitty Hawk Flats | 212 | 12/2020 | 01/2023 |
| ➤ The Grenada | 249 | 03/2022 | 03/2024 |
| ➤ The Rex | (TBD) | TBD | TBD |
| ➤ Josephine | 259 | TBD | TBD |

DEVELOPMENT PLANNING PIPELINE

| Under Discussion (continued) | Total Units | Financial Closing | Construction Completion |
|-------------------------------------|--------------------|--------------------------|--------------------------------|
| ➤ Landmark | 360 | TBD | TBD |
| ➤ Potranco | 312 | TBD | TBD |
| Total | 3,272 | | |
| Grand Total | 7,198 | | |

DEVELOPER FEES AND CASH FLOW ARE NORMALLY EARNED ON THESE DEALS TO COVER OUR DSNR MANAGEMENT AND OVERHEAD COSTS

REPOSITIONING UNDERUTILIZED ASSETS

REPOSITIONING UNDERUTILIZED ASSETS

55

| Owner | Property | Value | Timeline | Status |
|------------------------------------|------------------------------------|-----------|-----------|---|
| SAHA Public Housing | 94 Scattered Site Homes | 8,300,000 | 2019-2020 | 90 Sales Closed; Net Proceeds of \$8,023,000 |
| | 69 Scattered Site Homes | 7,800,000 | 2020-2021 | Disposition Application to HUD June 2020 |
| | Former Section 32 Homes (7 SFR) | 475,000 | 2020 | Disposition Application submitted to HUD Oct. 2019 |
| SAHA Non-Residential | 909 Runnels | 800,000 | 2020 | Under Contract, Closing August 2020 |
| | 202 Garcia Street (Admin Building) | 300,000 | 2020 | Evaluating Options |
| San Antonio Housing Facility Corp. | 1310 S. Brazos Warehouse | 2,200,000 | 2020 | Under Contract \$2.2 Million; Anticipated Closing 5-20-20 |
| | 2730 E. Commerce (Parcel) | 109,000 | 2020 | Evaluating Options |
| | 2830 E. Commerce (Parcel) | 30,000 | 2020 | Evaluating Options |

Total \$ 20,014,000

NEXT STEPS AND RECOMMENDATIONS

PRIORITIZING OUR ACTIVITIES

57

WE DO NOT HAVE THE RESOURCES TO ADDRESS ALL OUR NEEDS, SO WE WILL HAVE TO PRIORITIZE OUR ACTIVITIES

- Development Activities
 - Complete the East Meadows Redevelopment
 - Fund gap and complete the Victoria Commons Redevelopment
 - Proceed with any development that does not require cash (e.g., Tampico, Mirasol)
 - Evaluate self-development options
 - Alazan

- Public Housing / Capital Fund Five Year Plan
 - Complete sprinkler system upgrades in high-rise buildings
 - Proceed with Five Year Preservation Plan

PRIORITIZING OUR ACTIVITIES

58

(continued)

- **Beacon Communities**
 - Refinance Pecan Hill and Sunshine Plaza and will use proceeds to improve the property
 - Refinance LIHTC Properties (Legacy at Science Park, Legacy at O'Connor, Refugio Place)
 - Proceed with other improvements as cash flow permits

- **Repositioning Assets**
 - Consider the sale of underutilized assets to provide additional funds for preservation or development opportunities

- **Other**
 - Continue to look for other fundraising opportunities such as grants
 - Close EPC Phase II second half of 2020 to provide additional funds for capital improvement
 - Continue to re-evaluate the RAD and Voluntary Conversion options

NEXT STEPS

59

- Prepare updated 5 year plan (based on PNA, financial performance and Affirmatively Furthering Fair Housing evaluation)
 - Present to BOC - Second half 2020

- Begin annual Asset Management Planning Process in January of each year
 - Approved 5 year asset management and development plan will be included in the annual MTW plan released for public comment each February
 - Conduct mid-year review of asset management and development plan each July

RECOMMENDATIONS

60

- Dispose of underutilized assets to provide cash for preservation and expansion activities
- Public Housing - Delay implementation of five year capital plan
- Beacon - Continue implementation of five year capital plan
- Development - Continue to work with Board to prioritize development activities

APPENDIX

EXAMPLE: ASSET EVALUATION SCORECARD

Property Name: Alazan

Property Address: 1011 Brazos

Portfolio:

| | |
|---|------------|
| X | PH Family |
| | PH Senior |
| | Non-Profit |

| RATING CATEGORY: | Physical Condition | |
|---|--------------------|-----------------|
| Condition Index (based on PNA using priorities #1 to #3) | | |
| Potential Points | | Assigned Points |
| 40 | 80% or > (94%) | 40 |
| 25 | 60% - 79% | |
| 10 | 59% or < | |
| | Total A | 40 |
| Public Housing Properties Only Latest REAC Inspection Score | | |
| 40 | 90 - 100 | |
| 30 | 80- 89 | |
| 20 | 60 - 79 (68) | 20 |
| 10 | 59 or < | |
| | Total B | 20 |
| | Total A +B | 60 |

| RATING CATEGORY: | Financial Performance | |
|--|-----------------------------|-----------------|
| Net Operating Income (Per Unit) Pertains only to Non-Profit Properties | | |
| Potential Points | | Assigned Points |
| 20 | \$3,000 or > | |
| 15 | \$2,000 - \$2,999 | |
| 10 | \$1 -\$1,999 | |
| 5 | below break-even | |
| | Total A | 0 |
| Average Occupancy Last 12 Months | | |
| 40 | 95% or > (96.47%) | 40 |
| 30 | 90% - 94% | |
| 20 | 89% or < | |
| | Total B | 40 |
| Operating Expense Per Unit | | |
| 20 | \$3,700 or < | |
| 15 | \$3,701 - \$4,900 | |
| 10 | \$4,901 - \$5,200 (\$5,009) | 10 |
| 5 | \$5,201 or > | |
| | Total C | 10 |
| | Total A+B+C | 50 |
| GRAND TOTAL | | 110 |

ATTACHMENTS INCLUDED

1. Updated Cash Flow By Year Spreadsheet
2. DSNR Developments
3. Maps of Developments
4. 2020 Proposed Affordable Housing Preservation and Expansion Policy
5. 2015 Affordable Housing Preservation and Expansion Policy
6. 2011 Affordable Housing Preservation and Expansion Policy

CASH FLOW BY YEAR

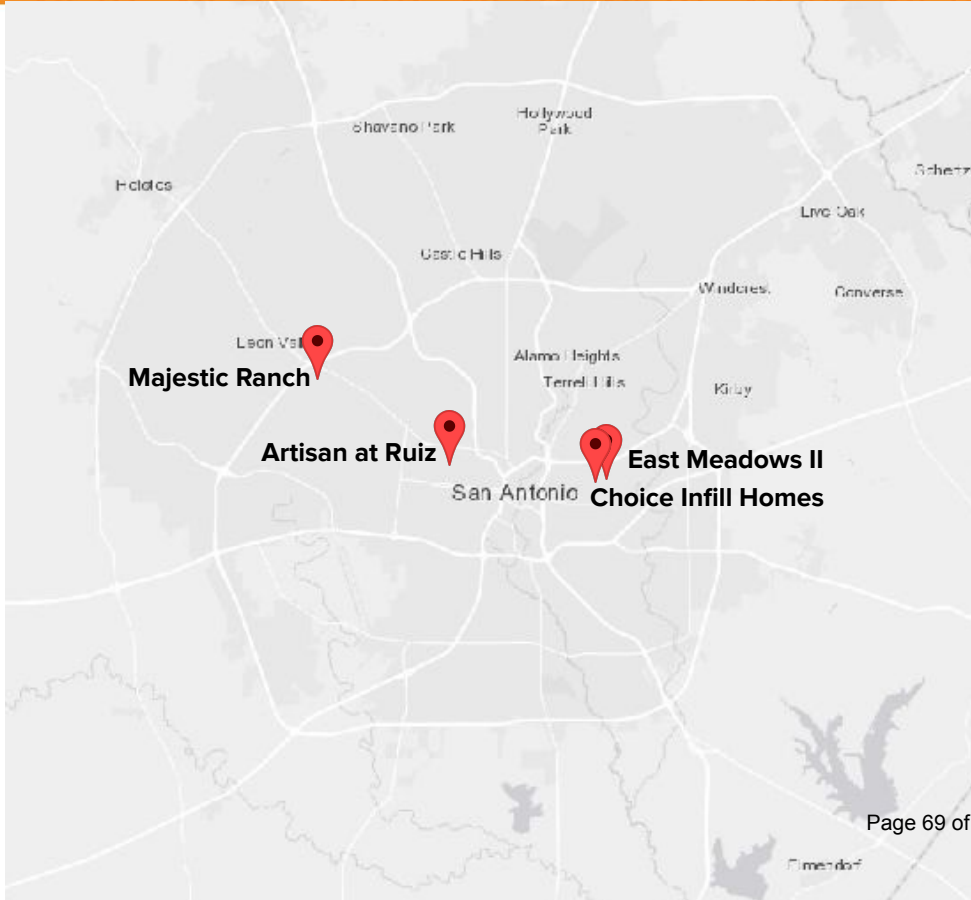
| Development | Total Developer fees | Est Closing date | FY 7/19 - 6/20 | FY 7/20 - 6/21 | FY 7/21 - 6/22 | FY 7/22 - 6/23 | FY 7/23 - 6/24 | FY 7/24 - 6/25 | FY 7/25 - 6/26 | FY 7/26 - 6/27 | FY 7/27 - 6/28 | FY 7/28 - 6/29 | FY 7/29 - 6/30 | FY 7/30 - 6/31 | FY 7/31 - 6/32 | FY 7/32 - 6/33 | FY 7/33 - 6/34 | FY 7/34 - 6/35 | FY 7/35 - 6/36 | FY 7/36 - 6/37 | FY 7/37 - 6/38 | FY 7/38 - 6/39 |
|--|---|-------------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|
| Artisan at Ruiz | \$658,182.00 | 9/2019 | \$131,636.33 | \$131,636.33 | \$391,909.00 | \$39,433.20 | \$41,948.35 | \$44,467.75 | \$46,989.70 | \$49,515.05 | \$52,039.55 | \$54,564.05 | \$57,085.15 | \$59,602.85 | \$62,113.75 | \$64,617.85 | \$67,111.75 | \$69,593.75 | \$72,063.00 | \$74,515.25 | | |
| Majestic Ranch | \$1,175,000.00 | 12/2019 | \$249,900.00 | | \$925,100.00 | \$249,764.85 | \$257,068.05 | \$298,752.90 | \$332,845.55 | \$367,577.40 | \$402,953.55 | \$438,975.70 | \$475,647.25 | \$512,969.90 | \$550,947.05 | \$589,577.85 | \$628,863.15 | \$668,802.95 | \$709,394.70 | | | |
| 100 Labor | \$1,735,081.00 | 6/2020 | \$1,735,081.00 | | | | \$115,212.40 | \$152,814.70 | \$169,561.40 | \$186,113.45 | \$202,866.10 | \$219,818.50 | \$236,969.80 | \$508,643.40 | \$543,744.15 | \$579,242.70 | \$615,137.35 | \$649,137.35 | \$683,137.35 | \$717,137.35 | | |
| 1604 Flats | \$1,528,500.00 | 6/2020 | \$245,000.00 | | | \$1,065,697.00 | \$29,249.35 | \$68,270.30 | \$74,046.05 | \$124,143.13 | \$154,212.10 | \$164,740.20 | \$175,304.00 | \$185,899.25 | \$196,521.70 | \$207,167.10 | \$217,828.65 | \$228,501.25 | \$239,180.65 | \$249,857.50 | | |
| Trader Flats | \$1,428,000.00 | 6/2020 | \$394,188.00 | | | \$1,007,273.00 | \$28,279.63 | \$124,713.70 | \$135,226.50 | \$145,791.15 | \$156,405.95 | \$167,065.80 | \$177,766.45 | \$188,506.20 | \$199,277.40 | \$210,077.50 | \$220,899.70 | \$231,739.75 | \$242,591.70 | \$253,449.60 | | |
| Alazan Lofts | \$676,200.00 | 6/2020 | \$111,576.00 | | \$492,227.00 | \$12,102.90 | \$6,076.14 | \$2,077.44 | \$2,014.97 | \$1,943.87 | \$1,864.14 | \$1,774.59 | \$1,675.52 | \$1,566.34 | \$1,446.15 | \$1,315.25 | \$1,172.45 | \$1,017.75 | \$850.26 | | | |
| Tampico | \$1,030,398.25 | 6/2020 | \$73,912.65 | | \$295,650.60 | \$39,531.59 | \$43,684.05 | \$47,872.21 | \$52,095.23 | \$56,352.45 | \$60,643.04 | \$64,966.14 | \$69,320.69 | \$73,705.84 | \$78,120.31 | \$82,563.05 | \$174,065.98 | \$183,056.85 | \$192,096.60 | \$201,181.83 | | |
| Mira Vista | \$1,225,000.00 | 6/2020 | \$249,900.00 | | \$975,100.00 | \$358,061.65 | \$398,377.15 | \$436,003.25 | \$474,390.10 | \$513,547.05 | \$553,480.90 | \$594,199.30 | \$635,709.05 | \$678,016.95 | \$721,129.80 | \$765,051.85 | \$809,789.05 | \$855,344.80 | \$901,724.20 | | | |
| Old Pearsall | \$1,489,522.75 | Pending Bond Allocation | | \$190,420.56 | | | \$867,471.44 | \$57,182.90 | \$62,989.25 | \$68,823.65 | \$74,682.70 | \$80,563.85 | \$172,933.35 | \$184,774.70 | \$196,646.65 | \$208,544.10 | \$220,461.10 | \$232,390.85 | \$244,327.40 | \$256,263.95 | \$268,193.70 | \$280,108.15 |
| Kitty Hawk | \$1,403,100.00 | Pending Bond Allocation | | \$57,500.00 | | | \$215,718.00 | \$34,726.75 | \$38,334.15 | \$41,953.45 | \$45,582.95 | \$49,220.95 | \$52,865.75 | \$56,515.65 | \$60,168.95 | \$63,823.95 | \$67,481.63 | \$71,139.75 | \$74,799.40 | \$78,459.05 | \$82,118.70 | \$85,778.35 |
| Fiesta Trails | \$440,899.00 | Pending 9% TC award | | | | | | | | | | | | | | | | | | | | |
| Horizon Pointe | \$1,478,425.00 | Pending Bond Allocation | | \$189,238.40 | | | \$959,042.60 | \$61,174.08 | \$66,869.93 | \$72,598.08 | \$78,356.61 | \$117,143.38 | \$179,913.55 | \$191,589.15 | \$203,308.10 | \$215,067.00 | \$226,859.90 | \$238,680.85 | \$250,525.60 | \$262,387.35 | \$274,259.30 | \$286,136.35 |
| Culebra Crossing | \$250,000.00 | Pending HUD Approval | | \$250,000.00 | | | \$25,000.00 | \$25,000.00 | \$25,000.00 | \$25,000.00 | \$6,693,217.00 | | | | | | | | | | | |
| St John's | \$3,488,000.00 | Pending Bond Allocation | | | | \$210,663.66 | \$236,148.70 | \$257,121.26 | \$278,383.50 | \$299,937.12 | \$339,799.40 | \$380,857.80 | \$423,147.68 | \$466,706.44 | \$511,572.16 | \$574,866.84 | \$756,726.53 | \$818,008.98 | \$881,129.55 | \$946,143.93 | | |
| Whitefield | \$392,057.00 | 5/2020 | \$250,000.00 | \$142,057.00 | | | | | | | | | | | | | | | | | | |
| San Jose | \$1,028,484.60 | 3/2022 | | | \$1,028,484.60 | | \$36,300.00 | \$36,300.00 | \$36,300.00 | \$36,300.00 | \$36,300.00 | \$36,300.00 | \$36,300.00 | \$36,300.00 | \$36,300.00 | \$36,300.00 | | | | | | |
| Ingram | \$387,159.60 | 3/2024 | | | | | \$387,159.60 | | \$13,845.00 | \$13,845.00 | \$13,845.00 | \$13,845.00 | \$13,845.00 | \$13,845.00 | \$13,845.00 | \$13,845.00 | \$13,845.00 | | | | | |
| | \$19,814,009.20 | | | | | | | | | | | | | | | | | | | | | |
| Developer Fee and Cash Flow per Fiscal Year | | ➔ | \$3,441,193.98 | \$960,852.29 | \$4,108,471.20 | \$2,982,527.84 | \$3,646,735.46 | \$1,646,477.24 | \$1,808,891.32 | \$2,003,440.84 | \$8,866,248.99 | \$2,384,035.26 | \$2,708,483.24 | \$3,158,641.67 | \$3,375,141.17 | \$3,612,060.04 | \$4,016,912.22 | \$4,222,126.87 | \$4,450,668.04 | \$3,010,826.92 | \$629,311.00 | \$566,244.50 |
| Payment of Deferred Developer Fee | | | | | | | | | | | | | | | | | | | | | | |
| Final Payment of DDF and first payment of Cash flow | | | | | | | | | | | | | | | | | | | | | | |
| Cash Flow | Cash flow is projected by the Developer. We reduced their projections to 85% to be conservative based upon past | | | | | | | | | | | | | | | | | | | | | |
| Other Fees | | | | | | | | | | | | | | | | | | | | | | |
| Bond Issuance Fees | | | | | | | | | | | | | | | | | | | | | | |
| Development | Bond Issuance Fees | Est Closing date | FY 7/19 - 6/20 | FY 7/20 - 6/21 | FY 7/21 6/22 | FY 7/22 - 6/23 | FY 7/23 - 6/24 | | | | | | | | | | | | | | | |
| St John's | \$775,000.00 | 9/2020 | | \$775,000.00 | | | | | | | | | | | | | | | | | | |
| 1604 Flats | \$560,000.00 | 6/2020 | \$560,000.00 | | | | | | | | | | | | | | | | | | | |
| Trader Flats | \$560,000.00 | 6/2020 | \$560,000.00 | | | | | | | | | | | | | | | | | | | |
| Mira Vista | \$360,000.00 | 6/2020 | \$360,000.00 | | | | | | | | | | | | | | | | | | | |
| Tampico | \$260,000.00 | 6/2020 | \$260,000.00 | | | | | | | | | | | | | | | | | | | |
| Horizon Pointe | \$350,000.00 | | | \$350,000.00 | | | | | | | | | | | | | | | | | | |
| Old Pearsall | \$247,800.00 | 11/2020 | | \$247,800.00 | | | | | | | | | | | | | | | | | | |
| Kitty Hawk | \$209,500.00 | 10/2020 | | \$280,000.00 | | | | | | | | | | | | | | | | | | |
| San Jose | \$484,000.00 | 3/2022 | | | \$484,000.00 | | | | | | | | | | | | | | | | | |
| Ingram | \$184,600.00 | 3/2024 | | | | | \$184,600.00 | | | | | | | | | | | | | | | |
| | \$3,990,900.00 | | \$1,740,000.00 | \$1,652,800.00 | \$484,000.00 | \$0.00 | \$184,600.00 | | | | | | | | | | | | | | | |
| | | Total | \$5,181,193.98 | \$2,613,652.29 | \$4,592,471.20 | \$2,982,527.84 | \$3,831,335.46 | | | | | | | | | | | | | | | |
| | Grand Total | | \$65,660,690.07 | | | | | | | | | | | | | | | | | | | |

DSNR DEVELOPMENTS

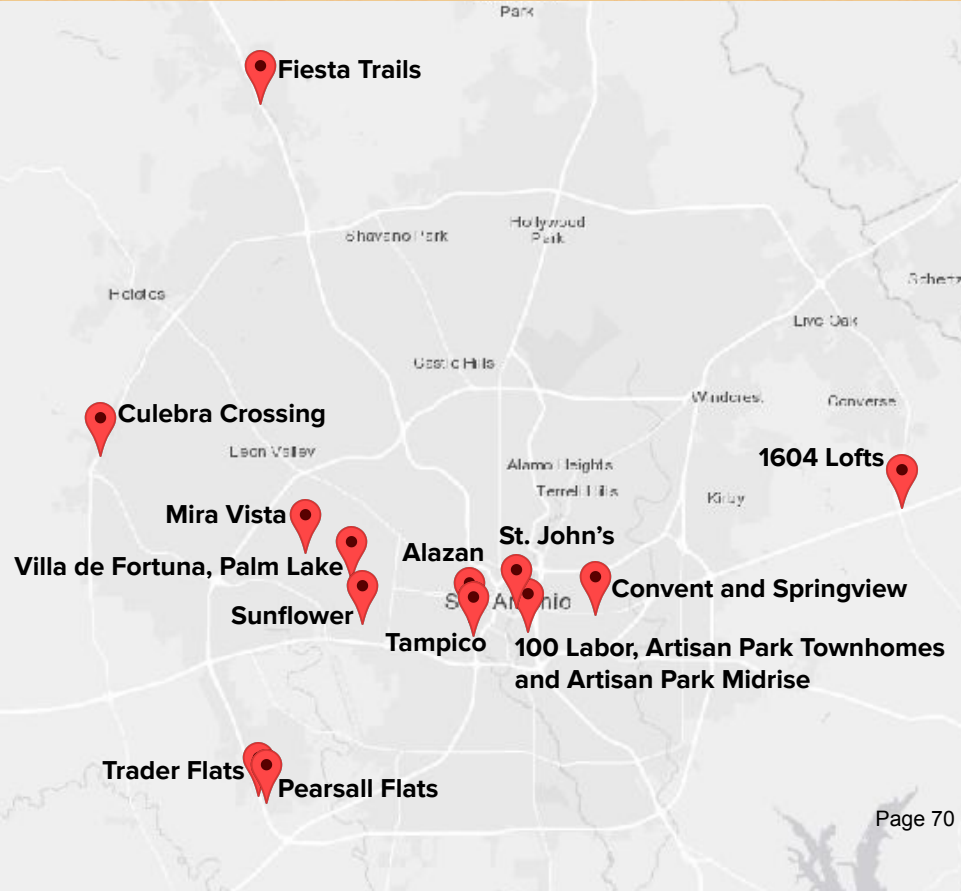
| Project Name | Developer | TotalDevCost | # Units | Income Mix | | | | | Unit Type | | | | | | | Est Closing | Est Construction | Est Construction |
|-------------------------------|-------------------|--------------|--------------|------------|------------|--------------|--------------|-------------|------------|--------------|--------------|-----------|-----------|-----------|-----------|------------------------------|------------------|------------------|
| | | | | 30% | 50% | 60% | 80% | Market | Market | Affordable | Tax Credit | HOME | PH | PBV | PBA | Date | Start Date | End Date |
| Under Construction | | | | | | | | | | | | | | | | | | |
| East Meadows II | MBS | \$25,848,336 | 119 | 24 | 24 | 47 | 0 | 24 | 24 | 0 | 22 | 31 | 42 | 0 | 0 | Closed | 9/2018 | 5/2020 |
| Artisan at Ruiz | Franklin | \$21,165,791 | 102 | 11 | 41 | 50 | 0 | 0 | 0 | 0 | 102 | 0 | 0 | 0 | 0 | Closed | 9/2019 | 12/2020 |
| Majestic Ranch | Hogan | \$46,084,260 | 288 | 0 | 0 | 288 | 0 | 0 | 0 | 0 | 288 | 0 | 0 | 0 | 0 | Closed | 1/2020 | 11/2021 |
| New Developments | | | | | | | | | | | | | | | | | | |
| Culebra Crossing [1] | Lynd | \$50,123,889 | 327 | 0 | 0 | 0 | 164 | 163 | 163 | 164 | 0 | 0 | 0 | 0 | 0 | Pending HUD approval | | |
| St. John's Square | Weal | \$71,547,459 | 252 | 0 | 54 | 0 | 0 | 198 | 198 | 0 | 4 | 0 | 0 | 50 | 0 | Pending new bond reservation | | |
| 100 Labor | Franklin | \$51,877,521 | 213 | 27 | 17 | 0 | 0 | 169 | 169 | 0 | 0 | 0 | 0 | 0 | 44 | 6/2020 | 7/2020 | 7/2022 |
| 1604 Flats | NRP | \$56,741,067 | 324 | 33 | 0 | 224 | 67 | 0 | 0 | 0 | 324 | 0 | 0 | 0 | 0 | 6/2020 | 7/2020 | 7/2022 |
| Tampico | Mission DG | \$33,392,549 | 200 | 9 | 28 | 70 | 29 | 64 | 64 | 0 | 136 | 0 | 0 | 0 | 0 | 6/2020 | 7/2020 | 1/2022 |
| Alazan Lofts | NRP | \$18,521,959 | 88 | 8 | 32 | 40 | 0 | 8 | 8 | 0 | 40 | 0 | 40 | 0 | 0 | 6/2020 | 7/2020 | 12/2021 |
| Trader Flats | NRP | \$55,701,297 | 324 | 33 | 0 | 224 | 67 | 0 | 0 | 0 | 324 | 0 | 0 | 0 | 0 | 6/2020 | 7/2020 | 7/2022 |
| Mira Vista | Hogan | \$45,314,865 | 312 | 0 | 0 | 312 | 0 | 0 | 0 | 0 | 312 | 0 | 0 | 0 | 0 | 6/2020 | 7/2020 | 7/2022 |
| Old Pearsall Flats | Streamline | \$52,501,266 | 348 | 34 | 46 | 200 | 68 | 0 | 0 | 0 | 348 | 0 | 0 | 0 | 0 | Pending Bond Allocation | 12/2020 | 12/2022 |
| Horizon Pointe | Streamline | \$52,499,345 | 330 | 32 | 70 | 118 | 110 | 0 | | 330 | | | | | | Pending Bond Allocation | | |
| Fiesta Trails | NRP | \$20,332,714 | 74 | 8 | 30 | 36 | 0 | 0 | | | 74 | | | | | Pending | | |
| Kitty Hawk Flats | NRP | \$40,046,873 | 212 | 22 | 0 | 135 | 55 | 0 | 0 | 0 | 212 | 0 | 0 | 0 | 0 | Pending Bond Allocation | 1/2021 | 1/2023 |
| Potential Developments | | | | | | | | | | | | | | | | | | |
| Snowden | SAHA | | 185 | TBD | TBD | TBD | TBD | TBD | | | | | | | | Pending | | |
| Alazan Courts Phase I | NRP | \$53,037,920 | 324 | 33 | 0 | 225 | 66 | 0 | 0 | 324 | 0 | 0 | 0 | 0 | 0 | Pending | | |
| Alazan Courts Phase II | NRP | \$57,260,161 | 324 | 33 | 0 | 225 | 66 | 0 | 0 | 324 | 0 | 0 | 0 | 0 | 0 | Pending | | |
| Victoria Courts Midrise | Catellus | | TBD | TBD | TBD | TBD | TBD | TBD | | | | | | | | Pending | | |
| Victoria Courts Townhomes | Catellus | | TBD | TBD | TBD | TBD | TBD | TBD | | | | | | | | Pending | | |
| Fischer Road | Hogan | \$47,000,000 | 348 | 35 | TBD | TBD | TBD | TBD | | | | | | | | Pending | 12/2020 | 12/2022 |
| The Granada | Mission DG | | 249 | 176 | TBD | TBD | TBD | TBD | | | | | | | | Pending | 3/2022 | 3/2024 |
| Flores | Victor Miramontes | | 400 | 40 | TBD | TBD | 200 | 160 | | | | | | | | Pending | | |
| Rustico at Fair Oaks | Rajeev Puri | \$43,500,000 | 292 | 0 | 0 | 29 | 117 | 146 | 146 | 146 | | | | | | Acquisition - Ready to Go | | |
| Wurzbach Parkway | Lynd | \$55,000,000 | 350 | 0 | 0 | 35 | 140 | 175 | | | | | | | | TBD | 10/2020 | 3/2022 |
| Josephine | Lynd | \$58,316,534 | 259 | 0 | 0 | 26 | 104 | 129 | | | | | | | | TBD | | |
| Potranco | Lynd | \$43,041,525 | 213 | 0 | 0 | 22 | 85 | 106 | | | | | | | | TBD | | |
| Landmark | Lynd | \$67,944,034 | 360 | 0 | 0 | 36 | 144 | 180 | | | | | | | | TBD | | |
| Charity at Springview | Franklin | \$43,256,221 | 234 | 24 | 0 | 210 | 0 | 0 | | | 234 | | | | | Pending | | |
| Total | | | 7,051 | 582 | 342 | 2,552 | 1,482 | 1522 | 772 | 1,288 | 2,420 | 31 | 82 | 50 | 44 | | | |

Development Pipeline: Under Construction

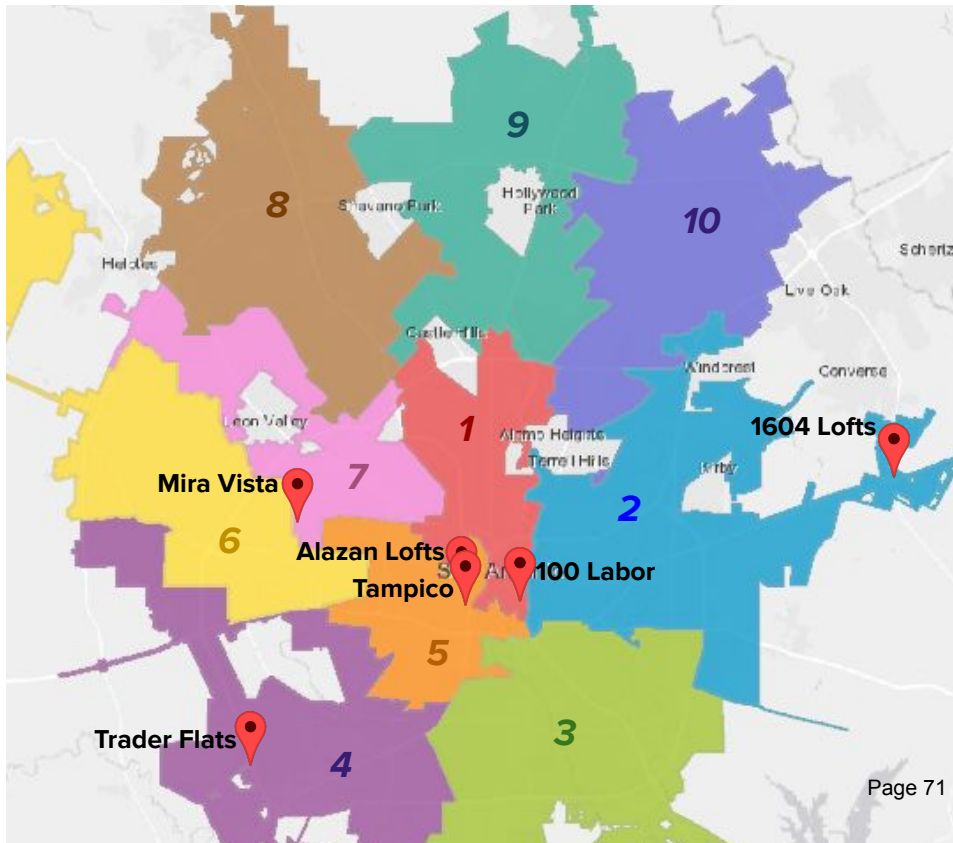
1



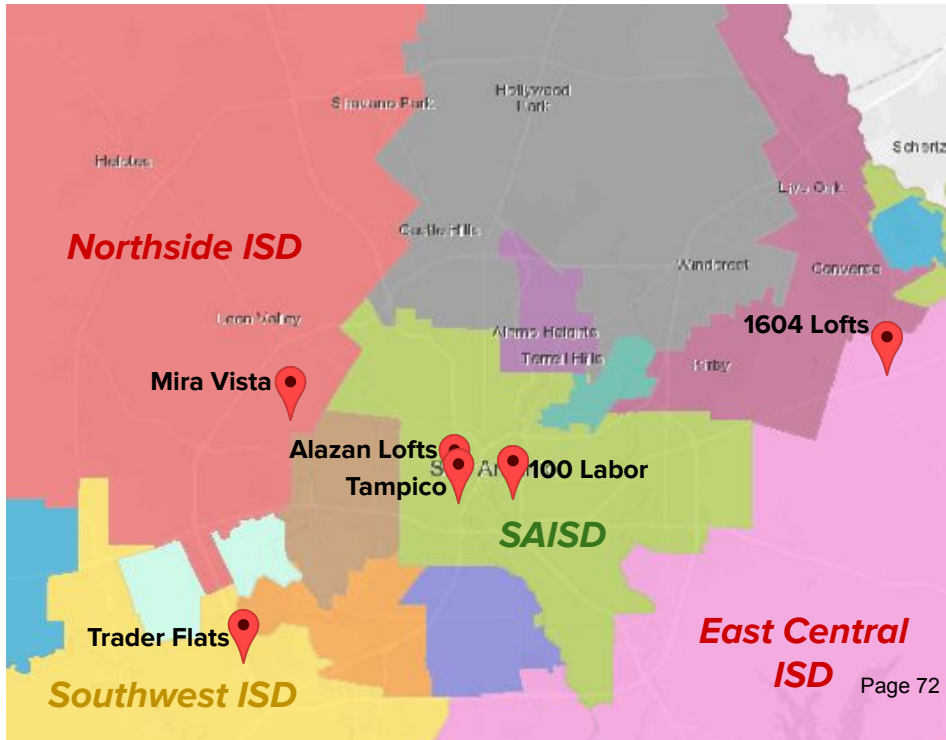
Development Pipeline: In Predevelopment



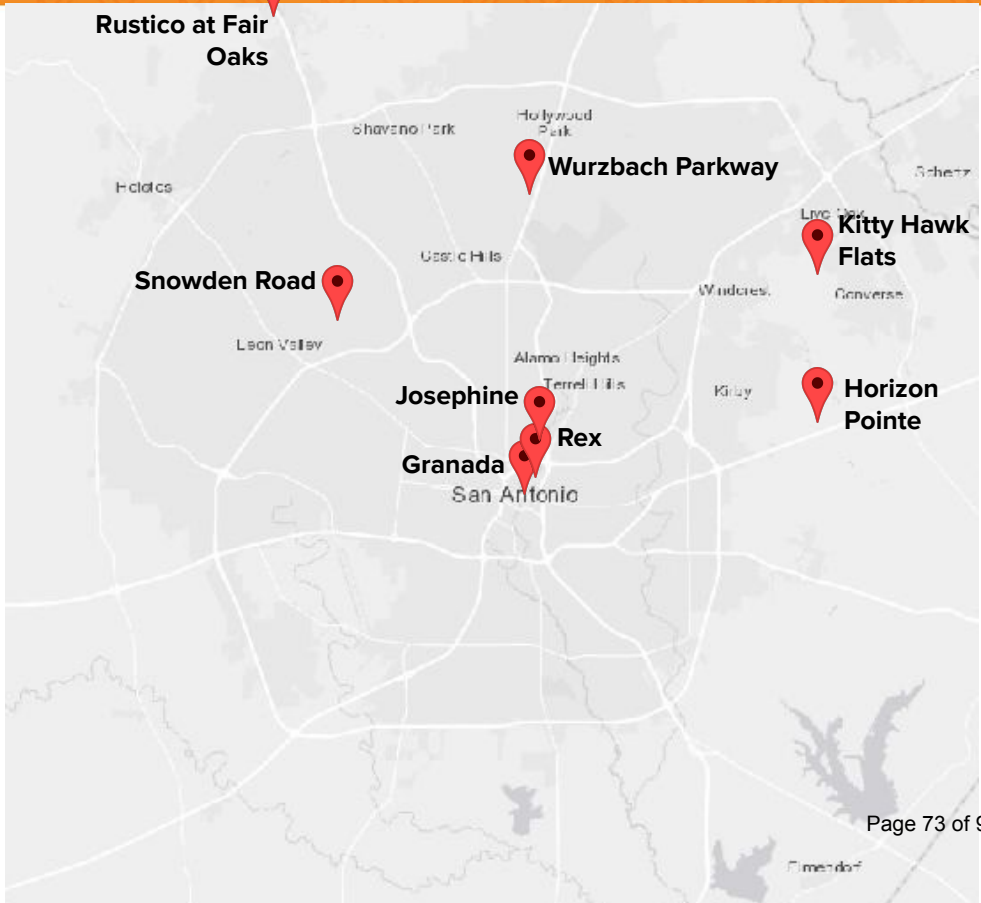
New Deals, with City Council Districts



New Deals, with School Districts



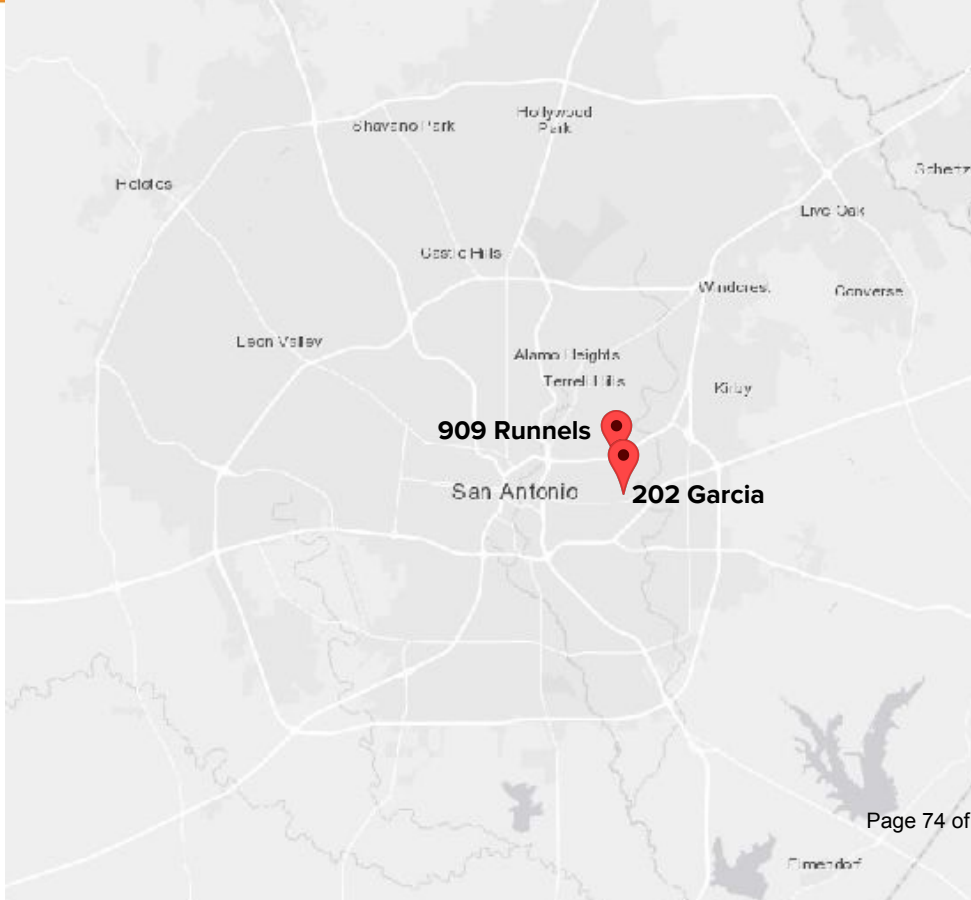
Development Pipeline: Under Discussion



Not mapped:

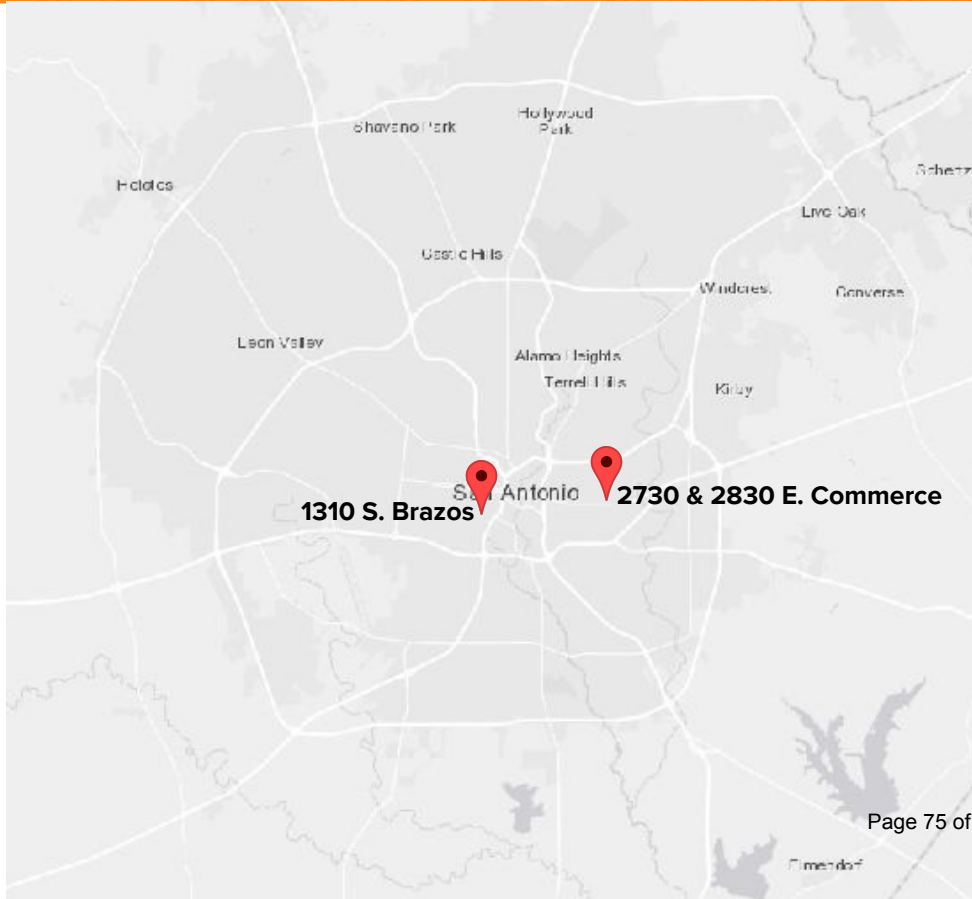
- Fischer Road
- Flores
- Landmark
- Potranco

Repositioning: SAHA Non-residential



Repositioning: San Antonio Housing Facility Corp.

7



Repositioning: Section 32

SECTION 32 PROPERTIES



Policy Title: Affordable Housing Preservation and Expansion

Effective Date: July 5, 2020

I. Statement of Purpose

Intent

The intent of this Affordable Housing Preservation and Expansion Policy is to guide agency decisions regarding the preservation of existing affordable housing stock, and the expansion of affordable housing supply in the San Antonio area. Such decisions include but are not limited to location, quantity, distribution, quality, timing, financing, and design. This policy impacts all SAHA programs and portfolios.

Assumptions and Rationale

SAHA recognizes the significant unmet need for quality housing affordable to lower income individuals and families in San Antonio. We believe housing can be a catalyst for economic development and community vibrancy.

Relationship of this Policy to Agency Strategic Plan and Theory of Change

This Affordable Housing Preservation and Expansion Policy provides specific guidance regarding how the agency will achieve Strategic Plan outcomes related to housing preservation and expansion.

Supply: A key outcome listed in the agency’s theory of change is “2.1 A supply of affordable, quality units exists in sufficient quantities.” Sufficient supply is a direct precondition to ensuring that “2.2 San Antonio area residents live in quality affordable homes.” The question of sufficient supply is foundational to nearly every other outcome identified in the theory of change.

Neighborhood characteristics: The theory of change includes various outcome statements related to neighborhood quality, including “3.3 San Antonio area residents live in neighborhoods that are safe communities where people know and respect each other”, “3.4 San Antonio area residents live in neighborhoods that meet their social needs”, and “3.2 San Antonio area residents are actively engaged and feel included.”

Guiding Principles

- Work actively to preserve and expand quality affordable housing to fill this need

- Pursue rehabilitation, acquisition, new construction, or asset repositioning projects that address unmet community need
- Design communities and buildings to improve clients' quality of life, help residents feel safe and healthy, and support their needs for stability, community, accomplishment, individual growth, and leadership.
- Help catalyze economic development through the creation of financially, socially, and environmentally inclusive communities that are healthy and sustainable
- Transparently plan and collaborate with residents and other key public, private, and non-profit stakeholders at the local, state and federal level

Outcome Metrics and Targets

The agency has identified metrics and set targets in order to track progress toward priority outcomes, as identified in the agency's strategic plan. The intent of this policy is to achieve the outcomes and targets as detailed in the relevant strategic plan section(s).

Key Affordable Housing Preservation and Expansion Strategies

SAHA employs two groups of strategies simultaneously to ensure low-income residents have access to affordable housing units: place-based strategies, and mobility strategies.

Generally, place-based strategies seek to improve the quality of life of low-income households in neighborhoods where they currently live, by pursuing coordinated revitalization activities. The prime example of this approach is the Choice Neighborhood Initiative. Elements include:

- Cross-sector collaboration (education, law-enforcement, workforce development, economic development, etc.)
- Targeted socioeconomic support for existing residents to support their ability to stay in neighborhood
- Emphasis on community or neighborhood-scale revitalization, with plans developed in coordination with stakeholders
- Catalytic redevelopment of public housing into mixed-income and service-enriched communities
- Preservation of existing affordable housing stock in revitalization areas, to guard against future displacement
- To protect against displacement, SAHA has the goal of not unilaterally raising rents by more than 5% per year for properties in the Beacon Portfolio.

Mobility strategies facilitate the movement of low-income households to neighborhoods with recognized pathways to opportunity and/or demonstrated positive impact on life outcomes. The Housing Choice Voucher program (Section 8) was created by HUD as a mobility program. Elements of mobility strategies include:

- Adjusting the value of voucher subsidy to better match neighborhood market conditions (SAFMR)
- Construction of affordable housing units in areas with low existing supply and/or low affordability
- Preservation of existing affordable housing stock in areas with otherwise low affordability
- Acquisition of housing projects or land to increase affordability options in more expensive areas
- Targeted mobility counseling for residents who seek to move

II. Affordable Housing Preservation and Expansion Criteria

All SAHA affordable housing preservation and expansion activities must be consistent with the guiding principles, targeted outcomes, and strategies articulated in the ‘Statement of Purpose’ section of this policy document. In addition, such activities must comply with key criteria described below by topic:

Project Need

SAHA recognizes the significant unmet need for quality housing affordable to lower income individuals and families in San Antonio. SAHA is primarily focused on addressing this unmet need that is not being adequately addressed by the private market and where therefore a government subsidy is needed.

- SAHA will lead (by building or acquiring) or support projects (for capital generation) which fulfill a community need for affordable housing
- Community need must be determined and documented based on objective market analysis which includes SAHA’s waiting lists information

Project Location Selection

Recognizing that the location of an affordable housing preservation or expansion project can be a major driver of the long term success of the project and the socio economic opportunities and challenges available to residents, SAHA will:

- Place-based projects
 - Pursue acquisition and/or partnership opportunities synergistic with coordinated community initiatives
 - Coordinate development projects with transportation and other infrastructure improvement projects, education, workforce development and employment initiatives, and other community-specific neighborhood-scale efforts

- Mobility-based projects
 - Prioritize locations with relatively low numbers and rates of existing affordable housing units
 - Prioritize locations with recognized pathways to opportunity and/or demonstrated positive impact on life outcomes
 - Focus on a project’s accessibility to education, job training, employment opportunities, and location amenities (e.g., recreation, health, retail, spiritual)
 - Link development projects to existing transportation and employment opportunities
- Other considerations
 - Pursue development projects that will score well under the Qualified Allocation Plan to receive tax credit financing.
 - Determine if the real estate project supports SAHA’s goals of providing more affordable housing.
 - Will the development either directly or indirectly expand or preserve the supply of affordable housing.
- Consideration of the City of San Antonio Housing goals.

III. Project Principles

The following principles apply to all development projects that SAHA undertakes.

Housing Development and Redevelopment

SAHA is committed to redeveloping existing housing projects as well as developing new projects consistent with the following goals:

- We will develop mixed income communities that encourage socioeconomic integration.
- Communities will be developed with consideration of the City of San Antonio’s housing and preservation goals.
- SAHA will develop communities that are financially viable and self-sustaining.
- SAHA will aspire to provide 10% of the units as affordable for community members earning below 30% area median income.
- SAHA will aspire to replace all removed public housing units with a unit or housing choice voucher affordable at an equivalent level. Replacement units may be located at other sites.
- We will aspire to focus on creating family and elderly/disabled units and supportive housing for special needs populations.
- SAHA will create housing developments that will create financial resources so that deeply affordable housing may be created and maintained at that location or others.

Revenue from Development Activities

Revenue generated from redevelopment activities will first be used to pay for the overhead costs of the Development Services department. Excess revenue will be used to focus on the following areas in equal portions:

1. Creating new units that serve no more than 30% AMI.
 - a. Having funds for budgetary gaps with the costs of developing and operating deeply affordable units.
 - b. Acquiring land to develop further deeply affordable housing.
2. Preserving and upgrading existing public housing units
 - a. Funds for Capital Fund Projects
 - b. Technological upgrades such as Wifi services
3. Supportive Services for our residents
 - a. Job Placement and educational advancement
 - b. Financial Literacy
 - c. Food and Nutrition
4. Reserves
 - a. Funds will be allocated to reserves to ensure we are adequately capitalized.

Building Design, Standards, and Compliance

SAHA is a property manager, owner, and/or developer with a long term community focused mission. Understanding that government building codes, and developer or sub-contractor building and construction standards may be lacking or inadequate given this long term property management and maintenance perspective:

- SAHA shall review the construction and materials standards to achieve long term and cost efficient management, and maintenance of our communities
- All development and redevelopment projects must build to SAHA's construction and materials standards and aspire to reach "Build San Antonio Green" standards
- Development design must incorporate sustainable concepts and practices
- All SAHA developments will adopt a smoke-free policy

Invest to preserve and extend the useful life of properties

Given the wide gap between community need and actual affordable housing supply, SAHA will focus on investing prudently to both preserve and extend the useful life of its properties. As a result,

- Property improvements should ensure housing quality, livability standards, and enhance marketability
- SAHA will be proactive in comprehensive rehabilitation planning and implementation (e.g., total building vs. system by system approach)

Long Term Financial and Planning Considerations

SAHA will be proactive in developing and implementing a realistic long term financial plan for each project so that San Antonio's affordable housing stock is maximized.

- All new development, redevelopment, refinancing, acquisition, and liquidation projects and pro-forma must include an analysis and/or plan for maintenance, replacement, compliance, and funding
 - All projects must include a realistic long term financial projection including the construction period, lease out period, and post-compliance period. Rent and lease out/vacancy assumptions must incorporate an analysis of competing current and planned projects in the neighborhood
 - SAHA will develop its own underwriting criteria and standard management and operating agreements
 - All projects must meet SAHA's general underwriting criteria and standard agreements
- SAHA will value the economic contribution of its tax exempt status and negotiate project economics commensurate with this value contribution
- SAHA will not allow other housing authorities to do business in Bexar County to ensure the proceeds of these transactions benefit the local community. We also recognize the importance of creating and maintaining deal terms that are most beneficial to SAHA and not be undercut by other agencies.
- Assets which are not performing well or land without significant development potential will be considered for liquidation
- Revenues generated from these activities will be reinvested into preserving or expanding affordable housing

Integrated approach to socioeconomic development

In order to support resident and community socioeconomic development, we will:

- Focus on developing properties where key amenities are accessible e.g., schools, banking, grocery shopping, employers, and public transportation
- Maximize Section 3 resident employment opportunities, both short term and long term
- Increase business activities with small, minority owned, local, and women owned businesses

- Utilize SAHA’s ‘Moving to Work’ designation to expand housing options and create economic opportunities so residents can achieve economic self sufficiency
- Partner with residents as well as public, non-profit, and for-profit organizations to provide educational resources, job training, and supportive services to help families become economically stable
- Work together with economic development organizations to realize emerging economic development opportunities by creating mixed use and mixed income communities

Planning with Residents and Community Stakeholders

Residents and community members may be offered the opportunity to contribute meaningfully in advance of the design of any planned projects and their input shall be incorporated.

Community engagement works best where it is an ongoing cumulative process enabling relationships and trust to build and strengthen over time. Engagement events should be planned and designed with this in mind and aim to contribute to the overall aims of the engagement process. This would include meetings with the residents, neighborhood associations, local groups, and elected representatives. Community or voluntary groups may want to participate at a range of levels – from providing advice as to the needs of the community, designing a development that reflects the community, and from undertaking some aspects of the engagement to delivering projects to meet some of the outcomes.

IV. Implementation and Monitoring

This policy shall be followed for each eligible affordable housing preservation and expansion initiative or transaction SAHA undertakes.

Policy compliance is the primary responsibility of the DSNR team, but is also the responsibility of the following SAHA teams: Asset Management, Section 8, Public Housing Property Management, Finance and Accounting, Beacon Communities and Community Development Initiatives. A policy exception must be requested by staff and granted by the BOC in all relevant cases.

V. Definitions:

- BOC – SAHA Board of Commissioners
- DSNR – SAHA Development Services and Neighborhood Revitalization team
- HQS – HUD Housing Choice Voucher (HCV) program regulations set forth basic housing quality standards (HQS) which all units must meet before assistance can

be paid on behalf of a family and at least annually throughout the term of the assisted tenancy. HQS define "standard housing" and establish the minimum criteria for the health and safety of program participants.

- Place Based Initiatives - Place-based policies leverage investments by focusing resources in targeted places and drawing on the compounding effect of well-coordinated action. Effective place-based policies can influence how rural and metropolitan areas develop, how well they function as places to live, work, operate a business, preserve heritage, and more
- REAC - Real Estate Assessment Center
- Section 3 – A means by which HUD fosters local economic development, neighborhood economic improvement, and individual self-sufficiency. Section 3 is the legal basis for providing jobs for residents and awarding contracts to businesses in areas receiving certain types of HUD financial assistance. Under Section 3 of the HUD Act of 1968, wherever HUD financial assistance is expended for housing or community development, to the greatest extent feasible, economic opportunities will be given to Section 3 residents and businesses in that area.
- TDHCA - Texas department of housing and community affairs

AFFORDABLE HOUSING PRESERVATION & EXPANSION POLICY

1. Summary

The Affordable Housing Preservation & Expansion Policy establishes the principles, goals, priorities, and strategies of the San Antonio Housing Authority (SAHA) regarding the construction, maintenance, **sustainability**, rehabilitation, and disposition of housing assets. The Policy governs where and under what conditions specific types of housing are built, renovated, disposed, or liquidated. The Policy establishes parameters by which to evaluate future decisions related to affordable housing preservation and expansion activities.

The Policy is composed of the following sections:

- The Background section describes the actions and decisions that led to the adoption of this Policy
- A description of the Guiding Principles that shaped the broad outlines of this Policy
- A listing of the Targeted Outcomes that serve as the key goals of this document
- A detailed outline of the Strategic Framework that shapes implementation
- A statement regarding Implementation and Monitoring steps
- A list of pertinent Definitions

2. Background

This Policy is a product of iterative and cumulative feedback from the SAHA Board of Commissioners, public and private sector stakeholders, and staff from partner agencies.

In the summer of 2010, the San Antonio Housing Authority initiated a collaborative and fact based assessment of affordable housing demand, supply, and unmet need in the City of San Antonio. This process included internal and external stakeholders such as the Board of Commissioners, Mayor's office, the Department of Housing and Urban Development (HUD), and key local public, for profit and non-profit leaders and organizations.

The SAHA Board of Commissioners held discussions during summer 2010, December 2010, February 2011 and April 2011. Stakeholder meetings were organized with non-profit and for-profit developers and public agencies starting in summer 2010. During the same time period, specific discussions with the Mayor's office, the City of San Antonio's Planning and Development Services Department, and Trinity University focused on how to integrate and track San Antonio housing data. Additionally, an

evaluation was completed of the external funding environment, including public and private financing sources.

Prior to adoption, this Policy was considered during the following Board of Commission and Committee meetings:

- January 6, Operations and Human Resources Committee
- January 13, Regular Board Meeting
- February 24, Operations and Human Resources Committee
- April 21: Operations and Human Resources Committee
- May 12: Regular Board Meeting

3. Guiding Principles

This Policy has been developed under the guidance of the following principles, which also direct subsequent implementation and work plans.

- A. SAHA is committed to transparently plan, collaborate, and act in coordination with residents, program participants, and public, private, and non-profit stakeholders at the local, state, and federal level, including City agencies, Mayor's office, City Manager, VIA, and school districts
- B. SAHA will ensure that strategies and approaches are in alignment with HUD's ~~2010-2015~~ Strategic Plan and HUD's Affirmatively Furthering Fair Housing Final Rule.
- C. SAHA recognizes the significant unmet need for quality housing affordable to lower income individuals and families in San Antonio and commits to:
 - work actively to preserve and expand quality affordable housing to fill that need
 - pursue rehabilitation, acquisition, new construction, or asset repositioning projects to address that unmet community need.
- D. SAHA believes housing can be a catalyst for economic development and community vibrancy and commits to:
 - assist residents in making socio-economic progress so their families can transition from government support and ultimately sustain themselves
 - stimulate economic development through the creation of financially, socially, and environmentally inclusive communities that are healthy and sustainable
- E. The SAHA Sustainability Protocol includes measures that support and reinforce how SAHA staff carry out operations included but not limited to:

- Increasing food security through the installation of edible gardens
- Utilizing energy conservation efforts through continued commitment of Build San Antonio Green or LEED certifications on new developments and retrofits
- Expanding energy and water conservation through education, alternative landscapes, and partnerships as well as the ongoing Self Managed Performance Contract at select properties
- Recycling to help reduce the carbon footprint and
- Instituting Indoor Air Quality improvement measures through integrated pest management and use of low or no volatile organic compounds on paints, glues and finishes

4. Targeted Outcomes

This Policy establishes the following targeted outcomes as the key goals of this Affordable Housing Preservation and Expansion Policy.

- A. Add high quality, sustainable, and affordable housing to San Antonio
- B. Improve the quality of existing housing and enhance its' useful life
- C. Achieve a distribution of mixed-income communities throughout San Antonio
- D. Realize significant positive socio-economic impact on our residents and communities

5. Strategic Framework

To achieve this Policy's Targeted Outcomes, a Strategic Framework has been developed to structure and prioritize SAHA's affordable housing preservation and expansion activities. The Strategic Framework is made up of four global strategies – Preserve, Revitalize, Expand, and Place Based Initiatives (P.R.E.P.) – and eight specific strategies.

A. P.R.E.P. Global Strategies

1. Preserve Housing Stock

- a) **Meet housing and property quality standards established by the Real Estate Assessment Center (REAC) and Texas Department of Housing and Community Affairs (TDHCA), as well as the Housing Quality Standards (HQS) established by HUD**
- b) **Prioritize comprehensive modernization or substantial rehabilitation projects**
- c) **Liquidate assets to preserve or enhance affordable housing**

2. **Revitalize Communities**
 - a) Redevelop public housing into mixed-income and service-enriched communities
 - b) Develop community revitalization plans with stakeholders
3. **Expand Affordable Housing**
 - a) Expand the supply of affordable housing units
 - b) Acquire housing projects or land for affordable housing/mixed-income
4. **Place Based Initiatives**
 - a) Carry-out resident socio-economic development and economic development activities
 - b) Provide supportive housing for special populations

B. Specific Strategies

1. **Address Community Need.** SAHA is primarily focused on addressing unmet need that is not being adequately addressed by the private market and where therefore a government subsidy is needed.
 - a) Lead (by building or acquiring) or support projects (for capital generation) which fulfill a community need for affordable housing
 - b) Determine and document community need using objective market analysis, including SAHA's waiting list information
2. **Locate Projects Strategically.** Recognizing that the location of an affordable housing preservation or expansion project can be a major driver of the long term success of the project and the socio economic opportunities and challenges available to residents, SAHA will:
 - a) Pursue acquisition and/or partnership opportunities synergistic with other community initiatives
 - b) Focus on a project's accessibility to education, job training, employment opportunities, and location amenities (e.g., recreation, health, retail, spiritual)
 - c) Pursue development projects linked to transportation and employment opportunities
3. **Establish Affordable and Sustainable Standards for Housing Development and Redevelopment.** SAHA is committed to redeveloping existing housing projects as well as developing new projects consistent with the following goals:
 - a) Develop mixed income communities that are healthy and encourage socio-economic integration
 - b) Maintain at least 20 percent of units as affordable for community members earning below 30% area median income

- c) Replace all removed public housing units with a unit or housing choice voucher affordable at an equivalent level. Replacement units may be located at other sites.
 - d) Focus primarily on creating family units and supportive housing for special needs populations
4. **Establish Sustainable Building Design, Standards, and Compliance Practices.** SAHA is a property manager, owner, and/or developer with a long-term community-focused mission. Understanding that building codes and developer or sub-contractor construction standards may not fully incorporate this long term property management and maintenance perspective, SAHA will:
- a) Develop agency-specific construction and materials standards to achieve long term and cost efficient management and maintenance of SAHA communities
 - b) Build all **multi-family** development and redevelopment projects to SAHA's **internal** construction **methods** and materials standards **with the goal of achieving "Build San Antonio Green (BSAG) Level 4" and/or LEED standards.**
 - c) **Single family or homeownership development will be built to ensure appropriate green building practices are incorporated with affordability considerations for financial-ready buyers.**
 - d) Incorporate sustainable **development** concepts and practices into design.
 - e) Adopt a smoke-free policy at all developments
5. **Invest to preserve and extend the useful life of properties.** Given the wide gap between community need and actual affordable housing supply, SAHA will focus on investing prudently to both preserve and extend the useful life of its properties.
- a) Ensure that property improvements enhance housing quality, livability standards, and marketability
 - b) Proactively plan for and implement comprehensive rehabilitation (e.g., total building vs. system by system approach)
6. **Incorporate Long Term Financial and Planning Considerations.** SAHA will be proactive in developing and implementing a realistic long term financial plan for each project so that San Antonio's affordable housing stock is maximized.
- a) Include analysis and/or plan for maintenance, replacement, compliance, and funding in all new development, redevelopment, refinancing, acquisition, and liquidation projects and pro-formas
 - i. Include a realistic long term financial projection including the construction period, lease out period, and post-compliance period for all projects. Rent and lease out/vacancy assumptions must

- incorporate an analysis of competing current and planned projects in the neighborhood
 - ii. Develop agency-specific underwriting criteria and standard management and operating agreements
 - b) Ensure that all projects meet SAHA's general underwriting criteria and standard agreements
 - c) Value the economic contribution of SAHA's tax exempt status and negotiate project economics commensurate with this value contribution
 - d) Consider for liquidation all assets that are not performing well or land without significant development potential
 - e) Reinvest revenues generated from these activities into preserving or expanding affordable housing
7. **Adopt an integrated approach to socio-economic development.** In order to support resident and community socio-economic development, SAHA will:
- a) Focus on developing properties where key amenities are accessible e.g., schools, banking, grocery shopping, employers, and public transportation
 - b) Maximize Section 3 resident employment opportunities, both short term and long term
 - c) Increase business activities with small, minority owned, local, and women owned businesses
 - d) Utilize SAHA's 'Moving to Work' designation to expand housing options and create economic opportunities so residents can achieve economic self sufficiency
 - e) Partner with residents as well as public, non-profit, and for-profit organizations to provide educational resources, job training, and supportive services to help families become economically stable
 - f) Work together with economic development organizations to realize emerging economic development opportunities by creating mixed use and mixed income communities
8. **Plan with Residents and Community Stakeholders.** Residents and community members must be offered the opportunity to contribute meaningfully in advance of the design of any planned projects and their input shall be incorporated.

6. Implementation and Monitoring

This Policy applies to all of SAHA's affordable housing preservation and expansion initiative, transactions, and activities.

Implementation and monitoring of this Policy is the primary responsibility of the DSNR team, but is also the responsibility of the following SAHA teams: **Construction Services and Sustainability, Beacon Communities**, Housing Choice Voucher, Property Management, Finance, and Community Development **Initiatives**. A policy exception must be requested by staff and granted by the Board of Commissioners in all relevant cases.

Finally, staff will develop a policy implementation work plan and detailed guidelines to implement this policy. Staff will regularly evaluate and update the aforementioned work plan and guidelines

7. Definitions

Place Based Initiatives - Place-based policies leverage investments by focusing resources in targeted places and drawing on the compounding effect of well-coordinated action. Effective place-based policies can influence how rural and metropolitan areas develop, how well they function as places to live, work, operate a business, preserve heritage, and more

HQS – HUD Housing Choice Voucher (HCV) program regulations set forth basic housing quality standards (HQS) which all units must meet before assistance can be paid on behalf of a family and at least annually throughout the term of the assisted tenancy. HQS define "standard housing" and establish the minimum criteria for the health and safety of program participants.

Section 3 – A means by which HUD fosters local economic development, neighborhood economic improvement, and individual self-sufficiency. Section 3 is the legal basis for providing jobs for residents and awarding contracts to businesses in areas receiving certain types of HUD financial assistance.

Under Section 3 of the HUD Act of 1968, wherever HUD financial assistance is expended for housing or community development, to the greatest extent feasible, economic opportunities will be given to Section 3 residents and businesses in that area.

AFFORDABLE HOUSING PRESERVATION & EXPANSION POLICY

1. Summary

The Affordable Housing Preservation & Expansion Policy establishes the principles, goals, priorities, and strategies of the San Antonio Housing Authority (SAHA) regarding the construction, maintenance, rehabilitation, and disposition of housing assets. The Policy governs where and under what conditions specific types of housing are built, renovated, disposed, or liquidated. The Policy establishes parameters by which to evaluate future decisions related to affordable housing preservation and expansion activities.

The Policy is composed of the following sections:

- The Background section describes the actions and decisions that led to the adoption of this Policy
- A description of the Guiding Principles that shaped the broad outlines of this Policy
- A listing of the Targeted Outcomes that serve as the key goals of this document
- A detailed outline of the Strategic Framework that shapes implementation
- A statement regarding Implementation and Monitoring steps
- A list of pertinent Definitions

2. Background

This Policy is a product of iterative and cumulative feedback from the SAHA Board of Commissioners, public and private sector stakeholders, and staff from partner agencies.

In the summer of 2010, the San Antonio Housing Authority initiated a collaborative and fact based assessment of affordable housing demand, supply, and unmet need in the City of San Antonio. This process included internal and external stakeholders such as the Board of Commissioners, Mayor's office, the Department of Housing and Urban Development (HUD), and key local public, for profit and non-profit leaders and organizations.

The SAHA Board of Commissioners held discussions during summer 2010, December 2010, February 2011 and April 2011. Stakeholder meetings were organized with non-profit and for-profit developers and public agencies starting in summer 2010. During the same time period, specific discussions with the Mayor's office, the City of San Antonio's Planning and Development Services Department, and Trinity University focused on how to integrate and track San Antonio housing data. Additionally, an evaluation was completed of the external funding environment, including public and private financing sources.

Prior to adoption, this Policy was considered during the following Board of Commission and Committee meetings:

- January 6, Operations and Human Resources Committee
- January 13, Regular Board Meeting
- February 24, Operations and Human Resources Committee
- April 21: Operations and Human Resources Committee
- May 12: Regular Board Meeting

3. Guiding Principles

This Policy has been developed under the guidance of the following principles, which also direct subsequent implementation and work plans.

- A. SAHA is committed to transparently plan, collaborate, and act in coordination with residents, program participants, and public, private, and non-profit stakeholders at the local, state, and federal level, including City agencies, Mayor's office, City Manager, VIA, and school districts
- B. SAHA will ensure that strategies and approaches are in alignment with HUD's 2010-2015 Strategic Plan
- C. SAHA recognizes the significant unmet need for quality housing affordable to lower income individuals and families in San Antonio and commits to:
 - work actively to preserve and expand quality affordable housing to fill that need
 - pursue rehabilitation, acquisition, new construction, or asset repositioning projects to address that unmet community need
- D. SAHA believes housing can be a catalyst for economic development and community vibrancy and commits to:
 - assist residents in making socio-economic progress so their families can transition from government support and ultimately sustain themselves
 - stimulate economic development through the creation of financially, socially, and environmentally inclusive communities that are healthy and sustainable

4. Targeted Outcomes

This Policy establishes the following targeted outcomes as the key goals of this Affordable Housing Preservation and Expansion Policy.

- A. Add high quality, sustainable, and affordable housing to San Antonio
- B. Improve the quality of existing housing and enhance its' useful life
- C. Achieve a distribution of mixed-income communities throughout San Antonio
- D. Realize significant positive socio-economic impact on our residents and communities

5. Strategic Framework

To achieve this Policy's Targeted Outcomes, a Strategic Framework has been developed to structure and prioritize SAHA's affordable housing preservation and expansion activities. The Strategic Framework is made up of four global strategies – Preserve, Revitalize Expand, and Place Based Initiatives (P.R.E.P.) – and eight specific strategies.

A. P.R.E.P. Global Strategies

1. Preserve Housing Stock

- a) Meet housing and property quality standards established by the Real Estate Assessment Center (REAC) and Texas Department of Housing and Community Affairs (TDHCA), as well as the Housing Quality Standards (HQS) established by HUD
- b) Prioritize comprehensive modernization or substantial rehabilitation projects
- c) Liquidate assets to preserve or enhance affordable housing

2. Revitalize Communities

- a) Redevelop public housing into mixed-income and service-enriched communities
- b) Develop community revitalization plans with stakeholders

3. Expand Affordable Housing

- a) Expand the supply of affordable housing units
- b) Acquire housing projects or land for affordable housing/mixed-income

4. Place Based Initiatives

- a) Carry-out resident socio-economic development and economic development activities
- b) Provide supportive housing for special populations

B. Specific Strategies

1. **Address Community Need.** SAHA is primarily focused on addressing unmet need that is not being adequately addressed by the private market and where therefore a government subsidy is needed.
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 - c) Incorporate sustainable concepts and practices into development design
 - d) Adopt a smoke-free policy at all developments
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