



REGULAR BOARD MEETING
June 1, 2022



BOARD OF COMMISSIONERS

Dr. Ana "Cha" Guzmán Chair	Olga Kauffman Vice Chair	Gilbert Casillas Commissioner	Dalia Contreras Commissioner	Loren D. Dantzler Commissioner	Gabriel Lopez Commissioner	Ignacio Perez Commissioner
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PRESIDENT & CEO

 Ed Hinojosa, Jr.

SAN ANTONIO HOUSING AUTHORITY *REGULAR BOARD MEETING

Call In Phone Number: (346) 248-7799

Meeting ID: 93839434337# Passcode: 654170#

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

1:00 p.m., Wednesday, June 1, 2022

At least four Commissioners will be physically present at this location, but up to three other Commissioners may attend by videoconferencing, as permitted by Tex. Gov't Code Section 551.127. The Presiding officer will also be present at this location.

MEETING CALLED TO ORDER

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

PUBLIC COMMENT

2. **Public Comment at approximately 1:00 p.m.** (may be heard after this time) Citizens are provided up to three minutes each to speak to any agenda items. Citizens wishing to speak to items posted on the agenda should personally request to be placed on the Public Comment roster prior to 12:45 p.m. at 818 S. Flores St., San Antonio, TX 78204 or register online and access Phone Number: **(346) 248-7799** and enter Meeting ID: **93839434337#** and Passcode: **654170#**, prior to 12:45 p.m. A Spanish/English translator will be available to citizens needing translation.

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

CITIZENS TO BE HEARD

3. **Citizens to be Heard at approximately 1:00 p.m.** (may be heard after this time) Citizens wishing to speak on issues not related to items posted on the agenda should personally request to be placed on the Citizens to be Heard roster prior to 12:45 p.m. or register online and access Phone Number: **(346) 248-7799** and enter Meeting ID: **93839434337#** and Passcode: **654170#**, prior to 12:45 p.m. Citizens will be given up to three minutes to speak. Each citizen will be permitted to speak only once at any regular Board Meeting. A Spanish/English translator will be available to citizens needing translation.

Now is the time for Citizens to be Heard. The Board asks the public to address concerns related to SAHA matters and policy and not include statements that may be considered defamatory of any

individual. The Board encourages members of the public to direct specific concerns or problems to SAHA staff for more prompt resolution. The Board will not discuss the comments of speakers or respond to speakers during the Citizens to be Heard portion of the agenda.

MINUTES

4. Minutes

- Approval of the May 4, 2022, Regular Board Meeting minutes
- Approval of the May 18, 2022, Finance Committee Meeting minutes
- Approval of the May 18, 2022, Operations and Real Estate Committee Meeting minutes

CONSENT ITEMS

5. Consideration and approval regarding Resolution 6239, accepting the Independent Auditor's Report for the year ended June 30, 2021 (Diana Kollodziej Fiedler, Chief Financial Officer)
6. Consideration and approval regarding Resolution 6238, approving the consolidated operating budget for the San Antonio Housing Authority and its affiliated nonprofit entities for the fiscal year ending June 30, 2023 (Diana Kollodziej Fiedler, Chief Financial Officer)
7. Consideration and approval regarding Resolution 6249, approving the award of a contract for roof replacement at Villa Veramendi Apartments to Garland/DBS, Inc. through Omnia Partners, Public Sector, a Nationwide Purchasing Cooperative for an amount not to exceed \$2,692,408.00 (George Ayala, Director of Procurement; Hector Martinez, Director of Constructions Services and Sustainability)
8. Consideration and approval regarding Resolution 6248 and 22FAC-04-29, authorizing the award of a contract for Debt and Equity provider to PNC Bank, National Association ("PNC"), to act as our exclusive agent to underwrite a forward commitment for a permanent loan on the Snowden project, to provide construction and bridge financing, and to provide tax credit equity (George Ayala, Director of Procurement; Lorraine Robles, Director of Development Services and Neighborhood Revitalization)
9. Consideration and approval regarding Resolution 6247, authorizing the expenditure of additional funds for Villa Tranchese Fire Protection Improvements to Ranger Builders, LLC for an amount not to exceed \$764,462.50 (George Ayala, Director of Procurement; Hector Martinez, Director of Construction Services and Sustainability)
10. Consideration and approval regarding Resolution 6246, approving the 2022 Small Area Fair Market Rent (SAFMR) Payment Standard Schedule (Stephanie Rodriguez, Director of Assisted Housing Programs)
11. Consideration and approval regarding Resolution 6251, Resolution in support of the Third Amendment to the Housing Authority of the City of San Antonio Employees' Money Purchase Pension Plan and Trust, restated effective July 1, 2021 (Aiyana Longoria, Director of Human Resources)
12. Consideration and approval regarding Resolution 6242, authorizing (i) the Las Varas Public Facility Corporation Multifamily Housing Revenue Notes (Aurora Apartments) Series 2022A; (ii) the Las Varas Public Facility Corporation Multifamily Housing Revenue Notes (Aurora Apartments) Series 2022B (together, the "Notes"); (iii) the Las Varas Public Facility Corporation (the "Issuer" or "LVPFC") to approve Resolution 22LVPFC-04-26 authorizing the Notes; and (iv) other matters in connection therewith (Timothy E. Alcott, Chief Legal and Real Estate Officer)

13. Consideration and approval regarding Resolutions 6244 and 22LVPFC-04-27, authorizing the Las Varas Public Facility Corporation to approve a resolution relating to the proposed Viento Apartments Project (Timothy E. Alcott, Chief Legal and Real Estate Officer)
14. Consideration and approval regarding Resolution 6252, authorizing (i) the Las Varas Public Facility Corporation Multifamily Housing Revenue Notes (Rosemont at Bethel Place Apartments) Series 2022A; (ii) the Las Varas Public Facility Corporation Multifamily Housing Revenue Notes (Rosemont at Bethel Place Apartments) Series 2022B (together, the “Notes”); (iii) the Las Varas Public Facility Corporation (the “Issuer” or “LVPFC”) to approve Resolution 22LVPFC-05-04 authorizing the Notes; and (iv) other matters in connection therewith (Timothy E. Alcott, Chief Legal and Real Estate Officer; Thomas Roth, Director of Asset Management)
15. Consideration and approval regarding Resolution 6254, authorizing (i) the Las Varas Public Facility Corporation Multifamily Housing Revenue Notes (Sorento Apartments) Series 2022A; (ii) the Las Varas Public Facility Corporation Multifamily Housing Revenue Notes (Sorento Apartments) Series 2022B (together, the “Notes”); (iii) the Las Varas Public Facility Corporation (the “Issuer” or “LVPFC”) to approve Resolution 22LVPFC-05-05 authorizing the Notes; and (iv) other matters in connection therewith (Timothy E. Alcott, Chief Legal and Real Estate Officer; Thomas Roth, Director of Asset Management)
16. Consideration and approval regarding Resolution 6250, authorizing the President and CEO to renew or place insurance policies covering property, liability, cyber liability, excess/umbrella, directors and officers, employment practices, workers’ compensation, automobile fleet, fiduciary, fidelity, flood, and boiler and machinery for the San Antonio Housing Authority and its affiliated entities, for the Fiscal Year 2022-2023, for an estimated amount of \$5,044,271.00 (Diana Fiedler, Chief Financial Officer)

INDIVIDUAL ITEMS

17. Consideration and approval regarding Resolution 6241, authorizing the Snowden Apartments transaction, including: (i) the execution of all documentation necessary to carry out the transaction; (ii) all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for low income housing tax credits; (iii) the conveyance of the land for the transaction by the San Antonio Housing Finance Corporation (HFC) to San Antonio Housing Facility Corporation (FAC); (iv) the ground leasing of the land for the transaction by San Antonio Housing Facility Corporation to Snowden Apartments, LP; (v) the acquisition of the membership interest by San Antonio Housing Facility Corporation in Snowden Apartments GP, LLC; (vi) authorizing San Antonio Housing Facility Corporation to serve as the developer, general contractor and the guarantor for the project; (vii) authorizing the admission of the equity investors into Snowden Apartments, LP; (viii) authorizing the financing for such transaction; and (ix) authorizing other matters in connection therewith (Timothy E. Alcott, Chief Legal and Real Estate Officer)

DISCUSSION ITEMS

18. Discussion regarding resident concerns
19. President’s Report
 - President and CEO inducted to TX NAHRO Hall of Fame
 - The Arcadian Opens with Affordable Housing
 - Mother’s Day Recap

20. *Closed Session:

Consultation with Attorney

Deliberate and obtain legal advice regarding legal issues pursuant to Texas Government Code Sec. 551.071 (consultation with attorney)

- Consultation with attorney regarding Board of Commissioner roles and responsibilities

Personnel/Consultation with Attorney

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

- Consultation with attorney regarding the approval of the President and CEO goals for 2022-2023

21. Adjournment

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

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

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

MINUTES
SAN ANTONIO HOUSING AUTHORITY
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
Call In Phone Number: (346) 248-7799
Meeting ID: 93839434337# Passcode: 654170#
818 S. Flores St., San Antonio, TX 78204
1:00 p.m., Wednesday, May 4, 2022

SCHEDULED: 1:00 p.m. - Regular Board Meeting

COMMISSIONERS PRESENT:

Olga Kauffman, Vice Chair
Gabriel Lopez, Commissioner
Gilbert Casillas, Commissioner
Ignacio Perez, Commissioner
Dalia Contreras, Commissioner

COMMISSIONERS ABSENT:

Dr. Ana "Cha" Guzman, Chair
Loren D. Dantzler, Commissioner

COUNSEL: Doug Poneck, Escamilla &
Poneck, LLP

STAFF:

Ed Hinojosa, Jr., President and CEO
Muriel Rhoder, Chief Administrative Officer
Brandee Perez, Chief Operating Officer
Tim Alcott, Chief Legal and Real Estate Officer
Diana Kollodziej Fiedler, Chief Financial Officer
Richard Milk, Planning Officer
Michael Reyes, Public Affairs Officer
Jo Ana Alvarado, Director of Innovative
Technology
George Ayala, Director of Procurement
Melissa Garza, Interim Director of Beacon
Communities
Domingo Ibarra, Director of Security

Aiyana Longoria, Director of Human Resources
and Interim Director of Internal Audit
Hector Martinez, Director of Construction
Services and Sustainability
Lorraine Robles, Director of Development
Services and Neighborhood Revitalization
Tom Roth, Director of Asset Management
Joel Tabar, Director of Community
Development Initiatives and Interim Director
of Public Housing
Stephanie Rodriguez, Director of Assisted
Housing Programs

Item 1: Meeting called to order

Vice Chair Kauffman called the meeting to order at 1:05 p.m.

PUBLIC COMMENT

Item 2: Public Comment - Citizens are provided three minutes each to speak to any agenda item. There were four citizens signed up and four citizens who spoke during the meeting.

CITIZENS TO BE HEARD

Item 3: Citizens to be Heard - Citizens wishing to speak on issues not related to items posted on the agenda were given three minutes to speak. There were three citizens who signed up and three citizens who spoke during the meeting.

MINUTES**Item 4: Minutes**

- Approval of the April 6, 2022, Regular Board Meeting minutes
- Approval of the April 20, 2022, Operations and Real Estate Committee Meeting minutes

Motion: Commissioner Contreras moved to approve the April 6, Regular Board Meeting minutes. Commissioner Casillas seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Olga Kauffman, Vice Chair	X			
Gabriel Lopez, Commissioner	X			
Gilbert Casillas, Commissioner	X			
Dalia Contreras, Commissioner	X			
Ignacio Perez, Commissioner	X			

Motion: Commissioner Lopez moved to approve the April 20, Operations and Real Estate Committee Meeting minutes. Commissioner Contreras seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Olga Kauffman, Vice Chair	X			
Gabriel Lopez, Commissioner	X			
Gilbert Casillas, Commissioner	X			
Dalia Contreras, Commissioner	X			
Ignacio Perez, Commissioner	X			

CONSENT ITEMS

Item 5: Consideration and approval regarding Resolution 6221, authorizing the award of a contract for Turnkey WiFi Expansion Project to Lakeway Security, LLC (HABE, Section 3 Business) for an amount not to exceed \$401,923.00 (George Ayala, Director of Procurement; Jo Ana Alvarado, Director of Innovative Technology)

Consent

Item 6: Consideration and approval regarding Resolution 6232, authorizing the award of contracts for concrete and asphalt maintenance and repair to Allbrite Constructors of Texas (SBE) and Texas Asphalt & Maintenance (HABE, Section 3 Business) for an annual cumulative amount not to exceed \$1,000,000.00; for a period of one year with the option to renew up to four additional one-year terms (George Ayala, Director of Procurement; Melissa Garza, Interim Director of Beacon Communities; Zachariah Woodard, Director of Public Housing)

Consent

Item 7: Consideration and approval regarding Resolution 6237, authorizing (i) the Las Varas Public Facility Corporation Multifamily Sustainable Tax-Exempt Mortgage-Backed Bonds (SUSTAINABLE M-TEBS – River Trails) Series 2022 (the “Bonds”); (ii) the Las Varas Public Facility Corporation (the “Issuer” or “LVPFC”) to approve Resolution 22LVPFC-04-04 authorizing the bonds; and (iii) other matters in connection therewith (Timothy E. Alcott, Chief Legal and Real Estate Officer)

Consent

- Item 8:** Consideration and approval regarding Resolution 6231, authorizing (i) the Las Varas Public Facility Corporation to approve an inducement resolution for proposed tax credits and tax-exempt Multifamily Housing Revenue Bonds for Rosemont at University Park (the “Bonds”); (ii) the Las Varas Public Facility Corporation to approve Resolution 22LVPFC-03-28, authorizing the Bonds and authorizing its participation in the project, (iii) SAHA partnering with Roers Companies to acquire Rosemont at University Park and apply for new 4% tax credits to finance the rehabilitation of the project, and (iv); other matters in connection therewith (Thomas Roth, Director of Asset Management)

Vice-Chair Kauffman had a few questions regarding the tax impact. This item was voted on separately after Tim Alcott stated he was working with the attorneys to try to mitigate any potential tax impact. If the entity is taxable, we would be hit with a 21% tax issue. He stated he would report back to the Board in 60 days on what the end result would be.

Approved

- Item 9:** Consideration and approval to acquire the limited partnership interests in New Braunfel 2 Housing, LP, aka The Ravello Apartments, retain legal counsel and execute any and all documents required to consummate the transaction as discussed in the closed session on April 20, 2022 (Thomas Roth, Director of Asset Management)

Consent

Motion: Commissioner Lopez moved to approve items 5, 6, 7, 9. Commissioners Contreras and Casillas seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Olga Kauffman, Vice Chair	X			
Gabriel Lopez, Commissioner	X			
Gilbert Casillas, Commissioner	X			
Dalia Contreras, Commissioner	X			
Ignacio Perez, Commissioner	X			

Motion: Commissioner Lopez moved to approve item 8. Commissioner Casillas seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Olga Kauffman, Vice Chair	X			
Gabriel Lopez, Commissioner	X			
Gilbert Casillas, Commissioner	X			
Dalia Contreras, Commissioner	X			
Ignacio Perez, Commissioner	X			

INDIVIDUAL ITEMS

- Item 10:** Consideration and approval regarding Resolution 6233, authorizing the official and legal name change of the Housing Authority of the City of San Antonio (Michael Reyes, Public Affairs Officer; Al Aguilar and Gisela Girard, Creative Civilization)

Motion: Commissioner Lopez moved to approve item 10. Commissioner Contreras seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Olga Kauffman, Vice Chair	X			
Gabriel Lopez, Commissioner	X			
Gilbert Casillas, Commissioner	X			
Dalia Contreras, Commissioner	X			
Ignacio Perez, Commissioner	X			

DISCUSSION ITEMS

Item 11: Discussion regarding resident concerns

President and CEO Ed Hinojosa stated we would provide an update regarding the resident concerns brought up today at the next Board meeting.

Item 12: President's Report

- SAHA Fiesta's for a Cause
- The Scott at Medio Creek Grand Opening
- SAHA Resident Scholarship
- Director Promotions and Changes
- MTW Conference Panel Discussion: Equity, Diversity, Inclusion
- The Texas Smart Cities Summit

Vice-Chair Kauffman then recessed the meeting at 1:59 p.m. and proceeded to the Las Varas Public Facility Corporation meeting.

The Board returned from recess at 2:01 p.m.

Vice-Chair Kauffman then recessed the meeting for Closed Session at 2:01 p.m.

Item 13: *CLOSED SESSION

Consultation with Attorney

Deliberate and obtain legal advice regarding related legal issues pursuant to Texas Government Code Sec. 551.071 (consultation with attorney).

- Consultation with Attorney regarding Procurement of Waste Management Services

Personnel/Consultation with Attorney

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

- Consultation with attorney regarding President and CEO performance evaluation process

The Board of Commissioners returned from Closed Session at 2:52 p.m.

Item 14: Adjournment

With no objections, Vice-Chair Kauffman adjourned the meeting at 2:52 p.m.

ATTEST:

Ana M. “Cha” Guzman
Chair, Board of Commissioners

Date

Ed Hinojosa, Jr.
President and CEO

Date

MINUTES
SAN ANTONIO HOUSING AUTHORITY
BOARD OF COMMISSIONERS
FINANCE COMMITTEE MEETING
Call In Phone Number: (346) 248-7799
Meeting ID: 93839434337# Passcode: 654170#
818 S. Flores St., San Antonio, TX 78204
1:00 p.m., Wednesday, May 18, 2022

SCHEDULED: 1:00 p.m. - Regular Board Meeting

COMMISSIONERS PRESENT:

Olga Kauffman, Vice Chair
Dalia Contreras, Commissioner
Ignacio Perez, Commissioner

COMMISSIONERS ABSENT:

Dr. Ana “Cha” Guzman, Chair
Loren D. Dantzler, Commissioner
Gilbert Casillas, Commissioner
Gabriel Lopez, Commissioner

COUNSEL: Doug Poneck, Escamilla &
Poneck, LLP

STAFF:

Ed Hinojosa, Jr., President and CEO
Muriel Rhoder, Chief Administrative Officer
Brandee Perez, Chief Operating Officer
Tim Alcott, Chief Legal and Real Estate Officer
Diana Kollodziej Fiedler, Chief Financial Officer
Richard Milk, Planning Officer
Michael Reyes, Public Affairs Officer
Jo Ana Alvarado, Director of Innovative
Technology
George Ayala, Director of Procurement
Melissa Garza, Interim Director of Beacon
Communities
Domingo Ibarra, Director of Security

Aiyana Longoria, Interim Director of Internal
Audit and Director of Human Resources
Hector Martinez, Director of Construction
Services and Sustainability
Lorraine Robles, Director of Development
Services and Neighborhood Revitalization
Tom Roth, Director of Asset Management
Joel Tabar, Director of Community
Development Initiatives and Interim Director
of Public Housing
Stephanie Rodriguez, Director of Assisted
Housing Programs

Item 1: Meeting called to order

Vice Chair Kauffman called the meeting to order at 1:03 p.m.

PUBLIC COMMENT

Item 2: Public Comment - Citizens are provided three minutes each to speak to any agenda item. There were no citizens who spoke during the meeting.

INDIVIDUAL ITEMS

Item 3: Consideration and appropriate action regarding Resolution 6239, accepting the Independent Auditor’s Report for the year ended June 30, 2021 (Diana Kollodziej Fiedler, Chief Financial Officer; CohnRezick)

Ms. Diana Kollodziej Fiedler, Chief Financial Officer, introduced the guest speaker for this item. Mr. Eric Rumberger presented a power point highlighting the Audit results.

Motion: Commissioner Perez moved to approve Resolution 6239. Commissioner Contreras seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Olga Kauffman, Vice Chair	X			
Dalia Contreras, Commissioner	X			
Ignacio Perez, Commissioner	X			

Item 4: **Consideration and appropriate action regarding Resolution 6238, approving the consolidated operating budget for the San Antonio Housing Authority and its affiliated nonprofit entities for the fiscal year ending June 30, 2023** (Diana Kollodziej Fiedler, Chief Financial Officer)

Motion: Commissioner Contreras moved to approve Resolution 6238. Commissioner Perez seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Olga Kauffman, Vice Chair	X			
Dalia Contreras, Commissioner	X			
Ignacio Perez, Commissioner	X			

DISCUSSION ITEM

Item 5: **Update and discussion regarding the Quarterly Financial Report** (Diana Kollodziej Fiedler, Chief Financial Officer)

Member	Aye	Nay	Absent At Time of Vote	Abstained
Olga Kauffman, Vice Chair	X			
Dalia Contreras, Commissioner	X			
Ignacio Perez, Commissioner	X			

Item 6: Adjournment

Motion: Commissioner Contreras moved to adjourn the meeting. Commissioner Perez seconded the motion. Approved.

With no objections, Vice Chair Kauffman adjourned the meeting at 2:16 p.m.

ATTEST:

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

Date

Ed Hinojosa, Jr.
President and CEO

Date

MINUTES
SAN ANTONIO HOUSING AUTHORITY
BOARD OF COMMISSIONERS
OPERATIONS AND REAL ESTATE
COMMITTEE MEETING
Call In Phone Number: (346) 248-7799
Meeting ID: 93839434337# Passcode: 654170#
818 S. Flores St., San Antonio, TX 78204
2:00 p.m., Wednesday, May 18, 2022

SCHEDULED: 1:00 p.m. - OPERATIONS AND REAL ESTATE COMMITTEE Meeting

COMMISSIONERS PRESENT:

Olga Kauffman, Vice Chair
Dalia Contreras, Commissioner
Ignacio Perez, Commissioner

COMMISSIONERS ABSENT:

Dr. Ana “Cha” Guzman, Chair
Loren D. Dantzler, Commissioner
Gilbert Casillas, Commissioner
Gabriel Lopez, Commissioner

COUNSEL: Doug Poneck, Escamilla &
Poneck, LLP

STAFF:

Ed Hinojosa, Jr., President and CEO
Muriel Rhoder, Chief Administrative Officer
Brandee Perez, Chief Operating Officer
Tim Alcott, Chief Legal and Real Estate Officer
Diana Kollodziej Fiedler, Chief Financial Officer
Richard Milk, Planning Officer
Michael Reyes, Public Affairs Officer
Jo Ana Alvarado, Director of Innovative
Technology
George Ayala, Director of Procurement
Melissa Garza, Interim Director of Beacon
Communities
Domingo Ibarra, Director of Security

Aiyana Longoria, Interim Director of Internal
Audit and Director of Human Resources
Hector Martinez, Director of Construction
Services and Sustainability
Lorraine Robles, Director of Development
Services and Neighborhood Revitalization
Tom Roth, Director of Asset Management
Joel Tabar, Director of Community
Development Initiatives and Interim Director
of Public Housing
Stephanie Rodriguez, Director of Assisted
Housing Programs

Item 1: Meeting called to order

Commissioner Contreras called the meeting to order at 2:16 p.m.

PUBLIC COMMENT

Item 2: Public Comment - Citizens are provided three minutes each to speak to any agenda item. There was no one signed up and no one who spoke during this meeting.

PRESENTATION

Item 3: Update and discussion regarding Alazan by Master Planner (Able City)

INDIVIDUAL ITEMS

Item 4: Consideration and appropriate action regarding Resolution 6249, approving the award of a contract for roof replacement at Villa Veramendi Apartments to Garland/DBS, Inc. through Omnia Partners, Public Sector, a Nationwide Purchasing Cooperative for an amount not to exceed \$2,692,408.00 (George Ayala, Director of Procurement; Hector Martinez, Director of Constructions Services and Sustainability)

Motion: Vice Chair Kauffman moved to approve Resolution 6249. Commissioner Perez seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Olga Kauffman, Vice Chair	X			
Dalia Contreras, Commissioner	X			
Ignacio Perez, Commissioner	X			

Item 5: Consideration and appropriate action regarding Resolutions 6248 and 22FAC-04-29, authorizing the award of a contract for Debt and Equity provider to PNC Bank, National Association ("PNC"), to act as our exclusive agent to underwrite a forward commitment for a permanent loan on the Snowden project, to provide construction and bridge financing, and to provide tax credit equity (George Ayala, Director of Procurement; Lorraine Robles, Director of Development Services and Neighborhood Revitalization)

Motion: Commissioner Perez moved to approve Resolutions 6248 and 22FAC-04-29. Vice Chair Kauffman seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Olga Kauffman, Vice Chair	X			
Dalia Contreras, Commissioner	X			
Ignacio Perez, Commissioner	X			

Item 6: Consideration and appropriate action regarding Resolution 6241, authorizing the Snowden Apartments transaction, including: (i) the execution of all documentation necessary to carry out the transaction; (ii) all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for low income housing tax credits; (iii) the conveyance of the land for the transaction by the San Antonio Housing Finance Corporation (HFC) to San Antonio Housing Facility Corporation (FAC); (iv) the ground leasing of the land for the transaction by San Antonio Housing Facility Corporation to Snowden Apartments, LP; (v) the acquisition of the membership interest by San Antonio Housing Facility Corporation in Snowden Apartments GP, LLC; (vi) authorizing San Antonio Housing Facility Corporation to serve as the developer, general contractor and the guarantor for the project; (vii) authorizing the admission of the equity investors into Snowden Apartments, LP; (viii) authorizing the financing for such transaction; and (ix) authorizing other matters in connection therewith (Timothy E. Alcott, Chief Legal and Real Estate Officer)

Motion: Vice Chair Kauffman moved to approve Resolution 6241. Commissioner Perez seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Olga Kauffman, Vice Chair	X			
Dalia Contreras, Commissioner	X			
Ignacio Perez, Commissioner	X			

Item 7: Consideration and appropriate action regarding Resolution 6247, authorizing the expenditure of additional funds for Villa Tranchese Fire Protection Improvements to Ranger Builders, LLC for an amount not to exceed \$764,462.50 (George Ayala, Director of Procurement; Hector Martinez, Director of Construction Services and Sustainability)

Motion: Commissioner Perez moved to approve Resolution 6247. Vice Chair Kauffman seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Olga Kauffman, Vice Chair	X			
Dalia Contreras, Commissioner	X			
Ignacio Perez, Commissioner	X			

Item 8: Consideration and appropriate action regarding Resolution 6246, approving the 2022 Small Area Fair Market Rent (SAFMR) Payment Standard Schedule (Stephanie Rodriguez, Director of Assisted Housing Programs)

Motion: Vice Chair Kauffman moved to approve Resolution 6246. Commissioner Perez seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Olga Kauffman, Vice Chair	X			
Dalia Contreras, Commissioner	X			
Ignacio Perez, Commissioner	X			

Item 9: Consideration and appropriate action regarding Resolution 6251, Resolution in support of the Third Amendment to the Housing Authority of the City of San Antonio Employees' Money Purchase Pension Plan and Trust, restated effective July 1, 2021 (Aiyana Longoria, Director of Human Resources)

Motion: Commissioner Perez moved to approve Resolution 6251. Vice Chair Kauffman seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Olga Kauffman, Vice Chair	X			
Dalia Contreras, Commissioner	X			
Ignacio Perez, Commissioner	X			

Item 10: Consideration and appropriate action regarding Resolution 6242, authorizing (i) the Las Varas Public Facility Corporation Multifamily Housing Revenue Notes (Aurora Apartments) Series 2022A; (ii) the Las Varas Public Facility Corporation Multifamily Housing Revenue Notes (Aurora Apartments) Series 2022B (together, the “Notes”); (iii) the Las Varas Public Facility Corporation (the “Issuer” or “LVPFC”) to approve Resolution 22LVPFC-04-26 authorizing the Notes; and (iv) other matters in connection therewith (Timothy E. Alcott, Chief Legal and Real Estate Officer)

Motion: Commissioner Perez moved to approve Resolution 6242. Commissioner Contreras seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Olga Kauffman, Vice Chair	X			
Dalia Contreras, Commissioner	X			
Ignacio Perez, Commissioner	X			

Item 11: Consideration and appropriate action regarding Resolution 6243, authorizing the submission of a disposition and demolition application to the U.S. Department of Housing and Urban Development (HUD) for the site known as the YMCA Building AMP TX006000008 Victoria Plaza/Schnabel; the sale of such property and its improvements; and the execution of documents necessary to consummate such actions (Timothy E. Alcott, Chief Legal and Real Estate Officer; Lorraine Robles, Director of Development Services and Neighborhood Revitalization)

No action taken. However, this item will be presented as an individual item to the Board of Commissioners during the June 1st Regular Board Meeting for approval.

Item 12: Consideration and appropriate action regarding Resolutions 6244 and 22LVPFC-04-27, authorizing the Las Varas Public Facility Corporation to approve a resolution relating to the proposed Viento Apartments Project (Timothy E. Alcott, Chief Legal and Real Estate Officer)

Motion: Vice Chair Kauffman moved to approve Resolutions 6244 and 22LVPFC-04-27. Commissioner Perez seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Olga Kauffman, Vice Chair	X			
Dalia Contreras, Commissioner	X			
Ignacio Perez, Commissioner	X			

Item 13: Consideration and appropriate action regarding Resolution 6252, authorizing (i) the Las Varas Public Facility Corporation Multifamily Housing Revenue Notes (Rosemont at Bethel Place Apartments) Series 2022A; (ii) the Las Varas Public Facility Corporation Multifamily Housing

Revenue Notes (Rosemont at Bethel Place Apartments) Series 2022B (together, the “Notes”); (iii) the Las Varas Public Facility Corporation (the “Issuer” or “LVPFC”) to approve Resolution 22LVPFC-05-04 authorizing the Notes; and (iv) other matters in connection therewith (Timothy E. Alcott, Chief Legal and Real Estate Officer; Thomas Roth, Director of Asset Management)

Item 14: Consideration and appropriate action regarding Resolution 6254, authorizing (i) the Las Varas Public Facility Corporation Multifamily Housing Revenue Notes (Sorento Apartments) Series 2022A; (ii) the Las Varas Public Facility Corporation Multifamily Housing Revenue Notes (Sorento Apartments) Series 2022B (together, the “Notes”); (iii) the Las Varas Public Facility Corporation (the “Issuer” or “LVPFC”) to approve Resolution 22LVPFC-05-05 authorizing the Notes; and (iv) other matters in connection therewith (Timothy E. Alcott, Chief Legal and Real Estate Officer; Thomas Roth, Director of Asset Management)

Motion: Commissioner Contreras stated to bundle both Items 13 and 14 together. Commissioner Perez moved to approve Resolution 6252 and Resolution 6254. Vice Chair Kauffman seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Olga Kauffman, Vice Chair	X			
Dalia Contreras, Commissioner	X			
Ignacio Perez, Commissioner	X			

Item 15: Consideration and appropriate action regarding Resolution 6250, authorizing the President and CEO to renew or place insurance policies covering property, liability, cyber liability, excess/umbrella, directors and officers, employment practices, workers’ compensation, automobile fleet, fiduciary, fidelity, flood, and boiler and machinery for the San Antonio Housing Authority and its affiliated entities, for the Fiscal Year 2022-2023, for an estimated amount of \$5,044,271.00 (Diana Fiedler, Chief Financial Officer)

Motion: Vice Chair Kauffman moved to approve Resolution 6250. Commissioner Perez seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote	Abstained
Olga Kauffman, Vice Chair	X			
Dalia Contreras, Commissioner	X			
Ignacio Perez, Commissioner	X			

DISCUSSION ITEMS

Item 16: Discussion regarding resident concerns

Mr. Hinojosa remarked that the Board of Commissioners will receive a summary of those Citizens to be Heard from the last Board meeting (which took place on May 4, 2022) at the next Board meeting scheduled for June 1, 2022.

Item 17: Quarterly Recruitment and Staffing Report (Aiyana Longoria, Director of Human Resources)

Mr. Hinojosa added to the conversation that the Compensation study kicked off this week and Leadership should see some results early fall.

Item 18: *CLOSED SESSION

Personnel/Consultation with Attorney

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

- Consultation with attorney regarding the approval of the President and CEO goals for 2022-2023

Board Council commented this item would need to wait until a Regular Board quorum was met. Mr. Hinojosa also agreed and stated there were no changes at this time. Closed session item will be moved to the June 1, 2022, Regular Board Meeting agenda.

Item 19: Adjournment

Commissioner Perez motioned to adjourn the meeting. Vice-Chair Kauffman seconded. With no objections, Commissioner Contreras adjourned the meeting at 3:35 p.m.

ATTEST:


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


Date

Ed Hinojosa, Jr.
President and CEO

Date

SAN ANTONIO HOUSING AUTHORITY**June 1, 2022****BOARD OF COMMISSIONERS
Regular Board Meeting****RESOLUTION 6239, ACCEPTING THE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR
ENDED JUNE 30, 2021**

DocuSigned by:

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Ed Hinojosa, Jr.
President and CEO

DocuSigned by:

 D88538376C33429...
Diana Kollodziej Fiedler
Chief Financial Officer

REQUESTED ACTION:

Consideration and approval regarding Resolution 6239, accepting the Independent Auditor's Report for the year ended June 30, 2021.

FINANCIAL IMPACT:

None.

SUMMARY:

The audit for the Housing Authority of the City of San Antonio and its component units for the year ended June 30, 2021, has been completed. In planning the audit, CohnReznick LLP spoke with staff to coordinate audit engagement details, establish auditor and client responsibilities, and determine any significant changes in SAHA's structure and personnel, as well as determine any new companies and new agreements that may impact the audit approach. CohnReznick LLP also verified any new accounting or audit requirements published by the U.S. Department of Housing and Urban Development, the Government Accounting Standards Board, or the American Institute of Certified Public Accountants, which would affect the audits.

CohnReznick LLP reports include:

- Financial Audit Results Opinion – Unmodified (clean audit)
- Internal Control Audit Results Opinion – Unmodified (clean audit)
- Compliance Audit Results Opinion – Unmodified (clean audit)
- Final Audit Communication to Those Charged with Governance

CohnReznick LLP performed the following year-end tasks:

- Tested certain internal controls for the following significant SAHA transaction cycles: cash receipts, cash disbursements, procurement, payroll, accumulation of component activity, recognition of related party activity, and financial close
- Tested major federal assistance program for compliance with federal requirements
- Conducted fraud inquiries about risks to SAHA
- Conducted and evaluated preliminary analytical reviews to determine the nature and extent of procedures to be performed
- Established the audit approach, including preparation of a tailored audit work program
- Computed audit materiality to obtain reasonable assurance of detecting misstatements that could be material to the financial statements taken as a whole
- Reviewed and mailed SAHA-prepared confirmations to customers, creditors, legal counsel, and banks

SAN ANTONIO HOUSING AUTHORITY**June 1, 2022**

- Performed substantive procedures for the various financial statement account balances as of year-end, as deemed necessary, in the following areas: cash, investments, notes receivable, grant and rent revenue, capital assets, payroll and related liabilities, escrow accounts, related party activity, assumption of partnership ownership, long-term ground leases, and long-term debt
- Performed substantive procedures for operating and non-operating expenses
- Reviewed the SAHA-prepared financial statements and utilized a disclosure checklist to ensure all significant disclosures are made
- Finalized analytical review procedures to assess the conclusions reached and evaluate the overall financial statement presentation
- Prepared final communication to Those Charged with Governance

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

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

The audit report for the Housing Authority of the City of San Antonio includes the financial statements of the Housing Authority of the City of San Antonio Employees' Money Purchase Pension Plan and Trust (the "Plan"). Those financial statements were audited separately by other auditors and CohnReznick's opinion, insofar as it relates to the amounts included for the Plan, is based solely on the report of the other auditors.

STRATEGIC OUTCOME:

Supports all strategic outcomes.

ATTACHMENTS:

Resolution 6239

Presentation

Draft Financial and Compliance Reports, dated June 30, 2021

**CERTIFICATE FOR RESOLUTION
RESOLUTION 6239**

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

1. In accordance with Chapter 551, Texas Government Code, as amended (Open Meetings Act), and the bylaws of SAHA, the Board of Commissioners of SAHA (Board) held a meeting on June 1, 2022 (Meeting) of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

**RESOLUTION 6239, ACCEPTING THE INDEPENDENT AUDITOR'S REPORT FOR
THE YEAR ENDED JUNE 30, 2021**

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

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

SIGNED AND SEALED this 1st day of June 2022.



Ed Hinojosa, Jr.
President and CEO

**San Antonio Housing Authority
Resolution 6239**

RESOLUTION 6239, ACCEPTING THE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30, 2021

WHEREAS, the agency planning requirements of the Quality Housing and Work Responsibility Act of 1998 (QHWRA) and the U.S. Department of Housing and Urban Development's (HUD) October 21, 1999 Final Rule contains implementing instructions for agency planning requirements; and

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

WHEREAS, SAHA has contracted with independent auditors that have conducted a financial and compliance audit of SAHA and its related entities and have presented said report to the SAHA Board of Commissioners on June 1, 2022; and

WHEREAS, the Independent Auditor's Report indicates an unmodified (clean audit) opinion on the Financial Audit Results; and

WHEREAS, staff requests that the Board of Commissioners review and accept the annual Independent Auditor's Report for the year ended June 30, 2021.

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

Approves Resolution 6239, accepting the Independent Auditor's Report for the year ended June 30, 2021.

Passed and approved the 1st day of June 2022.

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

Attested and approved as to form:

Ed Hinojosa, Jr.
President and CEO

HOUSING AUTHORITY OF THE CITY OF SAN ANTONIO (SAHA) AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Presented to: SAHA Board of Commissioners

June 1, 2022

CohnReznick LLP

AGENDA

- Audit Comments
- Audit Plan and Results
- Required Communication
- New Accounting Updates

AUDIT COMMENTS



AUDIT COMMENTS

- Audit report on the overall basic financial statements was an unmodified (clean) opinion
- Audit report on internal control over financial reporting was unmodified
- Audit report on compliance over the major federal programs was unmodified



AUDIT COMMENTS

- Audit was conducted in accordance with generally accepted auditing standards, generally accepted government auditing standards, and the Uniform Guidance
- Management and staff of SAHA were extremely cooperative and well-prepared
- We performed no services for SAHA which would impair our independence
- Serving as SAHA's audit firm of choice is a pleasure and an honor



AUDIT PLAN AND RESULTS



AUDIT PLAN AND RESULTS

Plan as Discussed with SAHA's Management:

- Interviewed SAHA personnel, updated documentations of systems and processes, performed walkthroughs for (1) Financial Reporting, (2) Cash Receipts/Disbursements, (3) Journal Entries, (4) Payroll, (5) Cash, (6) Investments, (7) Housing Assistance Payments Eligibility/Occupancy/Admissions/Terminations, (8) Employee Expense Reimbursements
 - No material weaknesses or significant deficiencies in internal controls over financial reporting or over compliance were identified



AUDIT PLAN AND RESULTS

Plan as Discussed with SAHA's Management:

- Held fraud discussions with key management and operational personnel
 - No instances of fraud or other significant areas of concern were identified by management
- We reviewed and tested the 6/30/2021 reconciliations for cash/investments, receivables, allowance for doubtful accounts, accounts payable, unearned revenue, and notes payable
 - We obtained copies of the reconciliations and tested accordingly, agreed balances with the general ledger and agreed the balances with confirmations where applicable



AUDIT PLAN AND RESULTS

Plan as Discussed with SAHA's Management:

- Detail tested capital assets, including management's depreciation of capital assets
 - Capital assets additions, disposals, and resulting gain/loss on disposals were detail tested and reconciled to supporting schedules
- We reviewed and tested program revenues, as well as operating and non-operating expenses



AUDIT PLAN AND RESULTS

Plan as Discussed with SAHA's Management:

- Issued separate audit reports for the following component units which contained unmodified opinions:
 - San Antonio Housing Facility Corporation
 - Sendero I Public Facility Corporation
 - Springhill/Courtland Heights Public Facility Corporation
 - Woodhill Public Facility Corporation
 - Converse Ranch, LLC
- The financial statements of the Housing Authority of the City of San Antonio Employees' Money Purchase Pension Plan and Trust were separately audited by other auditors



AUDIT PLAN AND RESULTS

Plan as Discussed with SAHA's Management:

- We audited the Financial Data Submission prepared by SAHA management
- We audited the Schedule of Expenditures of Federal Awards prepared by SAHA management and determined the major programs for compliance testing under the requirements of the Uniform Guidance
 - The following program was identified as a major program: Moving to Work Demonstration Program (CFDA 14.881)
 - No material instances of noncompliance were noted



REQUIRED COMMUNICATION



REQUIRED COMMUNICATION

- Auditor's Responsibility Under Generally Accepted Auditing Standards and Government Auditing Standards
 - Express an opinion as to whether the financial statements, prepared by management, are fairly presented in all material respects, in conformity with the accounting principles adopted by SAHA
 - Plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement
 - Consider internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts, and grant agreements



REQUIRED COMMUNICATION

- Other Comments
 - Management is responsible for the selection and use of appropriate accounting policies
 - We noted no transactions entered into by SAHA and related accounting policies during the year for which there was a lack of authoritative guidance or consensus
 - There were no disagreements or difficulties with management
 - There were no consultations with other accountants regarding auditing or accounting matters
 - Significant estimates applicable to SAHA are as follows:
 - Allowance for doubtful accounts
 - Useful lives of capital assets



REQUIRED COMMUNICATION

- Significant Audit Adjustments/Summary of Audit Differences
 - In connections with our procedures, there were no posted audit adjustments identified by CohnReznick



NEW ACCOUNTING UPDATES



NEW ACCOUNTING UPDATES

GASB No. 87 - Leases

- Standard will require recognition of lease assets and liabilities for leases previously classified as operating leases
- Lessee should recognize a “right-to-use” asset and liability for present value of payments expected to be made during term of the lease. Expense recognized over term of the lease
- Lessor should recognize receivable for present value of payments expected to be received during term of the lease. Revenue recognized over term of the lease
- Effective for periods beginning after June 15, 2021, FYE 6/30/22 for SAHA



NEW ACCOUNTING UPDATES

GASB No. 96 – Subscription-Based Information Technology Arrangements

- Subscription-based information technology arrangements are contracts that conveys control of the right to use another party's information technology software (may or may not include tangible capital assets) for a period of time without granting a perpetual license or title to the software
- Treatment similar to GASB No. 87 with recognition of a “right-to-use” asset and liability for present value of payments expected to be made during term of the contract. Expense recognized over term of the contract
- Effective for periods beginning after June 15, 2022, FYE 6/30/23 for SAHA



NEW AUDITING UPDATE

SAS 134 – Auditor Reporting

- Significant change to form of independent auditor's reports
- Content of reports significantly expanded
- Goal is to enhance clarity and promote transparency
- Effective for periods ending on or after December 15, 2021, FYE 6/30/22 for SAHA

CONTACT

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Charlotte, NC

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Housing Authority of the City of San Antonio

Financial Report and Compliance Report
June 30, 2021

DRAFT - FOR REVIEW AND DISCUSSION -
SUBJECT TO CHANGE

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Housing Authority of the City of San Antonio (the "Authority") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Housing Authority of the City of San Antonio Employees' Money Purchase Pension Plan and Trust (the "Plan") which comprises the Authority's aggregate remaining fund information. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Plan, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Authority, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedules of modernization costs and development costs are presented for purposes of additional analysis, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and is also not a required part of the basic financial statements.

The schedules of modernization costs and development costs and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the schedules of modernization costs and development costs, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

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

Charlotte, North Carolina
REPORT DATE

Housing Authority of the City of San Antonio

Management's Discussion and Analysis—Unaudited Year Ended June 30, 2021

This section of the Housing Authority of the City of San Antonio's (the Authority) annual financial report presents management's discussion and analysis (MD&A) of the Authority's financial performance during the fiscal year (FY) ended June 30, 2021, related to its business-type activities, as compared to the FY ended June 30, 2020. The business-type activities of the Authority include the following: Public Housing Programs, Section 8 Voucher Programs, Capital Fund Programs, Community Development Initiatives Programs, Beacon Communities and the San Antonio Housing Facility Corporation. The MD&A is designed to assist the reader in focusing on significant financial issues, provide an overview of the Authority's financial activity, identify changes in the Authority's financial position and identify individual fund issues or concerns.

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

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

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

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

Highlights

- The Authority's total net position increased by \$10.2 million, a 3.4% increase from the prior year.
- During FY 2021, the Authority increased its net capital assets by \$48.6 million, attributable to land additions from several new ground lease transactions; capitalization of significant construction projects in both the Beacon and Public Housing portfolios; and the purchase of Costa Valencia, which added 230 units to the Beacon portfolio.
- Total operating revenue increased by \$10.1 million, or 5.2%, from FY 2020 to FY 2021. Tenant rental revenue accounted for \$1.8 million of the increase and was predominantly due to rent received from new units acquired in late FY 2020.
- The Authority garnered two Awards of Excellence from the National Association of Housing and Redevelopment Officials (NAHRO) for Project Design for Phillis Wheatley Park and Community Revitalization for Garcia Street Urban Farm. Of the over 3,000 public housing authorities in the

Housing Authority of the City of San Antonio

Management's Discussion and Analysis—Unaudited Year Ended June 30, 2021

country, the Authority received more nominations for Awards of Excellence than any other housing authority.

- In August 2020, the Authority celebrated the demolition of an old and vacant Authority-owned warehouse that was formerly used to house maintenance vehicles. The site will be the home of a new affordable housing multi-family development for the near westside. Through a partnership with developer Mission DG, Tampico Lofts will provide 200 family units, 136 of which will be low-income housing tax credit units. Construction is projected to be completed in early 2022.
- In July and August 2020, the Authority co-hosted groundbreaking ceremonies for Culebra Crossing, Majestic Ranch, and The Scott at Medio Creek. The Authority is partnered with LYND to develop Culebra Crossing, a 327-unit community, of which 164 units will be rented to families at 80% area median income. The Authority is partnered with Hogan Properties Company, Inc. to develop the Majestic Ranch Apartments, a 288-unit community, with all of the units to be leased to families earning at or below 60% of the area median income. The Authority is partnered with NRP Group to develop The Scott at Medio Creek, a 324-unit property, which will offer one to four bedrooms for individuals and families earning between 30 and 70% of the area median income.
- In November 2020, the Authority celebrated the groundbreaking of The Legacy at Alazan (formerly referred to as Alazan Lofts) on the westside. SAHA is partnered with NRP Group and garnered 9% low-income housing tax credits to build the development. The property will have 88 units, 80 of which will be reserved for public housing.
- Victoria Courts, a 796-unit apartment complex constructed in 1940, was demolished in 2001 and then master planned to include mixed-income multifamily and for-sale townhomes. Through revitalization efforts over the past two decades, the Authority completed Refugio Place Apartments, Artisan Park Townhomes Phase IIA, Hemisview Village, and Leigh Street Homes. In partnership with Franklin Development, the Authority celebrated the construction kick-off for 100 Labor, a mixed-income, mixed-use, 220-unit multi-family development. The new downtown community is a modern approach to workforce housing with the purpose of creating an atmosphere to fit resident lifestyles. Construction at 100 Labor Street is expected to be completed by December 2022. Additionally, the Authority partnered with the Catellus Development Corporation to assist in completing a conceptual master plan for 11.5 acres, including Artisan Park Townhomes Phase IIB.
- In December 2020, the Authority refinanced the 100-unit Sunshine Plaza Apartments and received \$2.5 million in loan proceeds, which will be used to finance immediate and long-term capital repairs and improvements for the property.
- The Authority remains committed to being a sustainable agency, and actively elected to pursue a self-managed Energy Performance Contract (EPC) Phase II, where energy and water conservation measures are financed with future utility cost reductions. In August 2020, the Authority financed EPC Phase II for \$9.2 million, of which approximately \$1.3 million was used to pay off the EPC Phase I loan. At June 30, 2021, there was approximately \$3.5 million in unexpended EPC funds.
- The Authority's current ratio that measures liquidity was 3.53 at June 30, 2021. The ratio is an indicator of the Authority's strong capacity to meet its short-term financial obligations and demonstrates that it has over three dollars of current assets covering each dollar of total current liabilities.
- The Authority's debt-to-net position ratio was 0.59 at June 30, 2021, demonstrating the Authority's strong long-term solvency position. The ratio means the Authority has 59 cents of debt for every dollar of equity.

Housing Authority of the City of San Antonio

Management's Discussion and Analysis—Unaudited Year Ended June 30, 2021

Overview of the Financial Statements

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

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

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

DRAFT - FOR REVIEW AND DISCUSSION
SUBJECT TO CHANGE

Housing Authority of the City of San Antonio

Management's Discussion and Analysis—Unaudited Year Ended June 30, 2021

Basic Financial Statements

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

San Antonio Housing Authority

The Authority operates the following programs:

- **Housing Choice Voucher (HCV) Program**—a HUD-funded program that provides rent subsidies to families residing in privately owned rental properties.
- **Capital Improvement Programs**—HUD-funded programs that include the Capital Fund Program and the Capital Fund Financing Program, which provide funds for new construction and the rehabilitation of existing housing units.
- **Public Housing Program**—a HUD-funded program under which the Authority manages and maintains 6,058 public housing rental units for eligible low-income families, seniors and individuals with disabilities.

Pension Plan Trust Fund—Fiduciary Fund

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

Notes to Financial Statements

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

Financial Analysis

General

Over time, net position may serve as a useful indicator of a government's financial position. At June 30, 2021, the Authority's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$309,925,659. By far, the largest portion of net position is the Authority's investment in capital assets (e.g., land, buildings, furniture and equipment and construction in progress) less any related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to provide services and housing to its clients. Consequently, these assets are not available for future spending. Although the Authority's investment in capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Housing Authority of the City of San Antonio

Management's Discussion and Analysis—Unaudited Year Ended June 30, 2021

Condensed Statements of Net Position Information

Presented below is the Authority's condensed statements of net position for FY 2021 compared to FY 2020. This information reflects the economic resources of the Authority, as well as its economic obligations at the end of the FYs shown. See notes to financial statements.

Condensed Statements of Net Position

	FY 2021	FY 2020	Increase (Decrease)	Percentage Change
Assets:				
Unrestricted current assets	\$ 76,161,947	\$ 67,944,520	\$ 8,217,427	12.1%
Restricted current assets	39,274,129	32,228,019	7,046,110	21.9%
Net capital assets	307,032,587	258,389,029	48,643,558	18.8%
Other assets	67,258,504	66,125,924	1,132,580	1.7%
Total assets	489,727,167	424,687,492	65,039,675	15.3%
Deferred outflows of resources:				
Deferred charges on refunding	383,159	497,369	(114,210)	(23.0%)
Deferred swap outflows	1,893,930	3,022,358	(1,128,428)	(37.3%)
Total deferred outflows of resources	2,277,089	3,519,727	(1,242,638)	(35.3%)
Liabilities:				
Current liabilities	31,121,388	18,171,937	12,949,451	71.3%
Current liabilities payable from restricted assets	1,616,908	1,072,879	544,029	50.7%
Noncurrent liabilities	149,340,301	109,230,402	40,109,899	36.7%
Total liabilities	182,078,597	128,475,218	53,603,379	41.7%
Net position:				
Net investment in capital assets	201,749,769	178,933,350	22,816,419	12.8%
Restricted net position	38,240,104	21,917,356	16,322,748	74.5%
Unrestricted net position	69,935,786	98,881,295	(28,945,509)	(29.3%)
Total net position	\$ 309,925,659	\$ 299,732,001	\$ 10,193,658	3.4%

Assets

The Authority's total assets at June 30, 2021 and 2020, amounted to \$489.7 million and \$424.7 million, respectively, representing an increase of 15.3%. Unrestricted current assets increased by \$8.2 million, or 12.1%. Due to HUD's anticipation that Public Housing Agencies will encounter higher costs to remotely administer Capital Fund grants, HUD waived the administrative cost limitation of 10% and reset it temporarily to 15%. As a result, the Authority received additional 2018, 2019, and 2020 CFP administrative fees totaling \$4.7 million which is reflected in the overall increase in unrestricted current assets. Also contributing was the receipt of \$2.5 million in loan proceeds resulting from the refinance of Sunshine Plaza and receipt of \$2.3 million from San Antonio Housing Facility Corporation's sale of the Brazos Street warehouse property. The \$7.0 million, or 21.9%, increase in restricted current assets resulted chiefly from receipt of \$7.9 million in loan funds from the new EPC loan, of which \$3.5 million remained unspent at year-end. Additionally, \$3.7 million in loan proceeds was received from the closing of the 100 Labor Street project. Net capital assets surged by \$48.6 million, or 18.8%, due largely to various new ground lease transactions which increased land by \$24.4 million. Buildings increased by \$27.5 million due to the acquisition of the Costa Valencia property and capitalization of various Beacon and Public Housing projects. Construction in progress also increased \$14.8 million. Partially offsetting the overall increase in net capital assets was an increase in accumulated depreciation of \$17.9 million. Other assets increased by \$1.1 million, or 1.7%, due primarily to a note receivable for \$1.04 million issued from the Authority to Alazan Lofts Ltd.

Housing Authority of the City of San Antonio

Management's Discussion and Analysis—Unaudited Year Ended June 30, 2021

Liabilities

Total liabilities of the Authority were \$182.1 million and \$128.5 million at June 30, 2021 and 2020, respectively, an increase of 41.7%. Current liabilities increased by \$12.9 million, or 71.3%. There was a \$5.1 million increase in the current portion of long-term debt due to SP II and O'Connor Road debt maturing within 12 months. Also impacting the increase in current liabilities was an increase of \$3.6 million in accounts payable. Noncurrent liabilities increased by \$40.1 million, or 36.7%, due mainly to an increase of \$24.5 million in unearned revenue which arose from the San Antonio Housing Facility Corporation entering into ground leases with the Watson Road, Copernicus, Kitty Hawk, Vista at Interpark, Josephine, and Vista at Everest partnerships. Additionally, there was a net increase of \$18.1 million in long-term debt resulting from the EPC Phase II loan of \$8.6 million, Sunshine Plaza loan of \$2.5 million, and 100 Labor Street construction loan of \$7.0 million. The Costa Valencia acquisition also added \$10.1 million in long-term debt. These increases were partially offset by scheduled principal payments of \$4.2 million and payoff of the EPC Phase I loan of \$1.3 million.

Net Position

The Authority's net position totaled \$309.9 million at June 30, 2021, and is comprised of net investment in capital assets of \$201.8 million; restricted net position of \$38.2 million and unrestricted net position of \$69.9 million. Total net position increased by \$10.2 million, or 3.4%, as a result of operations for the FY. The balance in unrestricted net position represents resources available to meet the Authority's ongoing obligations to tenants, citizens and creditors.

Statements of Revenues, Expenses and Changes in Net Position Information

Presented on the following page is the statements of revenues, expenses and changes in net position information for FY 2021 compared to FY 2020. The information reflects the results of operations for the Authority and displays the sources of revenue, the nature of expenses for the year and the resulting change in net position. All revenues and expenses are accounted for on an accrual basis. See notes to financial statements.

Housing Authority of the City of San Antonio

Management's Discussion and Analysis—Unaudited Year Ended June 30, 2021

Statements of Revenues, Expenses and Changes in Net Position

	FY 2021	FY 2020	Increase (Decrease)	Percentage Change
Operating revenues:				
Tenant	\$ 35,453,458	\$ 33,617,000	\$ 1,836,458	5.5%
HUD operating subsidy and grant revenue	158,070,507	150,878,490	7,192,017	4.8%
Other revenue	8,257,946	7,222,656	1,035,290	14.3%
Total operating revenues	201,781,911	191,718,146	10,063,765	5.2%
Operating expenses:				
Administrative	32,868,528	30,908,843	1,959,685	6.3%
Tenant services	4,215,119	4,398,655	(183,536)	(4.2%)
Utilities	8,347,068	7,415,337	931,731	12.6%
Ordinary maintenance and operations	28,229,345	24,130,098	4,099,247	17.0%
Protective services	1,366,130	983,638	382,492	38.9%
Insurance	3,132,985	2,966,827	166,158	5.6%
Bad debts	(18,418)	111,687	(130,105)	(116.5%)
Other	2,760,359	3,060,654	(300,295)	(9.8%)
Housing assistance payments	100,494,411	100,236,974	257,437	0.3%
Depreciation	12,869,852	14,934,944	(2,065,092)	(13.8%)
Total operating expenses	194,265,379	189,147,657	5,117,722	2.7%
Operating income (loss)	7,516,532	2,570,489	4,946,043	192.4%
Nonoperating revenues (expenses):				
Investment income	36,130	776,629	(740,499)	(95.3%)
Mortgage interest income	1,168,292	1,673,882	(505,590)	(30.2%)
Recovery of Section 8 funds	11,008	60,796	(49,788)	(81.9%)
Interest expense	(4,397,095)	(3,303,201)	(1,093,894)	33.1%
Gain on disposition/retirement of capital assets	1,866,130	4,514,560	(2,648,430)	(58.7%)
Purchase of limited partnership interests	(300,000)	(1,630,000)	1,330,000	(81.6%)
Donations—land	-	9,865,382	(9,865,382)	(100.0%)
Insurance recoveries, net	1,877,068	604,324	1,272,744	210.6%
Gain (loss) on investments	1,915	(1,915)	3,830	200.0%
Refinancing and closing costs	(1,103,892)	-	(1,103,892)	N/A
Trustee and swap advisor fees	(18,693)	(30,954)	12,261	(39.6%)
Total nonoperating revenues (expenses)	(859,137)	12,529,503	(13,388,640)	(106.9%)
Increase (decrease) in net position before capital contributions	6,657,395	15,099,992	(8,442,597)	(55.9%)
Capital contributions	7,556,449	8,918,911	(1,362,462)	(15.28%)
Special item	-	2,000,000	(2,000,000)	(100.0%)
Equity transfers	(3,367,327)	(234,734)	(3,132,593)	1334.5%
Change in net position	10,846,517	25,784,169	(14,937,652)	(57.9%)
Net position at beginning of year	299,732,001	274,656,715	25,075,286	9.1%
Change in reporting entity	(652,859)	(708,883)	56,024	(7.9%)
Net position at end of year	\$ 309,925,659	\$ 299,732,001	\$ 10,193,658	3.4%

Housing Authority of the City of San Antonio

Management's Discussion and Analysis—Unaudited Year Ended June 30, 2021

Operating Revenues and Expenses

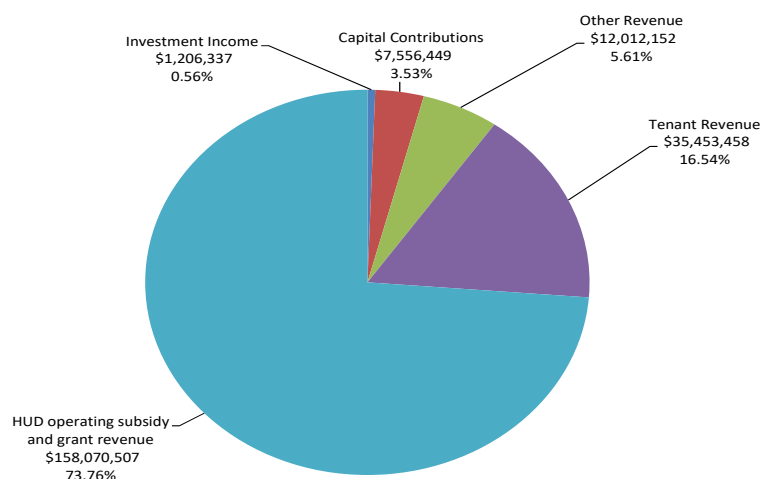
Operating revenues increased by \$10.1 million, or 5.2%, over the previous year and operating expenses increased by \$5.1 million, or 2.7%. HUD operating subsidy and grant revenue was \$7.2 million, or 4.8%, higher compared to FY 2020 primarily due to the recognition of capital grants received for expended soft costs related to modernization efforts of public housing units. Additionally, public housing operating subsidy and Section 8 Housing Assistance Payment revenue were \$1.2 million and \$3.5 million higher, respectively, compared to the previous year. The primary source of revenue, other than HUD funding, is tenant revenue, which increased by \$1.8 million, or 5.5%, over the prior year. The increase resulted primarily from acquisitions executed during the last few months of the previous year, which added 732 units to the Beacon Communities portfolio. The overall increase was partially offset by an increase in bad debt expense of \$0.9 million attributable to financial hardships many renters are facing as the COVID-19 pandemic persists. To address these challenges, the Authority extended its eviction moratorium through March 1, 2022; offered repayment plans for affected public housing residents; and referred struggling renters to the City of San Antonio's Emergency Housing Assistance Program, which provides emergency assistance for rent, utilities, and other support. The \$1.0 million, or 14.3%, increase in other revenue was chiefly due to the recognition of development fees earned in connection with the development and supervision of construction regarding new mixed-finance properties. The most significant increase in operating expenses was ordinary maintenance and operations expense which increased \$4.1 million, or 17.0%, due to amplified efforts to address a backlog of maintenance and repairs, some of which had been deferred during the early stages of the pandemic. Administrative expenses increased by \$2.0 million, or 6.3%, largely due to an increase in administrative staff salaries. Depreciation expense, which does not require cash expenditures, but impacts the total operating expenses, totaled \$12.9 million.

Nonoperating Revenues, Expenses and Changes in Net Position

The change in net position from FY 2020 to FY 2021 was an increase of \$10.8 million compared to an increase of \$25.8 million from FY 2019 to FY 2020. Capital contributions, which decreased by \$1.4 million compared to the previous year, was comprised of HUD capital grants totaling \$7.6 million. Partially offsetting the overall increase in net position was interest expense, which increased by \$1.1 million as a result of assumed debt on various properties acquired in late FY 2020 and 2021. The Authority also spent approximately \$1.1 million in refinancing and closing costs associated with Sunshine Plaza, 100 Labor Street, and EPC. The equity transfers in FY 2021 of \$3.4 million represent conveyance of Wheatley Family II public improvements and Phillis Wheatley Park to the City of San Antonio.

Revenue by Source—Business-Type Activities

Total Revenue—\$214,298,903

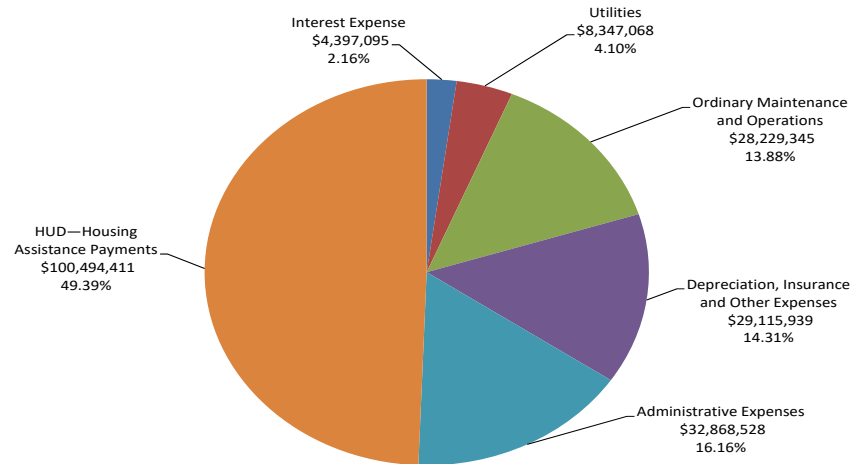


Housing Authority of the City of San Antonio

Management's Discussion and Analysis—Unaudited Year Ended June 30, 2021

Expenses by Use—Business-Type Activities

Total Expenses—\$203,452,386



Capital Assets and Debt Administration

Net Capital Assets

At the end of FY 2021, the Authority had invested \$307,032,587 in a broad range of capital assets, including land, buildings, furniture, equipment, vehicles and construction in progress. The schedule below reflects the changes in capital assets, net of depreciation, during FY 2021:

Schedule of Changes in Capital Assets—FY 2021

Beginning net capital assets	\$ 258,389,029
Additions and transfers in/out	66,958,907
Deletions, net	(5,445,497)
Depreciation	(12,869,852)
Ending net capital assets	<u>\$ 307,032,587</u>

Net capital assets increased by \$48.6 million in FY 2021 when compared to FY 2020. Additions and transfers totaled \$66.9 million, while deletions totaled \$5.4 million. Total depreciation expense for FY 2021 was \$12.9 million. The majority of the additions were attributable to buildings, land, and construction in progress. Additional information on the Authority's capital assets can be found in Note 6 of the notes to financial statements.

Housing Authority of the City of San Antonio

Management's Discussion and Analysis—Unaudited Year Ended June 30, 2021

Long-Term Debt

At the end of FY 2021, the Authority had total long-term debt of \$111.2 million. Of this amount, \$41.7 million represents bonds that were issued to purchase or rehabilitate properties owned by component units of the Authority. The Authority's debt increased by \$23.6 million when compared to FY 2020.

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

Economic Factors and Next Year's Budget

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

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

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

The spread of a novel strain of coronavirus (COVID-19) has caused significant volatility and economic disruption. There is an abundance of uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy. While the Authority's operational and financial performance have been impacted and we anticipate our future results will continue to be adversely impacted, the extent to which the COVID-19 pandemic impacts our future results will depend on future developments, which cannot be predicted with certainty.

The operating budgets for the Authority's 2021-2022 FY were approved by the Board of Commissioners on June 3, 2021, and became effective July 1, 2021. The Authority's budget is balanced, with estimated revenues of \$209.9 million, with these funds being used primarily for Section 8 payments to landlords, public housing operations, salaries and benefits, upgrades, repairs and maintenance of the Authority's housing communities, as well as other operating costs.

The Authority's goal remains to continue to provide housing to over 65,000 children, adults, and senior citizens served through its three core housing programs: Section 8, Public Housing, and Beacon Communities. In FY 2022, the Authority looks forward to developing additional high-quality affordable housing units; significantly enhancing property management and housing operations; expanding educational, job training and health services to residents and implementing additional efficiencies across the Authority.

Housing Authority of the City of San Antonio

Management's Discussion and Analysis—Unaudited Year Ended June 30, 2021

Requests for Information

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

San Antonio Housing Authority
Attn: Diana Kollodziej Fiedler, CPA
Chief Financial Officer
P.O. Box 1300
San Antonio, Texas 78295-1300

DRAFT - FOR REVIEW AND DISCUSSION -
SUBJECT TO CHANGE

Basic Financial Statements

Housing Authority of the City of San Antonio

Statement of Net Position

June 30, 2021

Assets and Deferred Outflows of Resources

Assets:

Current assets:

Unrestricted assets:

Cash and cash equivalents:

Unrestricted

Tenant security deposits

Accounts receivable—HUD

Accounts receivable—miscellaneous

Accounts receivable—tenants

Allowance for doubtful accounts—tenants

Notes and mortgages receivable

Accrued interest receivable

Assets held for sale

Prepaid expenses and other assets

Total unrestricted assets

Restricted assets:

Cash and cash equivalents—modernization and development

Cash and cash equivalents—payment of current liabilities

Cash and cash equivalents—held by lender and trustee

Cash and cash equivalents—other

Total restricted assets

Total current assets

Noncurrent assets:

Capital assets:

Land

Buildings and improvements

Furniture and equipment—dwellings

Furniture and equipment—administration

Leasehold improvements

Construction in progress

Less accumulated depreciation

Net capital assets

Other noncurrent assets:

Notes and mortgages receivable

Accrued interest receivable

Other assets and developer fees receivable

Allowance for doubtful accounts—developer fees

Noncurrent receivable—insurance holdback

Equity in partnership investments

Total noncurrent assets

Total assets

Deferred outflows of resources:

Deferred charges on refunding

Deferred swap outflows

Total deferred outflows of resources

\$	60,312,748
	123,874
	2,001,506
	3,871,475
	4,203,853
	(2,507,077)
	17,318
	694
	210,007
	7,927,549
	<u>76,161,947</u>
	23,092,916
	1,978,944
	9,108,934
	5,093,335
	<u>39,274,129</u>
	<u>115,436,076</u>
	94,661,124
	557,550,903
	2,658,028
	4,890,052
	1,775,942
	51,740,183
	<u>713,276,232</u>
	(406,243,645)
	<u>307,032,587</u>
	46,312,175
	12,428,035
	3,269,713
	(1,505,692)
	154,578
	6,599,695
	<u>67,258,504</u>
	<u>489,727,167</u>
	383,159
	1,893,930
	<u>2,277,089</u>

Housing Authority of the City of San Antonio

Statement of Net Position June 30, 2021

Liabilities, Deferred Inflows of Resources, and Net Position

Liabilities:

Current liabilities:

Unrestricted current liabilities:

Accounts payable	\$ 9,695,868
Construction payable	3,038,191
Accrued wages and payroll taxes	1,856,211
Accrued compensated absences	619,441
Accrued contingencies	286,273
Accounts payable—HUD PHA projects	318
Tenant security deposits	1,869,398
Unearned revenue—tenants	1,054,027
Unearned revenue—ground leases and other	2,237,637
Current portion of long-term debt	8,961,676
Other current liabilities	1,090,669
Accrued interest payable	89,252
Accrued liabilities	322,427
Total unrestricted current liabilities	31,121,388

Current liabilities payable from restricted assets:

Long-term debt—current portion	968,472
Accrued interest payable	121,155
Family Self-Sufficiency (FSS) escrow	527,281
Total current liabilities payable from restricted assets	1,616,908

Total current liabilities

32,738,296

Noncurrent liabilities:

Long-term debt	101,303,866
FSS escrow payable	1,340,724
Accrued compensated absences	1,355,397
Unearned revenue—ground leases and other	43,446,384
Interest rate swap liabilities	1,893,930
Total noncurrent liabilities	149,340,301

Total liabilities

182,078,597

Net position:

Net investment in capital assets	201,749,769
Restricted net position	38,240,104
Unrestricted net position	69,935,786
Total net position	\$ 309,925,659

See notes to financial statements.

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Housing Authority of the City of San Antonio

Statement of Revenues, Expenses and Changes in Net Position Year Ended June 30, 2021

Operating revenues:	
Net tenant rental revenue	\$ 34,140,469
Tenant revenue—other	1,312,989
HUD operating subsidy and grant revenue	158,012,629
Other government grants	57,878
Other revenue	8,257,946
Total operating revenues	201,781,911
Operating expenses:	
Administrative	32,868,528
Tenant services	4,215,119
Utilities	8,347,068
Ordinary maintenance and operations	28,229,345
Protective services	1,366,130
Insurance	3,132,985
Bad debts	(18,418)
Other	2,760,359
Housing assistance payments	100,494,411
Depreciation	12,869,852
Total operating expenses	194,265,379
Operating income	7,516,532
Nonoperating revenues (expenses):	
Investment income—unrestricted	20,646
Investment income—restricted	15,484
Mortgage interest income	1,168,292
Recovery of Section 8 funds	11,008
Interest expense	(4,397,095)
Gain on disposition/retirement of capital assets	1,866,130
Purchase of limited partnership interests	(300,000)
Insurance recoveries, net	1,877,068
Loss on investments	1,915
Refinancing and closing costs	(1,103,892)
Trustee and swap advisor fees	(18,693)
Total nonoperating revenues (expenses)	(859,137)
Increase in net position before capital contributions	6,657,395
Capital contributions	7,556,449
Equity transfers	(3,367,327)
Change in net position	10,846,517
Net position at beginning of year	299,732,001
Change in reporting entity	(652,859)
Net position at end of year	\$ 309,925,659

See notes to financial statements.

Housing Authority of the City of San Antonio**Statement of Cash Flows**
Year Ended June 30, 2021

Cash flows from operating activities:	
Dwelling rent receipts	\$ 35,577,759
Operating subsidy and grant receipts	161,542,327
Other income receipts	4,994,202
Cash received from developers	4,169,690
Total receipts	206,283,978
Payments to suppliers for goods and services	(42,999,402)
Payments to employees	(32,389,419)
Housing assistance payments	(100,494,411)
Total disbursements	(175,883,232)
Net cash provided by operating activities	30,400,746
Cash flows from noncapital financing activities:	
Recovery of Section 8 funds	11,008
Net cash provided by noncapital financing activities	11,008
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(53,669,221)
Refinancing and closing costs	(1,103,892)
Trustee and swap advisor fees	(18,693)
Proceeds from insurance on capital assets	165,857
Proceeds from capital grants	7,556,449
Receipt of prepaid ground leases	24,460,266
Net proceeds from acquisition of debt	22,585,829
Principal payments on mortgage and notes payable	(5,533,135)
Interest paid on long-term debt and line of credit	(4,316,958)
Line of credit drawdowns	439,132
Line of credit principal payments	(486,135)
Homeownership and FSS escrow	(116,541)
Equity transfers	(3,367,328)
Proceeds from sale of capital assets	3,702,507
Net cash used in capital and related financing activities	(9,701,863)
Cash flows from investing activities:	
Collections on notes receivable	669,698
Issuance of notes receivable	(4,017,980)
Investment income received	34,585
Sale/maturity of investment securities	81,621,743
Purchase of investment securities	(41,630,520)
Purchase of limited partnership interests	(300,000)
Proceeds from acquisition of limited partnership interests	166,955
Interest on notes and mortgages receivable	9,488
Return of equity/investor income from joint ventures	171,865
Net cash provided by investing activities	36,725,834
Net increase in cash and cash equivalents	57,435,725
Cash and cash equivalents at beginning of year	42,275,026
Cash and cash equivalents at end of year	\$ 99,710,751
Supplementary schedule of non-cash investing, capital and financing transactions:	
Net change in payable for the acquisition of capital assets	\$ 256,309
Unpaid interest capitalized into long-term debt	\$ 4,533
Assumed debt in exchange for acquisition of capital assets	\$ 10,316,740
Capital assets acquired in exchange for assumption of debt	\$ 9,272,240

(Continued)

Housing Authority of the City of San Antonio**Statement of Cash Flows**
Year Ended June 30, 2021

Reconciliation to statement of net position:

Unrestricted cash and cash equivalents	\$ 60,312,748
Tenant security deposits	123,874
Restricted cash and cash equivalents—modernization and development	23,092,916
Restricted cash and cash equivalents—payment of current liabilities	1,978,944
Restricted cash and cash equivalents—held by lender and trustee	9,108,933
Restricted cash and cash equivalents—other	5,093,336
	<u>\$ 99,710,751</u>

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$ 7,516,532
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	12,869,852
Earned revenue/amortization of unearned revenue—ground lease and other	(1,343,678)
Expensed debt issuance costs	441,679
Expensed prepaid insurance	44,667
Bad debt recovery	1,418
Net changes in assets and liabilities:	
Tenants receivable, net	(226,180)
HUD receivable	2,889,839
Miscellaneous receivables	1,483,619
Other assets and developer fees receivable	1,207,547
Allowance for doubtful accounts—other	(21,088)
Prepaid expenses and other assets	407,754
Accounts payable	2,124,307
Accrued wages and payroll taxes	373,064
Accrued compensated absences	180,580
Accrued contingencies	57,122
Tenant security deposits	47,908
Unearned revenue—tenants	382,372
Unearned revenue—other	519,124
Other current liabilities	1,400,191
Accrued liabilities	44,117

Net cash provided by operating activities\$ 30,400,746

See notes to financial statements.

Housing Authority of the City of San Antonio**Statement of Plan Net Position—Fiduciary Fund****December 31, 2020****Assets:****Investments:**

Mutual funds—equity	\$ 36,249,041
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Mutual funds—fixed income	16,423,393
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Total investments	<u>52,672,434</u>
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Cash and cash equivalents	<u>1,821,149</u>
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Receivables:

Employee contributions	36,202
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Employer contributions	72,568
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Accrued investment income	23,885
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Total receivables	<u>132,655</u>
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Total assets	54,626,238
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Liabilities:

Accrued investment manager expenses	<u>7,500</u>
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Net position restricted for pension	<u><u>\$ 54,618,738</u></u>
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See notes to financial statements.

Housing Authority of the City of San Antonio**Statement of Changes in Plan Net Position—Fiduciary Fund
Year Ended December 31, 2020**

Additions:

Contributions:

Employee	\$ 943,104
Employer	<u>1,943,411</u>
Total contributions	<u><u>2,886,515</u></u>

Investment income (expenses):

Interest and dividends	844,290
Net appreciation in fair value of investments	<u>4,907,552</u>
Net investment income	<u><u>5,751,842</u></u>

Total additions8,638,357

Deductions:

Benefits paid to participants	(3,027,344)
Administrative expenses	<u>(213,816)</u>
Total deductions	<u><u>(3,241,160)</u></u>

Net increase in fiduciary net position

5,397,197

Net position restricted for pension at beginning of year	<u>49,221,541</u>
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Net position restricted for pension at end of year	<u><u>\$ 54,618,738</u></u>
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See notes to financial statements.

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Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

Blended Component Units—Enterprise Funds

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

San Antonio Housing Facility Corporation (SAHFAC)

SAHFAC is organized under section 501(c)(3) of the IRC. SAHFAC owns 14 multi-family rental developments with 1,466 units. SAHFAC serves as the general partner for Homestead Redevelopment Partnership, Ltd. (Homestead) and is the sole member of various limited liability companies that are general partners of tax credit limited partnerships. Additionally, SAHFAC leases the Central Office Building to the Authority with a lease term of 40 years, expiring in 2035.

San Antonio Housing Development Corporation (SAHDC)

SAHDC, organized in 1977 under section 501(c)(3) of the Internal Revenue Code (IRC), owns four multi-family rental developments with 506 apartments and manages one senior citizen development that is a component unit of the Authority. SAHDC also serves as the developer and general partner of three limited partnerships created with private investors to expand housing opportunities for low-income families and senior citizens. SAHDC serves as the general partner for Vera Cruz Redevelopment Partnership, Ltd. (Vera Cruz).

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

San Antonio Housing Finance Corporation (SAHFC)

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

San Antonio Homeownership Opportunities Corporation

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

Las Varas PFC (LVPFC)

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

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

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

Woodhill PFC

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

Refugio Street PFC (RSPFC)

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

Sendero I PFC

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

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

Vera Cruz Redevelopment Partnership, Ltd. (Vera Cruz)

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

Homestead Redevelopment Partnership, Ltd. (Homestead)

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

Converse Ranch, LLC

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

Converse Ranch II, LLC

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

Sunshine Plaza Apartments, Inc.

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

Pecan Hill Apartments, Inc.

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

Education Investment Foundation, Inc.

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

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

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

Condensed Statements of Net Position (Deficit) June 30, 2021

	San Antonio Housing Facility Corporation	San Antonio Housing Development Corporation	San Antonio Housing Finance Corporation	San Antonio Homeownership Opportunities Corporation	Las Varas PFC
Assets:					
Current assets	\$ 11,714,117	\$ 2,075,581	\$ 341,074	\$ 83,151	\$ 1,522,043
Restricted current assets	14,609,091	601,182	-	24,667	-
Net capital assets	100,523,006	23,349,401	236,789	12,509	12,977,912
Other assets	38,989,610	5,817,172	-	131,454	813,779
Total assets	165,835,824	31,843,336	577,863	251,781	15,313,734
Deferred outflows of resources:					
Deferred charges on refunding	-	-	-	-	-
Deferred swap outflow	1,536,288	-	-	-	-
Total deferred outflows of resources	1,536,288	-	-	-	-
Liabilities:					
Unrestricted current liabilities	12,551,096	2,113,614	728	2,705	95,558
Liabilities payable from restricted assets	179,357	163,968	-	-	-
Long-term debt	54,663,788	26,335,254	-	-	1,466,667
Other long-term liabilities	45,882,671	-	-	-	-
Total liabilities	113,276,912	28,612,836	728	2,705	1,562,225
Net position (deficit):					
Net investment (deficit) in capital assets	65,028,096	222,583	236,789	12,509	12,977,913
Restricted	9,031,783	601,181	-	24,667	-
Unrestricted (deficit)	(19,964,679)	2,406,736	340,346	211,900	773,596
Total net position (deficit)	\$ 54,095,200	\$ 3,230,500	\$ 577,135	\$ 249,076	\$ 13,751,509

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

Condensed Statements of Net Position (Deficit) June 30, 2021

	Springhill/ Courtland Heights PFC	Woodhill PFC	Refugio Street PFC	Sendero I PFC	Vera Cruz Redevelopment Partnership, Ltd.
Assets:					
Current assets	\$ 2,805,918	\$ 4,720,750	\$ 47,549	\$ 2,574,559	\$ 171,149
Restricted current assets	344,052	334,696	1,030,637	153,280	-
Net capital assets	7,015,477	13,951,025	-	6,513,503	629,396
Other assets	-	-	9,298,493	-	-
Total assets	10,165,447	19,006,471	10,376,679	9,241,342	800,545
Deferred outflows of resources:					
Deferred charges on refunding	-	39,567	-	184,747	-
Deferred swap outflow	357,642	-	-	-	-
Total deferred outflows of resources	357,642	39,567	-	184,747	-
Liabilities:					
Unrestricted current liabilities	1,155,855	501,184	-	241,563	39,603
Liabilities payable from restricted assets	200,865	312,567	-	312,580	4,865
Long-term debt	5,054,386	6,375,392	-	7,765,234	973,852
Other long-term liabilities	357,642	-	-	-	-
Total liabilities	6,768,748	7,189,143	-	8,319,377	1,018,320
Net position (deficit):					
Net investment (deficit) in capital assets	1,777,078	7,302,633	-	(1,379,564)	171,523
Restricted	344,052	315,747	1,030,637	124,301	-
Unrestricted (deficit)	1,633,211	4,238,515	9,346,042	2,361,975	(389,298)
Total net position (deficit)	\$ 3,754,341	\$ 11,856,895	\$ 10,376,679	\$ 1,106,712	\$ (217,775)

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

Condensed Statements of Net Position (Deficit) June 30, 2021

	Homestead Redevelopment Partnership, Ltd.	Converse Ranch, LLC	Converse Ranch II, LLC	Sunshine Plaza Apartments, Inc.	Pecan Hill Apartments, Inc.	Education Investment Foundation, Inc.
Assets:						
Current assets	\$ 639,332	\$ 1,142,919	\$ 79,438	\$ 3,826,374	\$ 959,750	\$ 586
Restricted current assets	-	497,980	293,291	30,000	-	51,746
Net capital assets	369,642	6,023,722	5,689,615	1,398,501	1,760,829	3,483
Other assets	-	-	-	-	19,995	-
Total assets	1,008,974	7,664,621	6,062,344	5,254,875	2,740,574	55,815
Deferred outflows of resources:						
Deferred charges on refunding	-	158,845	-	-	-	-
Deferred swap outflow	-	-	101,594	-	-	-
Total deferred outflows of resources	-	158,845	101,594	-	-	-
Liabilities:						
Unrestricted current liabilities	223,954	257,566	412,680	317,908	263,132	8,770
Liabilities payable from restricted assets	116,933	-	188,622	2,491,352	-	-
Long-term debt	3,683,743	6,434,142	4,396,195	-	-	-
Other long-term liabilities	-	-	101,594	-	-	-
Total liabilities	4,024,630	6,691,708	5,099,091	2,809,260	263,132	8,770
Net position (deficit):						
Net investment (deficit) in capital assets	258,258	(376,550)	1,114,063	(1,165,737)	1,760,829	3,483
Restricted	-	497,979	284,026	30,000	-	51,746
Unrestricted (deficit)	(3,273,914)	1,010,329	(333,242)	3,581,352	716,613	(8,184)
Total net position (deficit)	\$ (3,015,656)	\$ 1,131,758	\$ 1,064,847	\$ 2,445,615	\$ 2,477,442	\$ 47,045

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

Condensed Statements of Revenues, Expenses and Changes in Net Position (Deficit) Year Ended June 30, 2021

	San Antonio Housing Facility Corporation	San Antonio Housing Development Corporation	San Antonio Housing Finance Corporation	San Antonio Homeownership Opportunities Corporation	Las Varas PFC
Operating revenues (expenses):					
Net tenant rental revenue	\$ 10,911,489	\$ 2,973,391	\$ -	\$ -	\$ -
Tenant revenue—other	357,980	277,649	-	-	-
HUD operating grants and housing assistance payments	-	-	-	-	-
Other government grants	226,373	-	-	-	-
Other revenue	5,323,130	435,607	87,500	7,000	1,705,185
Operating expenses	(11,034,039)	(4,806,458)	(26,311)	(63,203)	(91,996)
Depreciation expense	(1,324,903)	(466,209)	-	-	-
Total operating revenues (expenses)	4,460,030	(1,586,020)	61,189	(56,203)	1,613,189
Nonoperating revenues (expenses):					
Investment income	10,596	165	19	9	114
Mortgage interest income	440,687	340,230	228	9,155	-
Interest expense	(2,834,333)	(1,047,169)	-	-	-
Financing and trustee fees	(930,860)	(19,690)	-	-	-
Other	2,272,818	(1,141,253)	(13,165)	(633)	5,490
Total nonoperating revenues (expenses)	(1,041,092)	(1,867,717)	(12,918)	8,531	5,604
Transfers in (out)	(1,019,497)	3,075,974	-	(7,000)	(1,173,145)
Change in net position	2,399,441	(377,763)	48,271	(54,672)	445,648
Net position (deficit) at beginning of year	51,695,759	3,608,263	528,864	303,748	13,305,861
Change in reporting entity	-	-	-	-	-
Net position (deficit) at end of year	\$ 54,095,200	\$ 3,230,500	\$ 577,135	\$ 249,076	\$ 13,751,509

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

Condensed Statements of Revenues, Expenses and Changes in Net Position (Deficit) Year Ended June 30, 2021

	Springhill/ Courtland Heights PFC	Woodhill PFC	Refugio Street PFC	Sendero I PFC	Vera Cruz Redevelopment Partnership, Ltd.
Operating revenues (expenses):					
Net tenant rental revenue	\$ 2,372,651	\$ 4,359,998	\$ -	\$ 1,993,334	\$ 166,095
Tenant revenue—other	44,245	315,082	-	119,982	4,375
HUD operating grants and housing assistance payments	1,201,312	-	-	-	-
Other government grants	-	-	-	-	-
Other revenue	148,309	25,775	-	26,949	325
Operating expenses	(2,344,294)	(3,261,485)	(7,418)	(1,263,362)	(183,178)
Depreciation expense	(366,415)	(991,987)	-	(284,675)	(46,727)
Total operating revenues (expenses)	1,055,808	447,383	(7,418)	592,228	(59,110)
Nonoperating revenues (expenses):					
Investment income	94	1,670	74	1,378	15
Mortgage interest income	-	-	438,573	-	-
Interest expense	(208,498)	(234,551)	-	(432,549)	(9,916)
Financing and trustee fees	-	(39,915)	-	(5,500)	-
Other	-	(267,876)	-	-	-
Total nonoperating revenues (expenses)	(208,404)	(540,672)	438,647	(436,671)	(9,901)
Transfers in (out)	96,537	(121,473)	378,701	-	-
Change in net position	943,941	(214,762)	809,930	155,557	(69,011)
Net position (deficit) at beginning of year	2,810,400	12,071,657	9,566,749	951,155	(148,764)
Change in reporting entity	-	-	-	-	-
Net position (deficit) at end of year	\$ 3,754,341	\$ 11,856,895	\$ 10,376,679	\$ 1,106,712	\$ (217,775)

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

Condensed Statements of Revenues, Expenses and Changes in Net Position (Deficit) Year Ended June 30, 2021

	Homestead Redevelopment Partnership, Ltd.	Converse Ranch, LLC	Converse Ranch II, LLC	Sunshine Plaza Apartments, Inc.	Pecan Hill Apartments, Inc.	Education Investment Foundation, Inc.
Operating revenues (expenses):						
Net tenant rental revenue	\$ 951,585	\$ 960,752	\$ 830,868	\$ 281,759	\$ 297,395	\$ -
Tenant revenue—other	165,678	10,678	5,268	2,426	32,515	-
HUD operating grants and housing assistance payments	-	-	-	607,281	677,668	-
Other government grants	-	55,668	26,844	-	-	-
Other revenue	2,495	4,650	3,250	277	300	124,614
Operating expenses	(1,049,869)	(688,185)	(555,105)	(733,431)	(763,875)	(125,596)
Depreciation expense	(165,821)	(222,086)	(204,140)	(80,222)	(75,561)	(3,210)
Total operating revenues (expenses)	(95,932)	121,477	106,985	78,090	168,442	(4,192)
Nonoperating revenues (expenses):						
Investment income	50	668	120	901	554	10
Mortgage interest income	-	-	-	-	-	-
Interest expense	(231,930)	(203,825)	(114,709)	(37,510)	-	-
Financing and trustee fees	-	-	-	(147,590)	-	-
Other	860	-	-	-	-	-
Total nonoperating revenues (expenses)	(231,020)	(203,157)	(114,589)	(184,199)	554	10
Transfers in (out)	-	-	-	-	-	271,697
Change in net position	(326,952)	(81,680)	(7,604)	(106,109)	168,996	267,515
Net position (deficit) at beginning of year	(2,688,704)	1,213,438	1,072,451	2,551,724	2,308,446	(220,470)
Change in reporting entity	-	-	-	-	-	-
Net position (deficit) at end of year	\$ (3,015,656)	\$ 1,131,758	\$ 1,064,847	\$ 2,445,615	\$ 2,477,442	\$ 47,045

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

Fiduciary Component Units

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

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

The Plan is included as a component unit since the primary government has fiduciary responsibility for the Plan and the Plan serves only the Authority's employees or retirees. The Plan's fiscal year-end is December 31, 2020.

Separately Issued Financial Statements

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

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

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

Limited Partnerships—Joint Ventures

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

San Juan Square, Ltd.

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

Primrose SA IV Housing, LP

LVPFC and Cascade Affordable Housing, LLC are co-developers of a 248-unit senior community at the Sorrento Apartments.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

The Alhambra Apartments, Ltd.

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

Midcrowne Senior Pavilion, LP

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

ARDC Sutton, Ltd.

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

Various component units of the Authority serve as general partner for 20 other limited partnerships that are listed in the schedule to Note 5. For those partnerships, the general partner was not required to make a capital contribution at inception.

Authority Programs

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

Public Housing

The Authority manages and maintains 6,030 public housing rental units for eligible low-income families, seniors and people with disabilities. The rental units are located in 38 developments for families, 37 developments for seniors and disabled persons and a number of scattered site single-family homes throughout the City of San Antonio.

Section 8—Housing Assistance Payment Programs

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

Not-For-Profit Programs

Section 8—Project Based Management

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

Other Not-For-Profit Activities

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

Capital Improvement Programs

HUD-Funded Capital Fund and Capital Fund Financing Programs

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

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

Energy Performance Contracting

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

Community Initiatives Programs

Resident and Opportunity Supportive Services Program

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

Jobs Plus Grant

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

B. Basic Financial Statements—Fund Financial Statements

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

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

Measurement Focus and Basis of Accounting

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the grantor have been met and qualifying expenditures have occurred. When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, then unrestricted resources as needed.

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

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

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation

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

D. Deposits and Investments

Authority's Deposits and Investments

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

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

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

Plan Investments

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

Purchases and sales of investments in the Plan are recorded on a trade-date basis and, accordingly, the related receivable and payable for any unsettled trades are recorded. At December 31, 2020, there were no unsettled trades.

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

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

E. Interprogram Receivables and Payables

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

F. Accounts Receivable

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

G. Notes and Mortgages Receivable

The majority of notes and mortgages receivable are due from tax credit partnerships in which the Authority serves as the general partner. The Authority evaluates the collectibility of the notes and mortgages receivable by reading the various tax credit partnerships' financial statements and determining projections for future cash flows. It has been the Authority's experience that once the tax credits expire, the limited partners will withdraw from the partnership and the Authority will become the sole owner. If a note payable remains outstanding at the time a partnership becomes wholly owned by the Authority, the amounts are still paid from the partnership to the Authority until they are fully paid. The Authority also has the ability to modify the terms of the notes once the Authority becomes the sole owner of the entire partnership. Thus, all amounts due under notes and mortgages receivable are considered collectible, and no allowance was recorded at June 30, 2021. A schedule of notes and mortgages receivable is provided in Note 3 to the financial statements.

H. Other Assets and Developer Fees Receivable

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

Housing Authority of the City of San Antonio

Notes to Financial Statements
Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

I. Restricted Assets

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

J. Capital Assets

On January 28, 2019, the Authority amended its capitalization policy and adopted new thresholds to determine an asset's eligibility for capitalization and applied it prospectively. Based on the amendment, furniture, equipment and machinery that exceed \$5,000 and buildings and improvements, which are purchased or constructed, that exceed \$50,000, and have useful lives of more than one year are capitalized at cost or estimated cost if historical cost is not available. Donated capital assets are recorded at the acquisition value at the time of donation. The cost of site and building improvements that add value to the asset or materially extend the asset's life are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation on all exhaustible capital assets of the Authority is charged as an expense with accumulated depreciation being reported on the statement of net position. Depreciation is generally recorded on the straight-line basis over the estimated life of the assets. The estimated useful lives are as follows:

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

K. Compensated Absences

Paid Time Off (PTO)

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

As of June 30, 2021, the current portion of accrued compensated absences was comprised of PTO totaling \$619,441 and the long-term portion of accrued compensated absences was comprised of PTO totaling \$1,355,397.

L. Capital Contributions

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

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

M. Net Position

Net position is classified into three components:

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

N. Use of Estimates

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

O. Restricted and Unrestricted Resources

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

P. Equity in Partnership Investments

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

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

Q. Deferred Outflows of Resources

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has two items that qualify for reporting in this category, which are deferred charges on refunding and deferred swap outflows. A deferred charge on refunding results from the difference in the carrying value of refunded debt and the re-acquisition price. Each deferred charge is amortized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. The deferred swap outflows are recognized in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The Authority recognizes the fair value of the swap agreements as either an asset or liability on its statement of net position with the offsetting gain or loss as either a deferred inflow or outflow of resources, if deemed an effective hedge. The Authority has applied the synthetic instrument method to determine its swap agreements constitute effective cash flow hedges.

As of June 30, 2021, the Authority's deferred outflows of resources were comprised of the following:

Deferred charges on refunding:	
Sendero I PFC	\$ 184,747
Converse Ranch I, LLC	158,845
Woodhill Apartments PFC	39,567
Total deferred charges on refunding	<u>383,159</u>
Deferred swap outflows:	
Converse Ranch II, LLC	101,594
San Antonio Housing Facility Corporation (Castle Point Apartments)	238,428
Springhill/Courtland Heights PFC	357,642
San Antonio Housing Facility Corporation (Monterrey Park and La Providencia)	530,124
San Antonio Housing Facility Corporation (Burning Tree and Encanta Villa)	666,142
Total deferred swap outflows	<u>1,893,930</u>
Total deferred outflows of resources	<u>\$ 2,277,089</u>

R. Unearned Revenue

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

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 2. Cash, Cash Equivalents, and Investments

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

Cash, cash equivalents, and investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

Unrestricted:	
Cash and cash equivalents	\$ 60,312,748
Tenant security deposits	123,874
Restricted:	
Cash and cash equivalents—modernization and development	23,092,916
Cash and cash equivalents—payment of current liabilities	1,978,944
Cash and cash equivalents—held by lender, trustee, and escrow agent	9,108,934
Cash and cash equivalents—other	5,093,335
Total cash, cash equivalents, and investments	<u>\$ 99,710,751</u>

Cash, cash equivalents, and investments as of June 30, 2021, consist of the following:

Petty cash	\$ 975
Deposits with financial institutions	90,600,842
Funds held by lender, trustee, and escrow agent	9,108,934
Total cash, cash equivalents, and investments	<u>\$ 99,710,751</u>

Investments Authorized by the Authority

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

Investments Authorized by Debt Agreements

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

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

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

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

Investments Held by Lenders

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

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

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

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

Fair Value Classification

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

The Authority has investments in money market funds held with its bond trustee of \$1,187,438 that are recorded at amortized cost and has the following investments and other items requiring recurring fair value measurements as of June 30, 2021:

- **Investment derivative instruments**—Interest rate swaps resulted in a total negative fair value of \$1,893,930 and were valued using a market approach that considers benchmark interest rates (Level 2 inputs).

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

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

Investment Risks

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

Interest Rate Risk

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

Investment	Maturity Dates	Amount
Held by bond trustee:		
BlackRock Liquidity Funds FedFund Institutional Shares—money market fund	N/A	\$ 751,479
JPMorgan U.S. Government Money Market Fund	N/A	243,059
Wells Fargo 100% Treasury Money Market Fund	N/A	192,900
Total investments		<u>\$ 1,187,438</u>

Credit Risk

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

Investment	Amount	Investment Minimum Rating	Moody's Rating
Held by bond trustee:			
BlackRock Liquidity Funds FedFund Institutional Shares—money market fund	\$ 751,479	Aaa-mf	Aaa-mf
JPMorgan U.S. Government Money Market Fund	243,059	Aaa-mf	Aaa-mf
Wells Fargo 100% Treasury Money Market Fund	192,900	Aaa-mf	Aaa-mf
Total investments	<u>\$ 1,187,438</u>		

Concentration of Credit Risk

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

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

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

Depository Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Authority's investment policy requires all HUD-sourced funds on deposit to be fully collateralized. All non-HUD funds such as reserves and partnership funds are required to be invested in accordance with the PFIA. All collateral should conform to those investment instruments listed in PFIA. The Authority does not place a limit on custodial credit risk.

	Balance Reported on the Authority's Financial Statements	Balance Deposited with Financial Institutions	FDIC Insurance	Uninsured Deposits (Collateralized)	Uninsured and Uncollateralized Deposits
Demand deposits	\$ 98,186,652	\$ 98,878,224	\$ 5,106,403	\$ 92,524,003	\$ 1,247,818
Money Market Funds	1,187,438	1,187,438	-	-	1,187,438
United States Treasury Bills	335,686	335,686	-	335,686	-
Total bank deposits	<u>\$ 99,709,776</u>	<u>\$ 100,401,348</u>	<u>\$ 5,106,403</u>	<u>\$ 92,859,689</u>	<u>\$ 2,435,256</u>

As of June 30, 2021, \$92,859,689 of the Authority's deposits with financial institutions were fully collateralized. Of the \$7,541,659 remaining deposits, \$5,106,403 were covered by the Federal Deposit Insurance Corporation, and \$2,435,256 were uninsured and uncollateralized and were therefore exposed to custodial credit risk.

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

As of December 31, 2020, the Plan's portfolio was comprised of the following:

Description	Fair Value
Mutual funds—equity	\$ 36,249,041
Mutual funds—fixed income	16,423,393
Total investments	<u>\$ 52,672,434</u>

Investment Risks

In accordance with GASB Statement No. 40, the following disclosures address credit risk, concentration of credit risk and interest rate risk at December 31, 2020. The Plan does not hold any foreign securities; therefore, there is no foreign currency risk.

Credit Risk

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

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

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

Presented below is the actual rating for each investment type as of December 31, 2020:

Investment Type	Fair Value	Not Rated
T Rowe Price Global Multi Sector Bond Fund #175	\$ 5,453,628	\$ 5,453,628
Metropolitan West Total Return Bond Fund	9,938,514	9,938,514
FPA New Income Inc. #78	1,031,251	1,031,251
Total fixed income investments	<u>\$ 16,423,393</u>	<u>\$ 16,423,393</u>

Concentration of Credit Risk

The Plan is required to disclose investments in any one issuer that represent 5% or more of the total investments. However, investments issued or explicitly guaranteed by the United States government and investments in mutual funds, external investment pools and other pooled investments are excluded from this requirement. The Plan's investment policy limits the investment in securities of any one company to 15% of the total fund, and no more than 30% of the total fund should be invested in any one industry. At December 31, 2020, there were no investments in any one issuer that represent 5% or more of total Plan investments. Additionally, the Plan did not invest more than 15% of the investment portfolio in one company or more than 30% in one industry.

Interest Rate Risk

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

Presented below are the investments affected by interest rate risk and their applicable weighted-average maturities as of December 31, 2020:

Investment Type	Fair Value	Percentage of Total	Weighted-Average Maturity (Years)
T Rowe Price Global Multi Sector Bond Fund #175	\$ 5,453,628	33.2%	4.59
Metropolitan West Total Return Bond Fund	9,938,514	60.5%	5.92
FPA New Income Inc. #78	1,031,251	6.3%	1.57
Total fixed income investments	<u>\$ 16,423,393</u>	<u>100.0%</u>	<u>4.03</u>

Fair Value Measurement

Plan investments at fair value as of December 31, 2020, using fair value measurements are as follows:

	Total Fair Value	Level 1	Level 2	Level 3
Mutual funds—equity	\$ 36,249,041	\$ 36,249,041	\$ -	\$ -
Mutual funds—fixed income	16,423,393	16,423,393	-	-
	<u>\$ 52,672,434</u>	<u>\$ 52,672,434</u>	<u>\$ -</u>	<u>\$ -</u>

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

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

Investments classified as Level 1 of the fair value hierarchy are valued using prices quoted in active exchange markets for those securities.

Note 3. Notes and Mortgages Receivable

The following summarizes the notes and mortgages receivable and the related accrued interest receivable as of June 30, 2021:

	Due Within One Year	Due After One Year	Total
The Authority			
San Juan Square II, Ltd.	\$ -	\$ 2,722,328	\$ 2,722,328
ARDC Sutton, Ltd.	-	6,687,651	6,687,651
Durango Midrise, LP	-	17,444,755	17,444,755
ARDC Sutton II, Ltd.	-	1,580,947	1,580,947
San Juan III, Ltd.	-	4,624,772	4,624,772
Wheatley Family I, LP	-	1,057,767	1,057,767
Wheatley Senior, LP	-	141,059	141,059
Tampico Apartments, LP	-	718,165	718,165
Alazan Lofts Ltd.	-	1,045,350	1,045,350
SAHFAC			
Wheatley Family I, LP	-	10,979,751	10,979,751
Wheatley Family II, LP	-	4,921,012	4,921,012
Wheatley Senior, LP	-	6,338,200	6,338,200
Tampico Apartments, LP	-	231,700	231,700
San Antonio Homeownership Opportunities Corporation			
Real estate sales notes	7,029	126,671	133,700
Secondary lien notes	-	954	954
Home sales notes	10,289	3,829	14,118
Las Varas PFC			
Second lien notes	-	115,299	115,299
Total	\$ 17,318	\$ 58,740,210	\$ 58,757,528

Note 4. Other Assets and Developer Fees Receivable

At June 30, 2021, other assets and developer fees receivable totaled \$3,269,713. This amount is made up of developer fees receivable totaling \$2,857,133 and other noncurrent receivables of \$412,580. Additionally, an allowance for doubtful accounts totaling \$1,505,692 is recorded for developer fees receivable.

Note 5. Equity in Partnership Investments

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

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

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

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

Partnership	General Partner (GP)	GP % of Ownership	Balance at July 1, 2020	Cash Contributions From GP	Cash Distributions to GP	GP's Share of Profit (Loss)	Eliminations	Balance at June 30, 2021
Primrose SA IV Housing, LP	LVPFC	0.01%	\$ 77,219	\$ -	\$ -	\$ -	\$ -	\$ 77,219
1604 Lofts Ltd.	SAHFAC	0.0051%	51	-	-	-	-	51
ARDC Sutton, Ltd.	SAHFAC	0.005%	1,499,533	-	-	(27)	-	1,499,506
Copernicus Apartments Ltd.	SAHFAC	0.0051%	-	51	-	-	-	51
Majestic SA Apartments, LP	SAHFAC	0.01%	100	-	-	-	-	100
Midcrown Senior Pavilion, LP	SAHFAC	0.01%	3,263,824	-	-	(22)	-	3,263,802
San Juan Square, Ltd.	SAHFAC	0.01%	1,464,419	-	-	(70)	-	1,464,349
The Alhambra Apartments, Ltd.	SAHFAC	0.01%	466,498	-	(171,916)	(16)	-	294,566
Trader Flats Ltd.	SAHFAC	0.0051%	51	-	-	-	-	51
Wheatley Family II, LP*	SAHFAC	0.01%	100	-	-	(100)	-	-
ARDC Military, Ltd.*	LVPFC	0.01%	-	-	-	-	-	-
ARDC Salado, Ltd.*	LVPFC	0.01%	-	-	-	-	-	-
ARDC San Marcos, Ltd.*	LVPFC	0.005%	-	-	-	-	-	-
Costa Almadena, Ltd.*	LVPFC	0.01%	-	-	-	-	-	-
Costa Mirada, Ltd.*	LVPFC	0.01%	-	-	-	-	-	-
Durango Midrise, LP*	LVPFC	0.01%	-	-	-	-	-	-
Enclave Gardens, Ltd.*	LVPFC	0.01%	-	-	-	-	-	-
The Mirabella, Ltd.*	LVPFC	0.01%	-	-	-	-	-	-
TX Pleasanton Housing, LP*	LVPFC	0.01%	-	-	-	-	-	-
ARDC Sutton II, Ltd.*	SAHFAC	0.005%	-	-	-	-	-	-
Costa Valencia, Ltd.*	SAHFAC	0.01%	-	-	-	-	-	-
New Braunfels 2 Housing, LP*	SAHFAC	0.005%	-	-	-	-	-	-
San Juan III, Ltd.*	SAHFAC	0.01%	-	-	-	-	-	-
San Juan Square II, Ltd.*	SAHFAC	0.0045%	-	-	-	-	-	-
Wheatley Family I, LP*	SAHFAC	0.01%	-	-	-	-	-	-
Wheatley Senior, LP*	SAHFAC	0.01%	-	-	-	-	-	-
			<u>\$ 6,771,795</u>	<u>\$ 51</u>	<u>\$ (171,916)</u>	<u>\$ (235)</u>	<u>\$ -</u>	<u>\$ 6,599,695</u>

*For all partnerships marked with an asterisk, the general partner was not required to make a capital contribution at inception. Additionally, as the general partners are not required to fund capital deficits and these entities have cumulative loss positions as of June 30, 2021, the general partners have not recorded the related deficit capital positions of these partnerships, as they exceed the general partners' contributed capital.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 6. Capital Assets

The Authority's Capital Assets

Capital asset activity for the year ended June 30, 2021, for the business-type activities was as follows:

	Balance at July 1, 2020	Additions	Deletions	Transfers/ Reclass	Balance at June 30, 2021
Capital assets not being depreciated:					
Land	\$ 70,286,099	\$ 24,460,266	\$ (85,241)	\$ -	\$ 94,661,124
Construction in progress	36,940,845	32,894,199	(3,452,071)	(14,642,790)	51,740,183
Total capital assets not being depreciated	107,226,944	57,354,465	(3,537,312)	(14,642,790)	146,401,307
Capital assets being depreciated:					
Buildings and improvements	530,052,158	18,109,795	(5,175,119)	14,564,069	557,550,903
Furniture and equipment:					
Dwellings	2,514,773	143,255	-	-	2,658,028
Administration	5,169,358	29,488	(334,338)	25,544	4,890,052
Leasehold improvements	1,722,765	-	-	53,177	1,775,942
Total capital assets being depreciated	539,459,054	18,282,538	(5,509,457)	14,642,790	566,874,925
Less accumulated depreciation:					
Buildings and improvements	(380,296,537)	(21,174,392)	3,273,942	-	(398,196,987)
Furniture and equipment:					
Dwellings	(2,506,486)	(34,309)	-	-	(2,540,795)
Administration	(4,325,010)	(253,385)	327,330	-	(4,251,065)
Leasehold improvements	(1,168,936)	(85,862)	-	-	(1,254,798)
Total accumulated depreciation	(388,296,969)	(21,547,948)	3,601,272	-	(406,243,645)
Total capital assets being depreciated, net	151,162,085	(3,265,410)	(1,908,185)	14,642,790	160,631,280
Business-type activities capital assets, net	\$ 258,389,029	\$ 54,089,055	\$ (5,445,497)	\$ -	\$ 307,032,587

Depreciation expense for the current year totaled \$12,869,852.

Note 7. Unearned Revenue

Ground Lease Agreements

Unearned revenue is generally comprised of various ground leases in which funds were provided for the purchase of land parcels which, in turn, were leased to project developments for periods ranging from 10 to 99 years. The Authority recognized the funds received for the prepaid leases as unearned revenue and will amortize the prepayments over the initial periods on a straight-line basis. As of June 30, 2021, prepaid ground leases totaled \$44,327,440, of which \$881,057 is classified as current unearned revenue. The remaining amount is reported as noncurrent unearned revenue. The book value of the land related to the prepaid ground leases totaled \$63,978,707 as of June 30, 2021.

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

Housing Authority of the City of San Antonio**Notes to Financial Statements**
Year Ended June 30, 2021

Note 7. Unearned Revenue (Continued)

SAHFAC entered into 28 ground lease agreements with various limited partnerships for a period of 52 to 99 years for the lease of land to construct and operate rental projects. The limited partnerships provided a total of \$48,526,163 for the purchase of land, which is considered prepayment of annual rents for the initial periods of 10 to 99 years of the lease terms. After the end of the initial period, the limited partnerships will provide annual lease payments of \$100.

Las Varas PFC entered into 10 ground lease agreements with various limited partnerships for a period of 55 to 75 years for the lease of land to construct and operate rental projects. The limited partnerships provided a total of \$13,081,271 for the purchase of land, which is considered prepayment of annual rents for the initial periods of 10 to 15 years of the lease terms. After the end of the initial period, the limited partnerships will provide annual lease payments of \$10 to \$100.

Unearned Revenue

Current unearned revenue consists of prepaid tenant rent of \$1,054,027, HUD Housing Choice Vouchers grant revenue of \$688,283, deferred development fee revenue of \$656,390, and rooftop lease revenue of \$11,907.

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SUBJECT TO CHANGE

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 8. Bonds and Notes Payable

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

Program	Issue	Original Amount	Due Within One Year	Due After One Year	Balance Outstanding at June 30, 2021
SAHDC					
Mortgage loan for Bella Claire payable to Walker & Dunlop. Term is 30 years, with final maturity February 1, 2035. The interest rate is 5.96%, with monthly principal and interest payments of \$6,328. The loan is secured by a deed of trust on the property.	Mortgage note	\$ 1,060,000	\$ 34,804	\$ 671,117	\$ 705,921
Multifamily Housing Revenue Bonds, Series 2005, issued for Costa Valencia, Ltd. Term is 40 years, with final maturity June 1, 2048. The interest rate is 5.75%, with monthly principal and interest payments of \$62,774. The bonds are collateralized by the project.	Revenue Bonds—Series 2005	11,780,000	165,152	10,151,588	10,316,740
Multifamily Housing Revenue Bonds, Series 2005, issued for Clark 05 Housing Limited Partnership. Term is 33 years, with final maturity October 1, 2038. The interest rate is 6.52%, with monthly principal and interest payments averaging \$78,421. The bonds are secured by a multifamily fee and leasehold deed of trust, assignment of rents, security agreement and fixture filing.	Revenue Bonds—Series 2005	13,870,000	163,968	11,828,806	11,992,774
		26,710,000	363,924	22,651,511	23,015,435
SAHFAC					
Mortgage loan for Towering Oaks payable to Walker & Dunlop. Term is 30 years, with final maturity February 1, 2035. The interest rate is 5.96%, with monthly principal and interest payments of \$20,746. The loan is secured by a deed of trust on the property.	Mortgage note	3,430,000	112,619	2,171,631	2,284,250
Mortgage loan for Churchill Estates payable to Walker & Dunlop. Term is 30 years, with final maturity February 1, 2035. The interest rate is 5.96%, with monthly principal and interest payments of \$8,298. The loan is secured by a deed of trust on the property.	Mortgage note	1,390,000	45,639	880,049	925,688
Multifamily Housing Revenue Bonds, Series 2014, issued for Converse Ranch II. Term is 10 years, with final maturity September 30, 2024. The interest rate is fixed by a swap contract at 3.25%, with monthly principal and interest payments averaging \$27,215. The loan is secured by a deed of trust on the property.	Revenue Bonds—Series 2014	5,600,000	179,357	4,396,195	4,575,552
Mortgage loan for Castle Point payable to Frost Bank. Term is 10 years, with final maturity December 6, 2026. The interest rate is fixed by a swap contract at 3.865%, with monthly principal and interest payments averaging \$21,043. The loan is secured by a deed of trust on the property.	Mortgage note	4,000,000	122,677	3,369,590	3,492,267
Mortgage loan for Monterrey Park and La Providencia payable to Frost Bank. Term is 10 years, with final maturity December 19, 2027. The interest rate is fixed by a swap contract at 4.102%, with monthly principal and interest payments averaging \$37,137. The loan is secured by deeds of trust on the properties.	Mortgage note	6,800,000	198,270	5,946,968	6,145,238
Mortgage loan for Burning Tree and Encanta Villa payable to Frost Bank. Term is 10 years, with final maturity December 10, 2028. The interest rate is fixed by a swap contract at 3.935%, with monthly principal and interest payments averaging \$35,864. The loan is secured by deeds of trust on the properties.	Mortgage note	6,800,000	178,950	6,203,968	6,382,918
Mortgage loan for SP II Limited Partnership payable to ORIX Real Estate Capital, LLC. Term is 18 years, with final maturity June 1, 2022. The interest rate is 7.625%, with monthly principal and interest payments of \$24,291. The loan is collateralized by the project.	Mortgage note	3,432,000	2,390,685	-	2,390,685
Mortgage loan for O'Connor Road Limited Partnership payable to ORIX Real Estate Capital, LLC. Term is 18 years, with final maturity June 1, 2022. The interest rate is 7.625%, with monthly principal and interest payments of \$29,430. The loan is collateralized by the project.	Mortgage note	4,158,000	2,896,408	-	2,896,408
Mortgage loan for Refugio Street Limited Partnership payable to ORIX Real Estate Capital, LLC. Term is 30 years, with final maturity August 1, 2035. The interest rate is 6.72%, with monthly principal and interest payments of \$31,878. The loan is collateralized by the project.	Mortgage note	4,930,000	153,539	3,323,616	3,477,155
Mortgage loans for Claremont and Warren House payable to the Texas Department of Housing and Community Affairs. Both loans have a term of 30 years, with final maturities August 1, 2028. The loans are non-interest bearing, with monthly principal payments of \$531 and \$729, respectively. The loans are secured by deeds of trust on the properties.	Mortgage note	191,200	6,373	39,303	45,676
	Mortgage note	262,500	8,750	52,499	61,249
Construction loan for 100 Labor Street, LLC. The loan requires interest only payments until conversion to permanent financing. The interest rate is 2.90%. Draws are made periodically as the project is constructed. The permanent loan amount is \$40,525,900 and principal and interest payments of \$142,751 are payable beginning April 1, 2023 through maturity on March 1, 2063.	Construction loan	5,658,955	-	7,027,991	7,027,991
Neighborhood Stabilization Program loan for Sutton Oaks payable to the City of San Antonio. Term is 30 years, with final maturity September 30, 2039. The loan is non-interest bearing. Principal payments will be deferred for 30 years until the maturity date and thereafter are forgiven if SAHFAC remains in compliance with all terms and conditions set forth in the loan documents. The note is secured by a subordinate deed of trust on the property.	Sutton NSP note	900,000	-	900,000	900,000
		47,552,655	6,293,267	34,311,810	40,605,077

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 8. Bonds and Notes Payable (Continued)

Program	Issue	Original Amount	Due Within One Year	Due After One Year	Balance Outstanding at June 30, 2021
Section 8 Project Based					
Mortgage loan issued by Springhill/Courtland Heights Public Facility Corporation payable to Frost Bank. Term is 10 years, with final maturity December 6, 2026. The interest rate is fixed by a swap contract at 3.865%, with monthly principal and interest payments averaging \$31,515. The loan is secured by deeds of trust on Cottage Creek I, II, and Courtland Heights.	Mortgage note	6,000,000	184,015	5,054,386	5,238,401
Converse Ranch, LLC					
Mortgage loan for Converse Ranch I payable to Walker & Dunlop. Term is 40 years, with final maturity June 1, 2053. The interest rate is 2.98%, with monthly principal and interest payments of \$26,562. The loan is secured by a deed of trust on the property.	Mortgage note	7,443,700	124,975	6,434,142	6,559,117
Other Affordable Housing					
Multifamily Housing Revenue Bonds, Series 2013, issued for Sendero I PFC. Term is 10 years, with final maturity January 1, 2024. The interest rate is 4.305%, with monthly principal and interest payments of \$54,915. The loan is secured by a deed of trust on the Legacy at Crown Meadows Apartments.	Revenue Bonds— Series 2013	10,000,000	312,580	7,765,234	8,077,814
Multifamily Housing Revenue Bonds, Series 2012, issued for Woodhill PFC. Term is 10 years, with final maturity September 1, 2022. The interest rate is 3.40%, with monthly principal and interest payments of \$44,852. The loan is secured by a deed of trust on the Woodhill Apartments.	Revenue Bonds— Series 2012	9,000,000	312,567	6,375,392	6,687,959
Capital Fund Financing Program (CFFP)					
CFFP loan agreement dated November 9, 2006, with Fannie Mae for the accelerated renovation and rehabilitation of eight public housing developments. Term is 20 years, with final maturity December 1, 2026. The interest rate is 4.85%, with monthly principal and interest payments of \$182,721. The loan is secured with pledged Capital Grant Funds. On June 14, 2012, Fannie Mae assigned its interest in the loan and the loan agreement to Deutsche Bank National Trust Company.	CFFP loan	27,828,627	1,799,813	7,117,625	8,917,438
Vera Cruz Redevelopment Partnership, Ltd.					
Mortgage loan payable to San Antonio Housing Trust Foundation. Term is 30 years, with final maturity November 28, 2023. The interest rate is 1.00%, with principal and interest due monthly, as determined by available cash flow. The loan is secured by a subordinate deed of trust on the Villa de San Alfonso Apartments. Accrued interest has been added to the outstanding balance.	Loan	350,000	-	457,873	457,873
Homestead Redevelopment Partnership, Ltd.					
Mortgage loan payable to Texas Department of Housing and Community Affairs. Term is 30 years, with final maturity April 1, 2026. The interest rate is 3.00%, compounded annually, with monthly principal and interest payments of \$2,109. The loan is secured by a deed of trust on the Homestead Apartments.	Loan	500,000	22,269	89,115	111,384
Sunshine Plaza Apartments, Inc.					
Mortgage loan for Sunshine Plaza payable to Frost Bank. Term is 10 years, with final maturity December 30, 2030. The interest rate is fixed at 2.87%, with monthly principal and interest payments averaging 12,212. The loan is secured by a deed of trust on the property.	Loan	2,600,000	72,886	2,491,352	2,564,238
Energy Performance Contract Loan					
Equipment Lease/Purchase Agreement with Banc of America Public Capital Corp. to finance the Authority's Phase II HUD Energy Performance Contract. The interest rate is 2.77%, with monthly principal and interest payments averaging \$73,959. The EPC term ends December 31, 2032.	Loan	9,171,558	443,852	8,555,426	8,999,278
		\$ 146,656,540	\$ 9,930,148	\$ 101,303,866	\$ 111,234,014

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 8. Bonds and Notes Payable (Continued)

The following table provides the annual principal and interest requirements of the Authority and its component units as of June 30, 2021, for long-term debt outstanding:

	Principal	Interest	Total
Years ending June 30:			
2022	\$ 9,930,148	\$ 4,637,737	\$ 14,567,885
2023	11,215,838	4,294,391	15,510,229
2024	12,997,956	4,684,992	17,682,948
2025	9,169,032	4,181,309	13,350,341
2026	4,375,450	3,906,555	8,282,005
2027-2031	33,351,305	15,157,467	48,508,772
2032-2036	12,314,724	10,946,465	23,261,189
2037-2041	16,346,741	7,553,586	23,900,327
2042-2046	9,044,816	4,880,364	13,925,180
2047-2051	8,454,655	3,210,655	11,665,310
2052-2056	7,158,671	2,017,281	9,175,952
2057-2061	7,588,754	976,282	8,565,036
2062-2063	2,783,833	71,179	2,855,012
Subtotal	144,731,923	66,518,263	211,250,186
Amounts to be drawn in future periods or upon refinance	(33,497,909)	-	(33,497,909)
Total	\$ 111,234,014	\$ 66,518,263	\$ 177,752,277

Long-term liability activity for the year ended June 30, 2021, was as follows:

	Balance at July 1, 2020	Additions	Reductions	Balance at June 30, 2021	Due Within One Year
Mortgages, bonds and notes	\$ 87,646,327	\$ 29,120,822	\$ 5,533,135	\$ 111,234,014	\$ 9,930,148
Compensated absences	1,794,258	1,725,767	1,545,187	1,974,838	619,441
	\$ 89,440,585	\$ 30,846,589	\$ 7,078,322	\$ 113,208,852	\$ 10,549,589

Note 9. Derivative Financial Instrument

Interest Rate Swaps

The Authority has five interest rate swap agreements (swaps) with one counterparty as of June 30, 2021. The objective of the agreements was to attain a synthetic fixed interest rate at a cost that was expected to be less than rates associated with fixed-rate debt. The swap agreement terms state the Authority is to make monthly fixed interest rate payments at a specified rate on a notional principal amount and in exchange receive monthly payments based upon a specified percentage of the one-month London InterBank Offered Rate (LIBOR) plus a spread.

The swaps have an aggregate negative fair value of \$1,893,930 at June 30, 2021. The fair value was estimated using a proprietary valuation model developed by a counterparty. The swaps have been determined to constitute an effective hedge at June 30, 2021, by using the synthetic instrument method. The aggregate fair value is classified as an interest rate swap liability and a deferred outflow of resources.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 9. Derivative Financial Instrument (Continued)

The following contains the terms, fair values and credit ratings issued by Standard & Poor's of the swaps as of June 30, 2021:

Related Debt Issuance	Current Notional Amount	Effective Date of Swap	Fixed Rate Paid	Variable Rate Received	Fair Value	Swap Termination Date	Counterparty Credit Rating
Converse Ranch II, LLC	\$ 4,575,552	12/1/2019	3.250%	67.8% of 1-month LIBOR plus 1.380%	\$ (101,594)	11/01/2024	A-
SAHFAC (Castle Point)	3,492,267	12/06/2016	3.865%	82.4% of 1-month LIBOR plus 1.774%	(238,428)	12/06/2026	A-
Springhill/Courtland Heights PFC	5,238,401	12/06/2016	3.865%	82.4% of 1-month LIBOR plus 1.774%	(357,642)	12/06/2026	A-
SAHFAC (Monterrey Park and La Providencia)	6,145,238	12/19/2017	4.102%	82.4% of 1-month LIBOR plus 1.799%	(530,124)	12/19/2027	A-
SAHFAC (Burning Tree and Encanta Villa)	6,382,918	12/10/2018	3.935%	80.7% of 1-month LIBOR plus 1.480%	(666,142)	12/10/2028	A-
Totals	<u>\$ 25,834,376</u>				<u>\$ (1,893,930)</u>		

Credit Risk

The Authority was not exposed to credit risk on its outstanding swaps at June 30, 2021, because the swaps had a negative fair value. However, should interest rates change and the swaps become positive, the Authority would be exposed to credit risk in the amount of the swaps' fair value. Fair value is only a factor upon termination. The swaps' counterparty has guaranteed all payments and is rated A- by Standard & Poor's. The swap agreements provide no collateral by the counterparty.

Interest Rate Risk

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

Basis Risk

The swaps do not expose the Authority to basis risk because the interest rates on the loans and the swaps are the same, equal to the variable rates specified in the table above.

Termination Risk

The swaps were issued pursuant to the International Swap Dealers Association Master Agreements, which include standard termination events, such as failure to pay and bankruptcy. The Authority or the counterparty may terminate an interest rate swap if the other party fails to perform under the terms of the contract. Also, if at the time of termination the swap has a negative fair value, the Authority would be liable to the counterparty for a payment equal to the swap's fair value. As of June 30, 2021, the swaps had an aggregate negative fair value of \$1,893,930.

Note 10. Line of Credit

SAHFAC has a revolving line of credit with Frost Bank for \$3,000,000, which may be used for short-term borrowing needs. The line of credit bears interest at the applicable prime rate, as listed in *The Wall Street Journal*, plus 0.25%. As of June 30, 2021, the all-in rate was 3.50%. The line of credit was renewed December 31, 2020, and has a term of three years. There were no borrowings against the line of credit at June 30, 2021.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 10. Line of Credit (Continued)

Line of credit activity for the year ended June 30, 2021, was as follows:

	Balance at July 1, 2020	Additions	Reductions	Balance at June 30, 2021
Line of credit	\$ 47,003	\$ 439,132	\$ 486,135	\$ -

Note 11. Conduit Debt

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

As of June 30, 2021, there were 14 series of tax-exempt revenue bonds outstanding with an aggregate principal amount payable of \$156,935,602, maturing from 2028 to 2053.

Note 12. Defined Contribution Plan

A. Plan Description

Effective June 7, 1948, the Authority established the Plan. The Plan is a defined contribution pension plan established as a public retirement system under the Texas Government Code by the Authority, the Plan sponsor. Under the terms and provisions of the Plan, the Authority has the ability to amend the Plan. Additionally, the Plan covers all full-time employees of the Authority who have completed one year of service and are 21 years old. Eligible employees enter the plan on the first day of January, April, July or October which coincides with or follows the date the eligibility requirements are met. At December 31, 2020, there were 558 participants.

B. Contributions

Each year, participants must contribute 5.0% and may elect to contribute up to 100.0% of eligible compensation, up to the maximum dollar limitation, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. The Plan administrator directs the investment of contributions into various investment options. The Plan may invest in common stock, preferred stock, convertible equities, corporate bonds, debentures, fixed income funds and mutual funds, among others. For participants hired before July 1, 2017, the Authority contributes 11.0% of a participant's compensation for the Plan year, plus 5.7% of a participant's compensation for the Plan year that exceeds the social security taxable wage base in effect at the beginning of the Plan year. For participants hired on or after July 1, 2017, the Authority contributes 7.0% of a participant's compensation for the Plan year, plus 5.7% of a participant's compensation for the Plan year that exceeds the social security taxable wage base in effect at the beginning of the Plan year. Contributions are subject to certain limitations. The employer's required contribution of \$1,943,411 and the employees' required contributions of \$943,104 were made to the Plan during the Plan year ended December 31, 2020. Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the remainder of their accounts is based on years of continuous service. A participant is fully vested after five years of credited service. Plan provisions and contributing requirements are established and may be amended by the Authority's Board.

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 12. Defined Contribution Plan (Continued)

C. Plan Amendments

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

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

D. Forfeitures

Participant forfeitures of nonvested balances will be used to reduce future employer contributions. During the Plan year ended December 31, 2020, employer contributions were reduced by \$41,879 from forfeited nonvested accounts. There were no unallocated forfeitures at December 31, 2020.

E. Plan Termination

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

F. Tax Status

The Plan obtained its latest determination letter dated December 12, 2013, as applicable for the restated plan executed on January 1, 2013, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (IRC) section 401(b) and that, therefore, the Plan is tax-exempt. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

G. Risks and Uncertainties

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

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 13. Risk Management

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

Health and Dental Insurance Plan

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

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

The actuarially determined claims liability of \$286,273 is based on the requirements of GASB Statement No. 10, as amended by GASB Statement No. 30. The liability includes provisions for medical, dental and prescription drug claim reserves for incurred, but not paid, and incurred, but not reported, claims. No allowance was made for the expense of processing run-out claims, since it is assumed any expense related to run-out claims processing would be included as current administration expenses.

A reconciliation of changes in the liability for health and dental plan expenses for fiscal year 2020 and fiscal year 2021 were as follows:

	Liability at Beginning of Fiscal Year	Claims and Changes in Estimates in Current Year	Claim Payments	Balance at Fiscal Year-End
Years ended June 30:				
2020	\$ 223,198	\$ 3,373,937	\$ 3,367,984	\$ 229,151
2021	229,151	4,326,920	4,269,798	286,273

Note 14. Commitments and Contingencies

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

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 14. Commitments and Contingencies (Continued)

A. Grants

The Authority receives significant financial assistance from federal, state and local agencies in the form of grants and operating subsidies. HUD provided approximately 77% of the Authority's revenue in the current year. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the agreements and are subject to audit by the grantor agencies; therefore, to the extent the Authority has not complied with rules and regulations governing the grants, if any, refunds of any money received may be required. Management believes there are no significant contingent liabilities relating to compliance with grant rules and regulations.

B. Construction Contracts

The Authority entered into construction contracts for the rehabilitation of various low-income and multi-family housing projects that were in progress as of year-end. The unexpended balance of construction contracts is \$10,244,743 at June 30, 2021.

C. Environmental Remediation

The Authority's revitalization activities for its developments are subject to extensive and evolving environmental laws and regulations. For the year ended June 30, 2021, the Authority has expended \$32,188 related to environmental remediation efforts. The annual level of future remediation expenditures is difficult to estimate due to the many uncertainties relating to conditions of individual sites, as well as uncertainties about the status of environmental laws and regulations and developments in remedial technology. Future information and developments will require the Authority to continually reassess the expected impact of these environmental matters.

D. Pending Litigation

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

E. Guarantees

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

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

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

Housing Authority of the City of San Antonio

Notes to Financial Statements Year Ended June 30, 2021

Note 14. Commitments and Contingencies (Continued)

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

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

On December 30, 2020, SAHFAC guaranteed the payment of the 10-year, \$2,600,000 promissory note issuance of Sunshine Plaza Apartments, Inc. The note matures on December 30, 2030. In the event that Sunshine Plaza Apartments, Inc. is unable to make a payment, SAHFAC will be required to make that payment.

Note 15. Restricted net position

The restricted net position of the Authority consists of the following seven components:

Blended component units - lender-held escrows and reserves	\$ 11,975,680
Blended component units - other restricted cash	122,055
HCV restricted cash	8,451,983
Public Housing - proceeds and settlement funds	12,555,297
Public Housing - restricted for payment of CFFP loan	1,243,166
Public Housing - other restricted cash	3,519,576
Section 8 substantial rehabilitation - residual receipts and reserves	<u>372,347</u>
Total restricted net position	<u>\$ 38,240,104</u>

Note 16. Related-Party Transactions

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

- Management fees of \$63,622 were paid to SAHDC by a component unit—Sunshine Plaza Apartments, Inc.
- Of the total notes receivable outstanding, \$58,493,456 is due from various partnerships, which are related parties of the Authority. During the fiscal year, the Authority received payments in the amount of \$633,855.

Note 17. Recently Issued Accounting Pronouncements

The following pronouncements will become effective in future reporting periods. The Authority's management has not determined their impact:

GASB Statement No. 87, *Leases*, will be effective for the Authority beginning with its year ending June 30, 2022. This statement addresses the information needs of financial users by improving financial and accounting reporting for leases by governments.

Housing Authority of the City of San Antonio**Notes to Financial Statements
Year Ended June 30, 2021**

Note 17. Recently Issued Accounting Pronouncements (continued)

GASB Statement No. 91, *Conduit Debt Obligations*, will be effective for the Authority beginning with its year ending June 30, 2023. This statement provides a single method of reporting conduit debt obligation by issuers and eliminates diversity in practice associated with (1) commitment extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures.

Note 18. Acquisitions

On June 3, 2021, the limited partners of Costa Valencia, Ltd. transferred their partnership interests to SAHDC in exchange for \$300,000. The general partner, which has a .01% ownership interest, is Costa Valencia GP, LLC. The sole member of the general partner is SAHFAC. The Limited partner was Centerline Credit Enhanced Partnership LP, which owned 99.97% of the partnership. The Special Class B Limited Partner was Costa Valencia, NRP, Ltd. and the Special Limited Partner was RCC Credit Enhanced SLP LLC – Series D, which each had a .01% ownership. As a result of the transfer, SAHDC acquired a 99.99% interest in The Villas at Costa Valencia community which added 230 units to its portfolio. The acquisition resulted in an adjustment to beginning equity of negative \$596,620.

Note 19. Subsequent Events

The Authority has evaluated subsequent events through REPORT DATE, the date on which the financial statements were issued. Other than as discussed above, during this period no material subsequent events occurred which would require recognition or disclosure.

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Supplementary Information

Housing Authority of the City of San Antonio

Schedule of Modernization Costs Year Ended June 30, 2021

HUD Project Number	Approved Funds	Expended Funds	Disbursed Funds	Approved Funds Available to Expend	Expended Funds Available to be Disbursed
TX 59P006501-10	\$ 9,744,572	\$ 9,744,572	\$ 9,744,572	\$ -	\$ -
TX 59P006501-11	8,151,333	8,151,333	8,151,333	-	-
TX 59P006501-12	7,410,330	7,410,330	7,410,330	-	-
TX 59P006501-13	7,192,132	7,192,132	7,192,132	-	-
TX 59P006501-14	7,294,109	7,294,109	7,294,109	-	-
TX 59P006501-15	7,539,807	7,539,807	7,539,807	-	-
TX 59P006501-16	7,805,380	7,805,380	7,805,380	-	-
TX 59P006501-17	7,973,378	7,973,378	7,973,378	-	-
TX 59P006501-18	12,332,100	12,332,100	12,332,100	-	-
TX 59P006501-19	12,929,611	12,032,945	10,950,100	896,666	1,082,845
TX 59P006501-20	13,141,540	4,718,671	4,148,245	8,422,869	570,426
TX 59P006501-21	13,184,301	-	-	13,184,301	-
TX 59E006501-18	250,000	-	-	250,000	-
TX 59L006501-20	4,861,055	-	-	4,861,055	-
	\$ 119,809,648	\$ 92,194,757	\$ 90,541,487	\$ 27,614,891	\$ 1,653,270

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Compliance Section

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Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of the Housing Authority of the City of San Antonio (the "Authority"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated REPORT DATE. Our report includes a reference to other auditors who audited the financial statements of the Authority's aggregate remaining fund information, as described in our report on the Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Charlotte, North Carolina
REPORT DATE

DRAFT - FOR REVIEW AND DISCUSSION
SUBJECT TO CHANGE

Independent Auditor's Report on Compliance for the Major Federal
Program and on Internal Control over Compliance as Required by the
Uniform Guidance

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

Report on Compliance for the Major Federal Program

We have audited the Housing Authority of the City of San Antonio (the "Authority")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended June 30, 2021. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control over Compliance

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

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

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

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

Charlotte, North Carolina
REPORT DATE

Housing Authority of the City of San Antonio Department**Schedule of Findings and Questioned Costs****Year Ended June 30, 2020****I. Summary of Auditor's Results****Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles:

Unmodified opinion

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for the major federal program:

Unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)

☐ Yes ☒ No

Identification of major programs:

- Moving to Work Demonstration Program (CFDA No. 14.881)

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

Auditee qualified as a low-risk auditee?

☒ Yes ☐ No

II. Financial Statement Audit Findings

None.

III. Major Federal Awards Findings and Questioned Costs

None.

Housing Authority of the City of San Antonio

Schedule of Expenditures of Federal Awards Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number	Expenditures	Amounts Passed Through To Subrecipients
Direct Programs				
United States Department of Housing and Urban Development:				
Section 8 Project-Based Cluster:				
Section 8 Moderate Rehabilitation	14.856	FW-4045K	\$ 1,802,173	\$ -
Section 8 New Construction/Subs Rehab:				
Villa de Valencia	14.182	TX59E000020	521,187	-
Villa de Valencia	14.182	TX59E000020 - CARES Act Funds	629	-
Reagan West	14.182	TX59E000018	63,196	-
Reagan West	14.182	TX59E000018 - CARES Act Funds	322	-
Total Section 8 New Construction/Subs Rehab			585,334	-
Total Section 8 Project-Based Cluster			2,387,507	-
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers:				
Section 8 Veterans Affairs Supportive Housing—VASH	14.871		3,092,350	-
HCV Temporary Vouchers (Non-MTW)	14.871		328,337	-
Emergency Housing Voucher Program	14.871		113,600	-
Section 8 Mainstream Vouchers Program	14.879	FW-4045DV	1,907,070	-
Section 8 Mainstream Vouchers Program	14.879	FW-4045DV - CARES Act Funds	85,913	-
Total Housing Voucher Cluster			5,527,270	-
Moving to Work (MTW) Demonstration Program:				
MTW—Low Rent Public Housing Authority Owned Housing	14.881	FW-1247	26,384,017	-
MTW—Low Rent Public Housing Authority Owned Housing	14.881	FW-1247 - CARES Act Funds	1,499,813	-
MTW—Section 8 Housing Choice Voucher Program	14.881	FW-4045V	110,501,886	-
MTW—Section 8 Housing Choice Voucher Program	14.881	FW-4045V - CARES Act Funds	2,244,020	-
MTW—2018 Capital Fund Program	14.881	TX59P006501-18	1,493,849	-
MTW—2019 Capital Fund Program	14.881	TX59P006501-19	5,714,212	-
MTW—2020 Capital Fund Program	14.881	TX59P006501-20	4,572,582	-
Total MTW Demonstration Program			152,410,379	-
Family Self-Sufficiency Program:				
2018 HCV/PH Combined FSS Grant	14.896	TX006FSS18TX2673	443,940	-
2019 HCV/PH Combined FSS Grant	14.896	TX006FSS20TX3445	436,948	-
Total Family Self-Sufficiency Program			880,888	-
Resident Opportunity and Supportive Services (ROSS)—Service Coordinator Grant:				
2018 ROSS—Service Coordinator	14.870	ROSS191334	160,849	-
Total ROSS—Service Coordinator Grant			160,849	-
Job-Plus Pilot Initiative				
	14.895	TX006FJP000815	1,151	-
Total United States Department of Housing and Urban Development			161,368,044	-

(Continued)

Housing Authority of the City of San Antonio**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number	Expenditures	Amounts Passed Through To Subrecipients
Pass-Through Programs				
United States Department of Health and Human Services:				
Alamo Community College District:				
Health Profession Opportunity Grants	93.093	90FX0048-05-00	57,878	-
Total United States Department of Health and Human Services			57,878	-
Total Federal Financial Assistance			\$ 161,425,922	\$ -

See notes to schedule of expenditures of federal awards.

Housing Authority of the City of San Antonio

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2021

Note 1. Basis of presentation

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

Note 2. Summary of Significant Accounting Policies

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

Subrecipients: There were no subrecipients in the current year.

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

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

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


A reconciliation of the SEFA to the statement of revenues, expenses and changes in net position for the year ended June 30, 2021, is as follows:

Total federal financial assistance per SEFA	<u>\$ 161,425,922</u>
A. Federal assistance per statement of revenues, expenses and changes in net position:	
HUD operating subsidy and grant revenue	\$ 158,012,629
Other government grants	57,878
Capital contributions	7,556,449
B. Less grant revenue for multifamily properties separately reported to REAC:	
a. Sunshine Plaza—HUD Project No. 115-94026	(607,281)
b. Pecan Hill—HUD Project No. 115-94027	(677,668)
c. Springhill I PFC—HUD Grant No. TX59E000035	(678,597)
d. Springhill II PFC—HUD Grant No. TX59E000036	(522,715)
C. Less FY 2021 Capital Fund Financing Program principal payments	<u>(1,714,773)</u>
	<u>\$ 161,425,922</u>

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DRAFT - FOR REVIEW AND DISCUSSION -
SUBJECT TO CHANGE

SAN ANTONIO HOUSING AUTHORITY**June 1, 2022****BOARD OF COMMISSIONERS
Regular Board Meeting****RESOLUTION 6238, APPROVING THE CONSOLIDATED OPERATING BUDGET FOR SAN ANTONIO HOUSING AUTHORITY AND ITS AFFILIATED NONPROFIT ENTITIES FOR THE FISCAL YEAR ENDING JUNE 30, 2023**

DocuSigned by:

 D7D46F73613F4FA...
Ed Hinojosa, Jr.
President and CEO

DocuSigned by:

 D88638376C33420...
Diana Kollodziej Fiedler
Chief Financial Officer

Requested Action:

Consideration and approval regarding Resolution 6238, approving the Consolidated Operating Budget for the San Antonio Housing Authority and its affiliated entities for the fiscal year ending June 30, 2023.

Financial Impact:

The proposed budget will be implemented for the Fiscal Year starting July 1, 2022, and ending June 30, 2023. Financial performance versus budget will be reported back to the Finance Committee on a periodic basis throughout the year.

Summary:

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

Staff-focused Outcomes

- Staff respect and value diversity and inclusion
- Staff thrive at work

Resident-focused Outcomes

- Residents have sufficient housing choices
- Resident live in quality housing
- Residents feel safe
- Residents have affordable utilities

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

- All SAHA budgets are based on the Agency's Strategic Plan Outcomes.
- Due to economic conditions, all SAHA budgets reflect expense increases due to inflation.
- Section 8 HAP is budgeted at 99% funding proration with our MTW Target Utilization of 12,240 vouchers.

SAN ANTONIO HOUSING AUTHORITY**June 1, 2022**

- For Section 8 Administration, we budgeted average funding at 82% proration. The budget for Section 8 Administration includes continued efforts towards efficiency improvement and cost reduction.
- Public Housing property budgets reflect subsidy funding of 97.158% proration, accordingly, all cost budgets are consistent with this projected funding level. Target occupancy is 97%.
- Target occupancy is an average of 97% for the Beacon properties.

Staff has been working on the Fiscal Year 2022-2023 budget process since October 2021. While staff continues to monitor the federal funding news, budgets were prepared using estimates based on available information.

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

Staff has focused on making prudent departmental and budgetary decisions, especially during this changing funding environment. SAHA recognized the impact of COVID was not just to our staff but our residents having to transition to a virtual world. As operations continue to adjust in this environment we will continue to assess the needs of our families and explore what resources/training is needed. The agency will also continue identifying and implementing solutions that will build on existing strengths and deliver services effectively and efficiently, while being innovative, ethical and nimble.

Following review by the Finance Committee, the budget will be presented to the full Board of Commissioners for consideration and approval at the June 1, 2022, meeting.

Strategic Outcome:

Supports all strategic outcomes.

Attachments:

Resolution 6238

HUD form 52574

Budget Presentation

**San Antonio Housing Authority
Resolution 6238**

RESOLUTION 6238, APPROVING THE CONSOLIDATED OPERATING BUDGET FOR THE SAN ANTONIO HOUSING AUTHORITY AND ITS AFFILIATED NONPROFIT ENTITIES FOR THE FISCAL YEAR ENDING JUNE 30, 2023

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

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

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

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

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

Sources:

- HUD-Held Funds- \$62 million
- Public Housing Operating Funds- \$4.2 million
- Housing Choice Voucher HAP Funds- \$1.1 million
- Housing Choice Voucher Admin Fee Funds- \$.3 million

Uses:

- Section 8 funding shortfall - \$1.10 million
- Public Housing operating shortfall - \$4.3 million
- Resident Services (CDI) - \$2.3 million
- Central Office operating shortfall - \$.8 million
- Alazan Predevelopment costs - \$34.6 million
- Public Housing WiFi Service - \$1 million
- Investment in MTW units at Tax Credit/Beacon properties - \$5 million
- Preservation and expansion of affordable and public housing - \$5 million
- Snowden Development Funding gap - \$8.5 million
- Lincoln Predevelopment costs - \$2 million
- Building Readiness for Child Care centers - \$3 million

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

- 1) Reviewed the Consolidated Budget and has found that the final plan is reasonable in that it indicates a source of funding adequate to cover proposed expenditures;

- 2) Approves Resolution 6238, approving the Consolidated Operating Budget for the San Antonio Housing Authority and its affiliated entities for the Fiscal Year Ending June 30, 2023, and the obligation of funds as described in this Resolution and included in the referenced Consolidated Operating Budget; and
- 3) Authorizes the Chair of the Board of Commissioners and the President and CEO to submit and sign the HUD forms related to this Operating Budget.

Passed and approved the 1st day of June 2022.

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

Attested and approved as to form:

Ed Hinojosa, Jr.
President and CEO

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

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

PHA Name: San Antonio Housing Authority PHA Code: TX006

PHA Fiscal Year Beginning: 07/01/2022 Board Resolution Number: 6238

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

DATE

- ☒ Operating Budget approved by Board resolution on: 06/01/2022
- ☐ Operating Budget submitted to HUD, if applicable, on:
- ☐ Operating Budget revision approved by Board resolution on:
- ☐ Operating Budget revision submitted to HUD, if applicable, on:

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

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

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

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

Print Board Chairperson's Name: Ana M. "Cha" Guzman	Signature:	Date: 06/01/2022
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Budget Workshop

Proposed Goals & Budget Fiscal Year 2022-2023

AGENDA

2

BACKGROUND

- Significant Accomplishments in FY 2021-2022
- Mission Statement and Strategic Plan Outcomes
- What We Do
- Who We Serve

FUNDING ENVIRONMENT

- Federal Funding Trend
- Federal Funding Update

SAHA FY 2022-2023 BUDGET

- FY 2022-2023 Consolidated Budget - Revenues and Expenses
- MTW Proposed Uses
- Staffing Count and Organizational Chart
- Agency Goals and Priorities

FY21-22 SAHA AND PARTNER ACCOMPLISHMENTS

3

- Adopted the new organizational values of **Equity, Compassion, and Excellence**
- Expanded the Beacon and Public Housing property-wide **WiFi expansion project**
- Received a \$1 million congressional earmark for Wi-Fi
- **Preserved existing LIHTC units** at the end of the initial compliance period through new partnerships
- Implemented a **SAHA SAFFE Officer program**
- Hired **Master Planners for Lincoln and Alazan**
- Staff training on **Equity and Trauma-Informed Care**
- Received larger **FSS & ROSS grant** renewals
- Included older adults in the **holiday gift event**
- Awarded **Emergency Housing Vouchers**
- Transitioned the last Orion-managed property to SAHA
- Converted several partnership properties to **Beacon ownership**
- Implemented **Resident Case Management** software
- Implemented Bonfire, a new **E-procurement software**
- **Six new affordable homeowners** in Villas de Fortuna
- Opened **HCV Waiting List** from Sep. 1 - Sep. 17
- Streamlined **PH Waitlist and Eligibility** process
- Began offering **Self-Directed Investments** in Pension Plan
- Immediate entry to pension plan for new hires
- Income-based rent language included in first-ever housing allocation parameters for **2022 CoSA Bond**
- **Passed two bills** in the Texas legislature:
 - HB 1261 - Relating to compliance history assessment
 - HB 2456 - Relating to the right of first refusal applicable to the sale of certain housing developments
- **Rebuilding relationships** with Community

MISSION STATEMENT & STRATEGIC PLAN

4

MISSION STATEMENT

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

STRATEGIC PLAN OUTCOMES

Staff-Focused Outcomes

- Staff respect and value diversity and inclusion
- Staff thrive at work

Resident-Focused Outcomes

- Residents have sufficient housing choices
- Residents live in quality housing
- Residents feel safe
- Residents have affordable utilities

WHAT WE DO

5

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

10%

of the local
rental market

6,030

**Public Housing
Homes**

3,874

Beacon Homes

4,819

**Partnership
Homes**

13,719

**Assisted Housing
Vouchers**

62,500

**San Antonians
Served**

2,051

**enrolled in Community
Development Initiatives
core programs**

*Source: SAHA Monitoring Dashboard,
as of Fiscal Year 2021-2022 Quarter 2 (December 31, 2021)*

WHO WE SERVE

PUBLIC HOUSING AND VOUCHER PROGRAMS

6

Public Housing and Voucher Programs serve 43,400 individuals in 17,500 households

17,500
households

94%

with one head
of household

47%

with children

2.5

household size

\$9,900

Median income

52%

with fixed income
(SS, SSI, Pension)

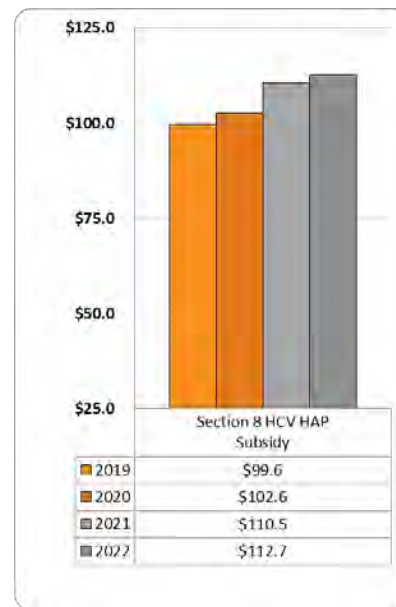
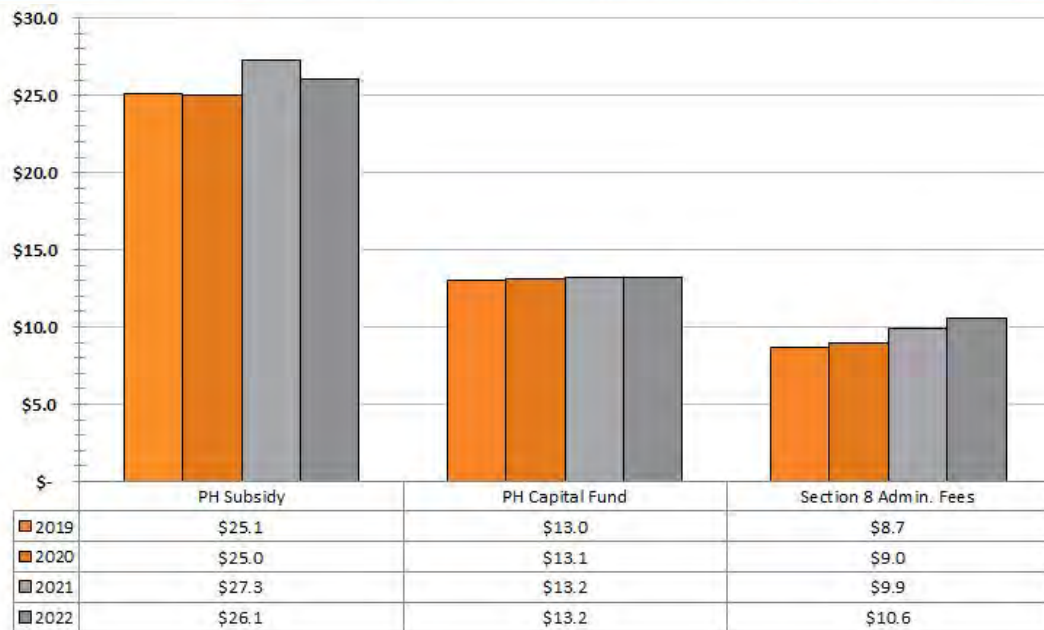
31%

with earned income
(Wages)

Source: SAHA Demographic Tracker,
as of Fiscal Year 2021-2022 Quarter 2 (December 31, 2021)

FEDERAL FUNDING TREND

7



Percentage Change
2022 vs 2021

-4.40%

-%

7.07%

1.99%

- Section 8 Housing Choice Voucher information indicated above does not include any Section 8 special programs
- Section 8 Choice Voucher HAP proration was 99.5% in 2019, 99.4% in 2020, 100.29% in 2021 and is currently unknown for 2022
- Section 8 Admin Fee proration was 81.1% in 2019, 81% in 2020, 85.8% in 2021 and is projected to be 86.8% in 2022
- PH Operating Fund proration was 97.86% in 2019, 97.16% for 2020, 96.74% in 2021 and is projected to be 95% for 2022

FEDERAL FUNDING UPDATE

8

On **March 15, 2022**, President Biden signed into law the **2022 Consolidated Appropriations Act**. In general, the bill's funding levels represent a compromise between the House and Senate bills, providing most HUD programs with modest increases from for 2021 enacted levels. It proposes:

- **\$27.4 billion for Tenant-based rental assistance**, a \$1.59 billion (8.2%) increase over the 2021 enacted level. Of this amount, \$24.1 billion is for Section 8 Housing Choice Voucher contract renewals, which is \$1.02 billion (4.4%) more from FY 2021 and should be sufficient to fund all renewals.
- **\$3.2 billion for the Public Housing Capital Fund**, an increase of \$435 million (15.7%) over the 2021 enacted level.
- **\$5.04 billion for Public Housing operating subsidies**, an increase of \$200 million (4.1%) over the 2021 enacted level.
- **\$14.0 billion for Project-Based Rental Assistance**, an increase of \$520 million (3.9%) over the 2021 enacted level, which should be sufficient to renew all expiring contracts.
- **\$350 million for the Choice Neighborhoods Initiative**, an increase of \$150 million over the 2021 enacted level.
- \$150 million increase to **HOME Investment Partnership Programs** for a total of **\$1.5 billion**.
- **\$3.2 billion for Homeless Assistance Grants**, an increase of \$213 million over the 2021 enacted level.

AVERAGE HAP BY CALENDAR YEAR

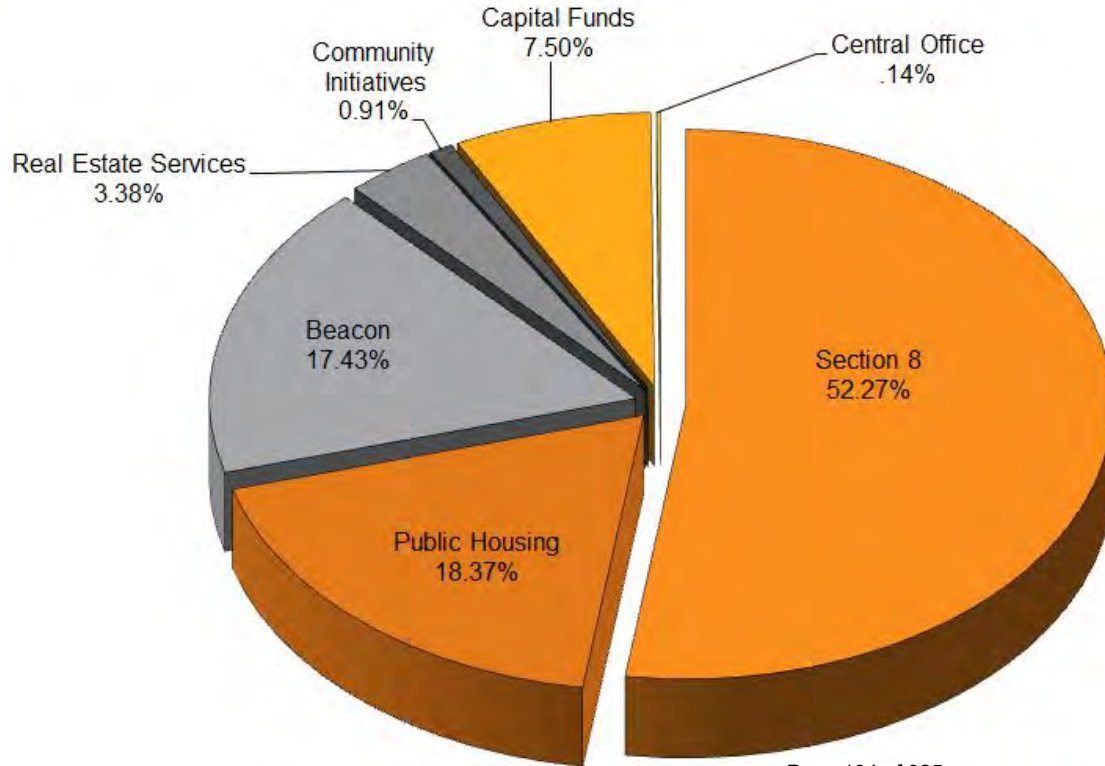
9

YEAR	HAP COST PER UNIT	\$ INCREASE	% INCREASE
2016	\$571.10	-	-
2017	\$589.87	\$18.77	3.29%
2018	\$618.65	\$28.78	4.88%
2019	\$631.23	\$12.58	2.03%
2020	\$647.68	\$16.45	2.61%
2021	\$649.92	\$2.24	.35%
2022	\$665.46	\$15.54	2.59%

FYE 2023 CONSOLIDATED REVENUE

\$220.6 Million

10



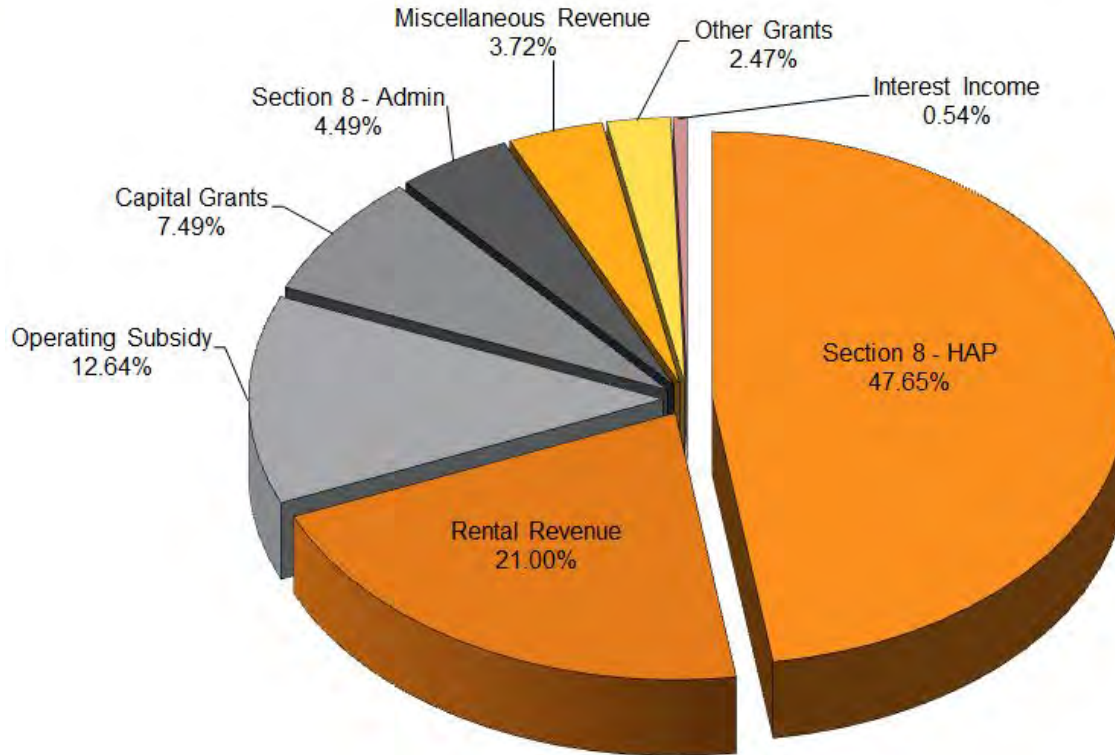
LINE OF BUSINESS	PROJECTED EXPENSES (MIL)
Section 8	\$115.3
Public Housing	\$ 40.5
Beacon	\$ 38.5
Real Estate Services	\$ 7.5
Community Initiatives	\$ 2.0
Capital Funds	\$16.5
Central Office	\$ 0.3

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

FYE 2023 CONSOLIDATED REVENUE

\$220.6 Million

11



REVENUE SOURCE	PROJECTED EXPENSES (MIL)
Section 8 - HAP	\$105.1
Rental Revenue	\$ 46.3
Operating Subsidy	\$ 27.9
Capital Grants	\$ 16.5
Section 8 - Admin	\$ 9.9
Miscellaneous Revenue	\$ 8.2
Other Grants	\$ 5.5
Interest Income	\$ 1.2

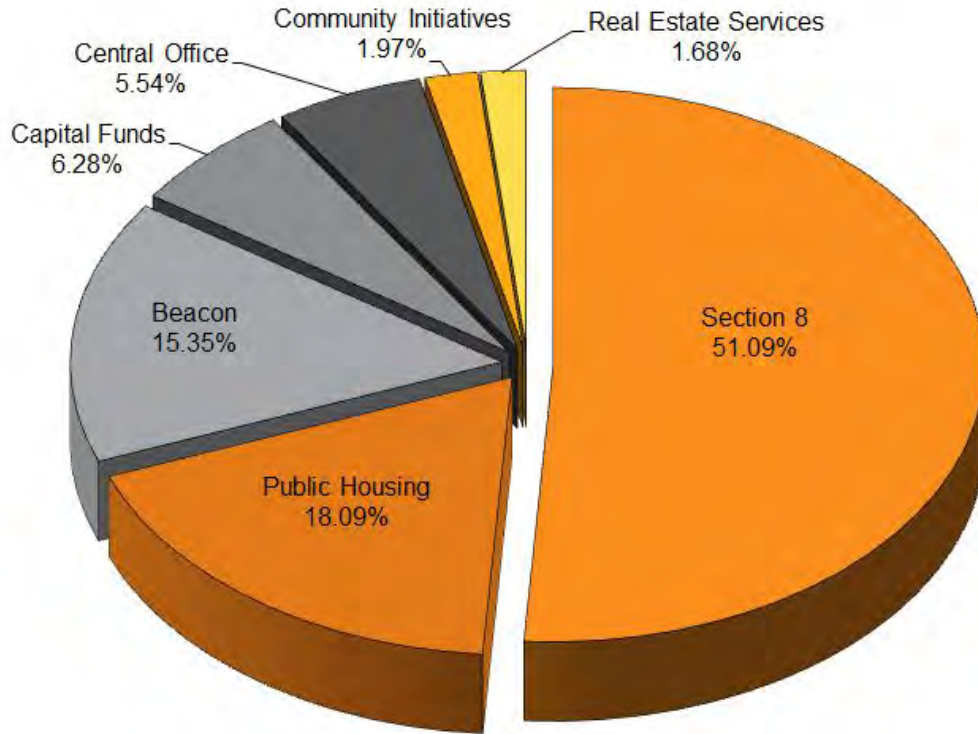
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- Revenue above reflects Fiscal Year funding as opposed to Slide 7, which reflects HUD Calendar Year funding
- Section 8 Revenue includes all special programs

FYE 2023 CONSOLIDATED EXPENSES

\$221.4 Million

12

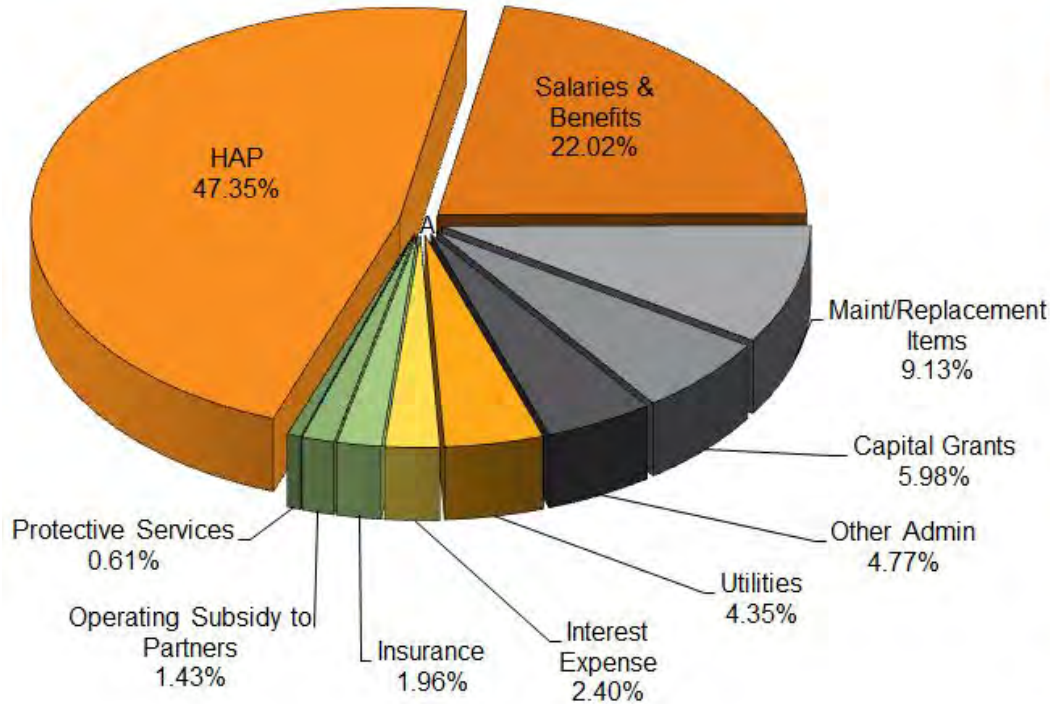


LINE OF BUSINESS	PROJECTED EXPENSES (MIL)
Section 8	\$113.1
Public Housing	\$40.0
Beacon	\$34.0
Capital Funds	\$13.9
Central Office	\$12.3
Community Initiatives	\$4.4
Real Estate Services	\$3.7

FYE 2023 CONSOLIDATED EXPENSES

\$221.4 Million

13



BUDGET LINE ITEM	PROJECTED EXPENSES (MIL)
HAP	\$104.8
Salaries & Benefits	\$48.7
Maint/Replacement Items	\$20.2
Capital Grants Transfer (PH)	\$13.2
Admin. & Other	\$10.7
Utilities	\$9.6
Interest Expense	\$5.3
Insurance	\$4.3
Operating Subsidy to Partners	\$3.2
Protective Services	\$1.4

OPERATING BUDGET BY LINE OF BUSINESS

(Millions)

DESCRIPTION	PUBLIC HOUSING	SECTION 8	BEACON	CENTRAL OFFICE	CDI/ RESIDENT SERVICES	SUBTOTAL OPERATIONS	REAL ESTATE	CAPITAL	ELIM	TOTAL
Operating Revenue	\$ 39.6	\$ 115.3	\$ 38.5	\$ 1.4	\$ 2.0	196.8	\$ 7.3	\$ 16.5	\$ -1.2	219.4
Operating Expenses										
Salaries and Benefits	14.8	6.1	9.2	12.7	3.4	46.2	2.4	-	-	48.6
Repairs and Maintenance	10.1	-	6.4	0.5	-	17.0	0.1	0.1	-	17.2
Utilities	5.9	-	3.6	0.1	-	9.6	-	-	-	9.6
Protective Services	0.7	-	0.5	0.2	-	1.4	-	-	-	1.4
Insurance	1.9	0.1	2.1	0.1	-	4.2	-	-	-	4.2
HAP Expense	-	104.8	-	-	-	104.8	-	-	-	104.8
Other Expenses	2.8	2.2	2.1	2.3	1.0	10.4	1.3	-	-1.3	10.4
Total Operating Expenses	36.2	113.2	23.9	15.9	4.4	193.6	3.8	0.1	-1.3	196.2
Net Operating Income	\$ 3.4	\$ 2.1	\$ 14.6	\$ -14.5	\$ -2.4	\$ 3.2	\$ 3.5	\$ 16.4	\$ 0.1	\$ 23.2
Non-Operating Income (Expense)										
Interest Income	1.2	-	0.3	-	-	1.5	0.2	-	-0.5	1.2
Non-Operating ¹	-8.9	-3.2	-10.9	13.7	0.1	-9.2	0.0	-3.2	0.4	-12.0
Capital Grants Transfer	-	-	-	-	-	-	-	-13.2	-	-13.2
Net Surplus or (Deficit)²	\$ -4.3	\$ -1.1	\$ 4.0	\$ -0.8	\$ -2.3	\$ -4.5	\$ 3.7	\$ 0.0	\$ 0.0	\$ -0.8

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

² Beacon net surplus of \$4 million does not include \$3.4 million in principal payments on loans or any bank required debt service coverage ratio which averages 1.19%.

PUBLIC HOUSING FIVE-YEAR CAPITAL PLAN

15

SOURCE OF FUNDS	ESTIMATED AMOUNTS				
	2022	2023	2024	2025	2026
CFP Grant	\$13,200,000	\$13,200,000	\$13,200,000	\$13,200,000	\$13,200,000
Total	\$13,200,000	\$13,200,000	\$13,200,000	\$13,200,000	\$13,200,000

PLANNED PROJECT	ESTIMATED COSTS				
	2022	2023	2024	2025	2026
Public Housing Operating Support	\$1,320,000	\$1,320,000	\$1,320,000	\$1,320,000	\$1,320,000
Administration	\$1,320,000	\$1,320,000	\$1,320,000	\$1,320,000	\$1,320,000
CFFP Loan Payment	\$2,193,000	\$2,193,000	\$1,365,000	\$0	\$0
CFP Project Manager-Inspector Salaries	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Fees and Costs: A/E; Permits; Studies; etc.	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Emergency/Unscheduled repairs	\$650,000	\$650,000	\$650,000	\$650,000	\$650,000
Priority items 5 and 6 from PNA ¹	\$5,349,000	\$0	\$0	\$0	\$0
Partial funding of backlog of capital needs from PNA	\$1,768,000	\$7,117,000	\$7,945,000	\$9,310,000	\$9,310,000
Total	\$13,200,000	\$13,200,000	\$13,200,000	\$13,200,000	\$13,200,000

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

BEACON FIVE-YEAR CAPITAL PLAN

16

SOURCE OF FUNDS	ESTIMATED AMOUNTS				
	FY 22 - 23	FY 23 - 24	FY 24 - 25	FY 25 - 26	FY 26 - 27
Loan Funds	\$4,000,000	\$3,000,000	\$0	\$0	\$0
Operations	\$9,000	\$20,000	\$15,000	\$25,000	\$0
Reserves	\$6,218,000	\$500,000	\$70,000	\$110,000	\$2,835,000
Unfunded	\$2,393,000	\$2,725,000	\$15,000	\$1,750,000	\$0
Total	\$12,620,000	\$6,245,000	\$100,000	\$1,885,000	\$2,835,000

PLANNED PROJECT	ESTIMATED COSTS				
	FY 22 - 23	FY 23 - 24	FY 24 - 25	FY 25 - 26	FY 26 - 27
Replacement/Repairs/Upgrades - Loan Funds ¹	\$4,000,000	\$3,000,000	\$0	\$0	\$0
Replacement/Repairs/Upgrades - Operations	\$9,000	\$20,000	\$15,000	\$25,000	\$0
Replacement/Repairs/Upgrades - Reserves	\$6,218,000	\$500,000	\$70,000	\$110,000	\$2,835,000
Replacement/Repairs/Upgrades - Unfunded	\$2,393,000	\$2,725,000	\$15,000	\$1,750,000	\$0
Total	\$12,620,000	\$6,245,000	\$100,000	\$1,885,000	\$2,835,000
Unfunded Total	\$2,393,000	\$2,725,000	\$15,000	\$1,750,000	\$0

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

SOURCES AND USES OF MTW FUNDS

17

SOURCE OF FUNDS	AMOUNT (In Mil)
HUD-Held Funds	\$62.00
Public Housing Operating Funds	\$4.20
Housing Choice Voucher HAP Funds	\$1.10
Housing Choice Voucher Admin Fee Funds	\$0.30
Total Sources	\$67.60

PROPOSED USES	AMOUNT (In Mil)
Section 8 - To enable Section 8 to continue to serve residents in spite of increased costs due to the effects of inflation	\$1.10
Public Housing - To enable the Public Housing Program to continue to serve residents in spite of increased costs due to the effects of inflation	\$4.30
Resident Services (CDI) - In collaboration with Policy and Planning, CDI will complete its strategic plan and focus department efforts to align with the established strategic goals. CDI will conduct community meetings to gather input from residents, community advocates, and partners to redesign SAHA's role in supporting resident goals.	\$2.30
Central Office - To allow for continued support of our housing and resident support programs	\$0.80
Other Uses:	
Alazan Predevelopment and Development Costs	\$34.60
Investment in MTW units at Tax Credit/Beacon Properties	\$5.00
Snowden Development Funding Gap	\$8.50
Lincoln Predevelopment Costs	\$2.00
Preservation of Affordable Housing	\$5.00
Building Readiness for Childcare Centers	\$3.00
Public Housing WIFI Service	\$1.00
Total Proposed Uses	\$67.60

PERSONNEL COUNT

18

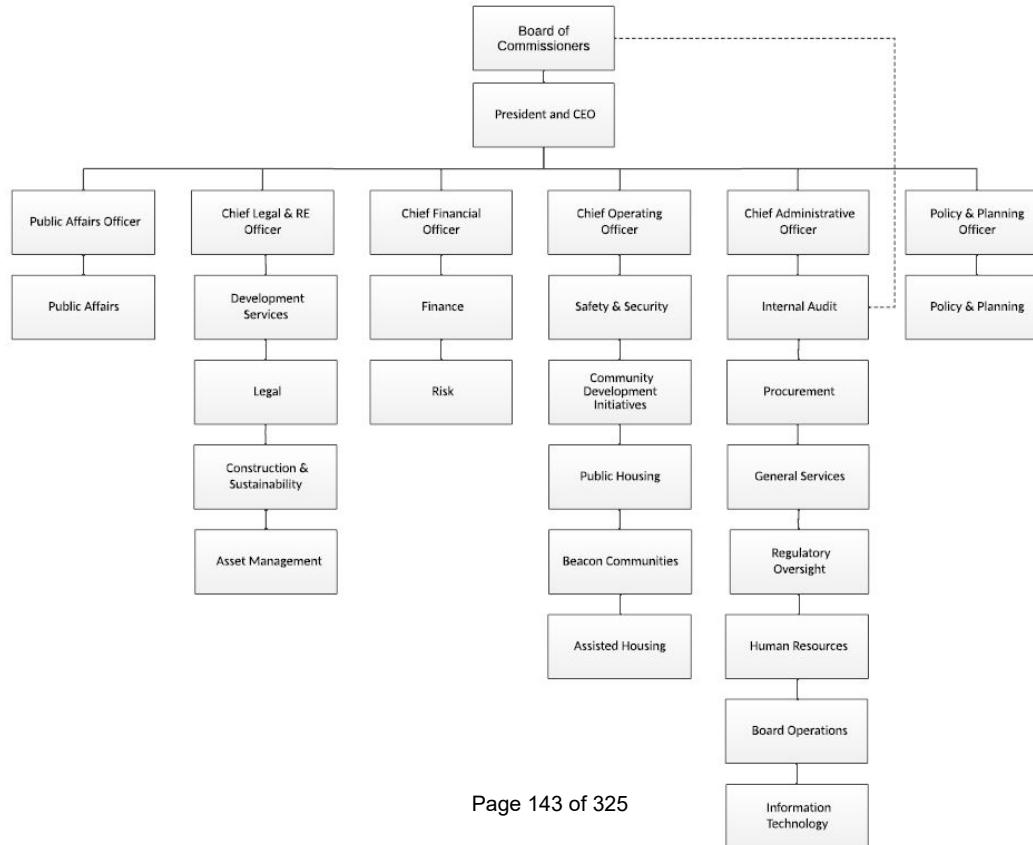
DEPARTMENT	2022 BUDGETED POSITIONS	2023 BUDGETED POSITIONS	INCREASE OR (DECREASE) IN POSITION COUNT	PERSONNEL DISTRIBUTION BY DEPARTMENT
Public Housing	212	217	5	32%
Section 8	90	90	-	13%
Community Development Initiatives	51	58 ¹	7	9%
Beacon	148	129	(19)	19%
Real Estate Services	9	9	-	1%
Property Management	25	43	18	6%
Central Office	112	124	12	19%
Total	647	670	23²	100%

¹ Includes 28 grant-funded positions for the ROSS, Family Self Sufficiency, Jobs Plus, and Endowment

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

ORGANIZATIONAL STRUCTURE

19



DEPARTMENTAL GOALS

ASSISTED HOUSING PROGRAM GOALS

21

Residents Live in Quality Housing

- Increase resident education in tenant-landlord rights in relation to maintenance concerns and housing quality standard inspections

Residents Feel Safe

- Lobby renovations to provide a meeting space for residents that include transparent safeguard

Residents Have Sufficient Housing Choices

- Utilize MTW vouchers at 100% and Special Programs vouchers at 95% or above
- Reduce backlog files for timely processing
- Re-open Housing Choice Voucher (HCV) Waiting List in 2022

Staff Respect and Value Diversity and Inclusion

- Celebrate employee diversity through a Diverse and Inclusive Event

Staff Thrive at Work

- Reinforce existing skills and competencies by updating training materials and revamping the training program for new hires

PUBLIC HOUSING GOALS

22

Residents Live in Quality Housing

- Implement a new work order completion survey to gather feedback on maintenance performance
- Improve REAC scores at all properties by 10 points or maintain score at high-performing communities
- Installation of fire sprinkler system for Villa Tranchese

Residents Feel Safe

- Implement early intervention strategies to help families avoid eviction due to non-payment of rent
- Implement a Trauma-Informed Care (TIC) approach to resident interactions and communication
- Identify policy and procedure improvements to reflect "Housing is a Human Right" agency model

Residents Have Affordable Utilities

- Identify additional resources for residents experiencing difficulties in paying utilities
- Establish a data sharing agreement with SAWS to automatically enroll residents in discount programs

Residents Have Sufficient Housing Choices

- Implement MTW activity that establishes additional protections for residents transferring to mixed-income properties
- 100% Reoccupancy of Victoria Plaza by December 2022

PUBLIC HOUSING GOALS

23

Staff Respect and Value Diversity and Inclusion

- Celebrate employee diversity by leading one diversity and inclusion event within the department

Staff Thrive at Work

- 5 Public Housing and 1 Operations Support staff attend SAHA Leadership Program
- Develop a PH onboarding program to assist all new hires
- Train in Trauma-Informed Care (TIC) to better equip staff with skills for successful resident relationships

Key Processes

- Increase occupancy to an average of 97% for the year
- Implement mobile work orders to improve efficiencies
- Implementation of digital files in Public Housing

BEACON COMMUNITIES GOALS

24

Staff Thrive at Work

- Continue to promote training and education to empower staff to take advantage of advancement opportunities which will be monitored through the Beacon training tracker and verified through the evaluation process.
- Work with staff to be more active with SAAA, SABOR and IREM. Encourage staff to get involved to represent SAHA and be recognized for our work.
- Property staffing is being adjusted for efficient management. There are several positions conversions with the only new positions being Maintenance Tech, Porter, and Leasing.

Residents Have Sufficient Housing Choices

- Complete capital work and rehabilitation of Burning Tree, for an estimated investment of \$3M.
- Coordinate through the completion of the refinance of Woodhill, Churchill, Towering Oaks, and Bella Claire; and prioritize the scope for capital investment of these properties to be completed in FY24.
- Explore partnerships with agencies that offer supportive services up to and including homes either through vouchers or MOU
- Successfully complete the transition of management and ownership of 9 communities

Residents Live in Quality Housing

- Improve work order quality and satisfaction - Continue to meet work order response times with a highlighted focus on tracking of work order quality control by collecting 10% resident work order survey responses.
- Improve pest control - Implement a pest control quality control tracker to ensure the effectiveness of the increase and revised services by reducing the emergency pest control requests.

REAL ESTATE SERVICES GOALS

25

Residents Have Sufficient Housing Choices/Residents Live in Quality Housing

- Obtain 9% tax credit award:
 - Silver Oaks (June 2023)
- Close and began construction on 4% Bond deals:
 - Springview (July 2022)
- Complete construction of:
 - Vista at Interpark (August 2022)
 - Vista at Everest (August 2022)
 - Watson Rd (March 2023)
 - Copernicus (March 2023)
- Complete construction and sell 18 houses in Palm Lake/Sunflower (June 2023)
- Begin construction of single family in Artisan Park, Victoria Commons

Staff Thrive at Work

- Attend development industry specific conferences (TAAHP, AFH, and Novogradac) (June 2023)

CONSTRUCTION SERVICES & SUSTAINABILITY GOALS

26

Residents Live in Quality Housing

- Obligate 2020 CFP Grant 100% by deadline of September 25, 2023
- Expend 2020 CFP Grant 100% by deadline of September 25, 2025
- Obligate 2021 CFP Grant 100% by deadline of February 22, 2023
- Expend 2021 CFP Grant 100% by deadline of February 22, 2025
- Public Housing: complete fire protection project at Villa Tranchese, structural concrete repairs at Villa Tranchese, complete generator projects at W C White and Lewis Chatham, complete roof replacement projects at Cheryl West, Mirasol and Villa Veramendi, and Highview stormwater improvements and offline unit rehab
- Beacon Communities: complete construction at Burning Tree Apartments, begin capital improvements project at Pecan Hill Apartments

Residents Have Sufficient Housing Choices

- Close-out new development construction projects at: The Scott at Medio Creek (Trader Flats), 100 Labor St., Watson Rd., Copernicus, Vista at Everest, Vista at Interpark, Bristol at Somerset and Horizon Point
- Complete construction of single family homes at Villas de Fortuna, Sunflower and Palm Lake
- Begin construction of single family homes at Sunflower and Palm Lake
- Begin construction at SAHA self-developed Snowden Road

Staff Thrive at Work

- Hire a full-time Construction Project Manager
- Hire a full-time Construction Project Inspector

COMMUNITY DEVELOPMENT INITIATIVES GOALS

27

Residents Have Affordable Utilities

- Secure external funding to support the continued administration of the ConnectHomeSA program

Staff Respect and Value Diversity and Inclusion

- Standardize CDI management implementation of strategies introduced in TIC and equity trainings, and deliver brief recurring trainings to staff on TIC, equity, compassion, and excellence, for constancy of purpose and cultural development

Staff Thrive at Work

- Deliver a series of formal trainings to management on referencing program rules, developing policies, mapping processes, and documenting procedures
- Document standardized step-by-step procedures and develop tools to increase predictability and reduce burnout
- Design a pilot program wherein CDI staff who elect to participate work with their supervisor to develop an individualized development plan tailored to help the employee meet his or her professional goals

Supportive Services: Households Participating in Programs

- Launch SAHA resident services collaborative
- Assist consultant in the evaluation of resident councils and implementation of recommendations
- Align CDI outputs and activities with CDI strategic goals
- Improve services to all residents receiving CDI services
- Relaunch nonprofit for additional resources and services to SAHA residents

ASSET MANAGEMENT GOALS

28

Residents Have Sufficient Housing Choices

- Complete analysis and recommendations for 8 LIHTC deals reaching year #15 effective 12/31/22. Complete portfolio analysis of Public Housing and Beacon portfolios utilizing PNA data and financial performance indicators.
- Complete stabilization of Rosemont at University Park and finalize MOU for sale and resyndication of tax credits with a new development partner.
- Complete the refinance of the following assets:
 - Woodhill Apartments
 - Pecan Apartments
 - Church Hill
 - Towering Oaks
 - Bella Claire
 - Midcrown Senior Pavilion

PROCUREMENT GOALS

29

Staff Thrive at Work

- In collaboration with Innovative Technology, continue to adopt more streamlined, simplified internal purchasing processes with the expanded use of existing financial systems and redesigned purchasing processes.
- In collaboration with the Accounting Department, conduct an agency-wide procurement training with 100% end user participation in order to expedite the procurement and payment process.
- Provide opportunities for staff to attend training that are industry specific at the State of Texas and other organizations in the Procurement training field.
- Promote new hire efforts to obtain industry based professional certifications within the first 180 days.

Staff Respect and Value Diversity and Inclusion

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

INNOVATIVE TECHNOLOGY GOALS

30

Staff Thrive at Work

- Support the HR Department:
 - With JDE Data cleanup, smart reporting and Functional training
 - Implementing a Learning Management System to support career growth management and tracking
- Support HR, Procurement and FHP in the use of Document Management
- Support Planning Data Governance Goals

Residents Feel Safe

- Support FHP to bring innovative safety security systems that will work toward helping SAHA residents feel safe
- Support the Public Affairs department with the ongoing rollout of Rave Guardian for improved resident communication and emergency alerts

Residents Have Affordable Utilities

- Continue on the path of WiFi expansion project for our new developments and Beacon

Residents Live in Quality Housing

- Support the FHP department:
 - Implement mobile work orders
 - Client portal
 - The rebuild and improvement of the LandLord portal

FINANCE GOALS

31

Staff Thrive at Work

- Develop a new succession plan for the Director of Finance position.
- Continue to develop the skill set of departmental staff by offering opportunities for cross-training; in addition to encouraging staff to pursue educational opportunities and professional certifications.
- Finance & Accounting will attend training specifically on the topic of Diversity and Inclusion.
- Staff will raise awareness of Finance & Accounting Department objectives and capabilities, while learning about other SAHA departments and creating internal networks.

Finance Departmental Goals that Support all Remaining Outcomes

- Staff will continue to work on attempting to increase the amount of funding through possible repositioning of existing public housing units as well as collaborating on the expansion of the current number of public housing units.
- Staff will support the Board and CEO's vision for the agency to provide new opportunities for affordable housing by working collaboratively with the community, elected officials, HUD, and other partners.
- Coordinate with Asset Management and lender(s) to potentially leverage various properties from the Beacon portfolio.
- Collaborate with the Asset Management, Legal, and Beacon departments to convert tax credit properties reaching the end of their 15 year compliance period into the Beacon portfolio.
- Provide analyses to officers and DSNR staff in support of the agency's strategic outcome that SAHA residents have a sufficient supply of affordable housing options.
- Facilitate the accounting conversion for properties that are transitioning back to SAHA management, acquisitions of new properties; as well as any additions to the Beacon managed non-owned properties.

HUMAN RESOURCES GOALS

32

Staff Respect and Value Diversity and Inclusion/Staff Thrive at Work

- Complete the evaluation of the recruitment process, and implementation of best practices to include:
 - Increased outreach and hiring events; to include special or diverse populations
 - Strategic marketing of SAHA benefits and job posting opportunities
 - Improve current interview assessment process to ensure objectivity and remove any potential bias to the process
 - Improve electronic data collection for employees
- Increase survey scores through targeted actions developed by the Thrive Committee:
 - Work Environments - seamless and supported whether Remote or In Person
 - Workplace Wellness
 - Increased Employee Engagement
 - Connected
 - Personal and Professional Development and Training
- Hire a HR Training Coordinator to oversee training development, delivery, and tracking:
 - Work with departments to coordinate training needs
 - Offer social connection to HR for employees through training and recognition of career advancement opportunities

INTERNAL AUDIT GOALS

33

Residents Live in Quality Housing

- Beacon Communities will be added into the Compliance Auditing schedule; with the total Compliance Audit of Public Housing and Beacon to be:
 - 93 communities and approximately 1,192 files
- Continue the review of AHP files at 65 per month, 780 per year
- FSS escrow packets valued over \$5,000 will be reviewed for compliance; estimate a minimum of 25 files will be processed
- The Risk Assessment for the Annual Audit Plan will update the key department processes to ensure that risks are better identified and evaluated for future audits

Staff Thrive at Work

- Ensure that training continues to be a priority, with a minimum of 20 hours per staff person completed
- 100% of the department will volunteer on a committee and serve at a SAHA event
- Participate in local Institute of Internal Auditors chapter events and training

Staff Respect and Value Diversity and Inclusion

- Attend training specifically on the topic of Diversity and Inclusion
- Raise awareness of IA department objectives and capabilities, while learning about other SAHA departments and creating internal networks

LEGAL GOALS

34

Departmental Goals that Support all Outcomes

- Continue to assist and support other SAHA departments through effective advice which will allow them help stabilize housing for SAHA participants and potentially allow for residents to feel safer in their units and communities.
- To decrease the average amount of time for response for Open Records requests from 9 days to 5 days by further utilizing technology which will allow for quicker transactions. Would like to increase transparency of SAHA by making the open records portal more easily accessible on the SAHA website.
- Continue to reduce the number of paper files that are transferred through the department.
- Continue to provide training and updates to other departments which will help reduce the potential for litigation including fair housing issues, accommodations, property management basics and best practices of the industry.
- Continue to represent SAHA in more lawsuits and complaints, without involving outside counsel, which would represent a cost savings to the agency.

POLICY & PLANNING GOALS

35

Strategic Planning and Management

- Initiate TOC Update cycle, establish an agency-wide scorecard system, complete CDI Strategic Plan, administer survey(s) to track resident sentiment regarding Equity, Compassion and Excellence

Residents Have Sufficient Housing Choices

- Administer survey(s) to track resident sentiment regarding access to sufficient home choices

Residents Live in Quality Housing

- Administer survey(s) to track resident sentiment regarding quality homes

Residents Feel Safe/Residents Have Affordable Utilities

- Administer survey(s) to track resident sentiment regarding safety and access to affordable utilities

Staff Respect and Value Diversity and Inclusion/Staff Thrive at Work

- Administer survey(s) to track staff sentiment regarding diversity and inclusion and career satisfaction

Improve Data Governance and Management

- Develop leadership training curriculum around data literacy, develop reporting and visualization standards, develop an analytics framework to discover and realize the full potential of Agency data, revise consent and data sharing policies, processes and procedures

PUBLIC AFFAIRS GOALS

36

Public Affairs Departmental Goals that Support all Outcomes

- Announce the agency's rebrand to announce SAHA's new name, log, values, missions, vision
- Lead public briefings with leaders from the COSA, civic, trade organizations, elected officials, business leaders, members of academia, other important leaders
- Use traditional/nontraditional media to proactively promote the agency's new direction, vision, leadership
- Launch a podcast for a national platform to discuss housing related topics; highlight residents who are breaking the cycle of poverty
- Redesign the employee intranet portal, to be tentatively named MySAHA, for SAHA staff to access news and information

REGULATORY OVERSIGHT GOALS

37

Staff Thrive at Work

- Board Relations Manager will obtain a minimum of 20 hours of training to include training related to her role.
- Compliance Analyst will work with management to evaluate training/certifications as needed and develop a timeline for completion.
- Compliance Manager will attend training related to her field to continue to strengthen the development of the department.

Residents Live in Quality Housing

- Fraud Investigator will continue to follow up on all Lighthouse cases received throughout 2021, complete preliminary investigations and close out all non-relevant cases within three days.
- Board Relations Manager will work to ensure that packets for Committee and Board meetings are made available to be issued six (6) days prior to the respective meeting date. In addition, she plans to research Board management software for potential implementation and complete the Board document scanning project.
- Compliance Analyst will continue working on the comprehensive compliance training program for SAHA's partnership compliance/management teams, which includes standard operating procedures and workflow processes in Google and Wrike.
- Compliance Manager will continue to collaborate with internal departments to report on performance tracking for development/management partners. The information is vital when entering into future management and development contracts.

SECURITY GOALS

38

Staff Thrive at Work

- Mass Notification System to alert key personnel of evolving emergencies
- SPIN (Security-Police Information Network) crime prevention partnership between SAHA, security and police to increase public safety through the sharing of important and timely information
- RASP (Risk Assessment Strategic Plan) is a process for identifying, assessing and managing risks and uncertainties
- CART (Compliance Agreement Response Team) is a multidisciplinary team to identify and investigate the root cause of the incidents and abatement through a collaborative and comprehensive approach
- Data Disaggregation: Collate data by SAPD Substation or Reporting District and analyze communities within this geographic area to calibrate crime prevention initiatives
- FBI Crime Data Explorer - data visualization to expand awareness of local, state and national incidents to improve accountability & shape security protocol

Residents Feel Safe

- AWARE Program (Apartment Watch and Resident Education) - Crime Prevention to forge bonds between neighbors and be the eyes and ears for safety related issues
- Q-TIP Program (Quality of Life Targeted Intervention) - Crime Prevention through “order maintenance” to address signs of disorder (e.g. junk vehicles, graffiti and incidents)
- SWAT - Silent Witness Anonymous Tips - Crime Prevention platform to report incidents

APPENDIX

FYE 2023 CONSOLIDATED REVENUE TREND

Projected revenue in FYE 2023 will increase by \$10.7 Million

40

DESCRIPTION	FYE 6/30/21 ACTUAL	FYE 6/30/21 BUDGET	FYE 6/30/22 BUDGET	FYE 6/30/23 BUDGET	VARIANCE 2023 BUDGET VS 2022 BUDGET INCREASE/ (DECREASE)
Rental Revenue	\$35.9	\$37.7	\$47.6	\$46.3	\$(1.3)
Grant Revenue					
Section 8 - HAP	107.9	108.6	103.0	105.1	2.1
Section 8 - Admin.	12.3	9.2	9.6	9.9	0.3
Operating Subsidy	27.9	24.3	24.9	27.9	3.0
Capital Grants	13.5	8.0	13.2	16.5	3.3
Other Grants	4.1	3.7	3.9	5.5	1.6
Total Grant Revenue	\$165.7	\$153.7	\$154.6	\$164.9	\$10.3
Other Revenue*	7.4	12.2	7.7	9.4	1.7
Total Revenue	\$209.0	\$203.6	\$209.9	\$220.6	\$10.7

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

FYE 2023 CONSOLIDATED EXPENSE TREND

Projected expenses in FYE 2023 will increase by \$16.5 Million

41

	FYE 6/30/21	FYE 6/30/21	FYE 6/30/22	FYE 6/30/23	VARIANCE 2023 BUDGET VS 2022 BUDGET INCREASE/ (DECREASE)
DESCRIPTION	ACTUAL	BUDGET	BUDGET	BUDGET	
HAP Expense	\$100.6	\$109.7	\$102.7	\$104.8	\$2.1
Salaries & Benefits	36.4	38.8	42.4	48.7	6.3
Admin and Other*	5.1	8.6	9.8	10.7	0.9
Utilities	8.3	8.2	9.0	9.6	0.6
Maint/Replacement Items	19.5	17.4	18.7	20.2	1.5
Insurance	3.1	3.6	4.1	4.3	0.2
Protective Services	3.6	0.7	1.0	1.4	0.4
Interest Expense	5.4	4.3	5.8	5.3	(0.5)
Operating Subsidy to Partners	2.4	1.9	2.3	3.2	0.9
Capital Grants Transfer (PH)	8.0	4.8	9.1	13.2	4.1
Total	\$192.4	\$198.0	\$204.9	\$221.4	\$16.5

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

PUBLIC HOUSING COMMUNITIES

42

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

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

PUBLIC HOUSING COMMUNITIES

(Continued)

43

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

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

PUBLIC HOUSING COMMUNITIES

(Continued)

44

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

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

BEACON COMMUNITIES

45

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

PROPERTY	TOTAL UNITS
Courtland Heights	56
Dietrich Road	30
Encanta Villa	56
Homestead	157
La Providencia	90
Legacy at Crown Meadows	192
Legacy at Science Park	120
Legacy on O'Connor	150
Monterrey Park	200
Pecan Hill	100

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

PARTNERSHIP INTERESTS

46

COMPLETION DATE	DEVELOPER	COMMUNITY	TOTAL UNITS	PH UNITS
2007	American Affordable Homes	Midcrown Seniors Pavilion	196	39
2007	Cascade Development	The Ravello	252	0
2007	Franklin Development Corp	Artisan at Mission Creek	252	0
2008	Cascade Development	The Sorento	248	0
2008	Cascade Development	Rosemont @ University Park	240	0
2008	Franklin Development Corp	Artisan at Salado II	252	0
2008	NRP Group	Costa Mirada Apartments	212	0
2008	NRP Group	Costa Almadena Apartments	176	0
2008	NRP Group	San Juan Square Phase I	143	46
2008	NRP Group	Alhambra Senior	140	14
2009	Hogan Services	Elan Garden	228	0
2010	Carleton Development	HemisView Village	245	49

PARTNERSHIP INTERESTS

(Continued)

47

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

PARTNERSHIP INTERESTS

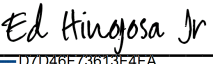
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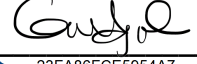
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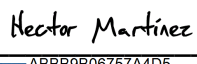
COMPLETION DATE	DEVELOPER	COMMUNITY	TOTAL UNITS	PH UNITS
2020	MBS	East Meadows II	119	42
2021	Franklin Development Corp	Artisan at Ruiz	102	0
2021	Hogan	Majestic Ranch	288	0
2022	Lynd	Culebra Crossing	327	0
2022	NRP Group	Arcadian (1604 Lofts)	324	0
2022	Mission DG	Aspire at Tampico	200	0
2022	NRP Group	Elevate at Kitty Hawk	212	0
2022	NRP Group	Legacy at Alazan	88	40
2022	Hogan	Mira Vista Apartments	312	0
2022	NRP Group	Scott at Medio Creek (Trader Flats)	324	0
TOTAL			7,279	554

DISCUSSION

SAN ANTONIO HOUSING AUTHORITY**June 1, 2022****BOARD OF COMMISSIONERS
Regular Board Meeting****RESOLUTION 6249, APPROVING THE AWARD OF A CONTRACT FOR ROOF REPLACEMENT AT VILLA VERAMENDI APARTMENTS TO GARLAND/DBS, INC. THROUGH OMNIA PARTNERS, PUBLIC SECTOR, A NATIONWIDE PURCHASING COOPERATIVE FOR AN AMOUNT NOT TO EXCEED \$2,692,408.00**

DocuSigned by:

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Ed Hinojosa, Jr.
President and CEO

DocuSigned by:

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George Ayala
Director of Procurement

DocuSigned by:

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Hector Martinez
**Director of Construction
Services and Sustainability**

REQUESTED ACTION:

Consideration and approval regarding Resolution 6249, approving the award of a contract for roof replacement at Villa Veramendi Apartments to Garland/DBS, Inc. through Omnia Partners, Public Sector, a Nationwide Purchasing Cooperative for an amount not to exceed \$2,692,408.00.

FINANCIAL IMPACT:

The cost for the roof replacement at Villa Veramendi Apartments is not expected to exceed an amount of \$2,692,408.00 to include a base bid amount of \$2,243,673.00 and a 20% contingency in the amount of \$448,735.00 that will only be used, if necessary. This project will be funded by CFP.

SUMMARY:

The Villa Veramendi Apartments is a Public Housing Family community built in 1952 and is located in the inner westside of San Antonio, in City Council District 5. Villa Veramendi was redeveloped between 2001 and 2004, and has 166 apartment units, including (12) 1-bedroom units, (62) 2-bedroom units, (54) 3-bedroom units, (32) 4-bedroom units, and (6) 5-bedroom units.

Due to the age, wear and tear, and condition of the roofs at this apartment community, SAHA requires the services of a roofing contractor to provide comprehensive roof replacement. The scope of work will include: removal and replacement of existing metal and shingle roof systems with new metal roofs where existing, and new architectural, 30 year dimensional shingles, replace any damaged wood decking, wood fascia, wood siding and/or wood trim on a unit cost basis, install one layer of a 45 mil peel and stick roof underlayment, install 4 lb pipe flashings at all plumbing vents, replace all passive roof vents with new 22 gauge vents, replace all code caps on gas exhaust vents and rusted dual wall piping above roof surface, install new pre-painted gutters (6" x 6"), down spouts (5" x 5") and drip edge. Gutters are to include gutter screens to prevent leaf collection within the gutter bodies. The estimated time for completion of this project is 110 days.

The U.S. Department of Housing and Urban Development encourages housing authorities to utilize cooperative and interagency agreements to simplify and expedite the procurement processes. Purchasing Cooperatives assign a lead agency for its solicitations to ensure that

SAN ANTONIO HOUSING AUTHORITY**June 1, 2022**

competitive bid requirements for most state and local government agencies are followed; therefore, SAHA is not required to issue its own competitive solicitation in cases where the use of available contracts are appropriate and in accordance with SAHA procurement policies.

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

On August 7, 2019, Racine County, Wisconsin, issued an Invitation for Bid # PW1925 for Roofing Supplies and Services, Waterproofing, and Related Products and Services that closed on September 9, 2019. Two bids were received in response to the solicitation. Garland/DBS, Inc. was the lowest priced responsive, responsible, and qualified bidder based on the requirements issued in the IFB and was awarded a contract that was effective October 15, 2019, to October 14, 2024, with 1 additional 5-year term.

Garland/DBS, Inc. was founded in 1895 and is located in Cleveland, Ohio. They are a jointly-owned subsidiary of The Garland Company, Inc., and Design-Build Solutions, Inc., and are positioned throughout the United States, Canada, and the United Kingdom providing public agencies and nonprofits a comprehensive selection of roofing material solutions and support services. They provide roofing materials and full-service roof asset management for a wide spectrum of public and private sector roofing applications, including, but not limited to: single-ply, modified bitumen, built-up roofing (BUR), low-slope standing seam metal, low-slope flat-seam metal, steep-slope standing seam metal, slate, concrete tile, asphalt shingle, and clay tile.

This contractor is currently under contract with SAHA to provide roof repairs at SAHA's Central Office and Roof Replacement at Mirasol Homes. Garland has received prior awards from SAHA for the following projects and performed satisfactorily under all awarded contracts: water leak repairs and sealing of exterior doors and windows at the Convent, reglaze 24 windows, reseal coping joints, clean and reseal brick coping, and repair roof drains at SAHA's Central Office, roof and window replacement at Bella Claire Apartments, roof replacement at Cross Creek Apartments, roof repair and replacement at Escondida Apartments, roof replacement at Frank Hornsby Apartments, roof replacement at Francis Furey Apartments, roof replacement at Lincoln Heights Courts, roof and window replacement at Madonna Apartments, roof repair and replacement at Morris C Beldon Apartments, roof replacement at Tarry Towne Apartments, and roof and HVAC replacement at Woodhill Apartments.

Garland, the general contractor for this project, obtained three bids for the roof replacement at Villa Veramendi from Advantage USAA, Inc., D&G Quality Roofing, and Tri-Lam Roofing and Waterproofing. Tri-Lam Roofing is being recommended as their subcontractor on this project. They provided the overall lowest cost to complete the project.

Tri-Lam Roofing and Waterproofing, Inc. is located in Everman, Texas. The original Tri-Lam company was formed in San Antonio, Texas, in 1996 and was primarily a general contracting company. The roofing division was started in 2004 in Fort Worth, and since 2011 the main office and location for the business is in Everman, Texas. They specialize in brick restoration,

SAN ANTONIO HOUSING AUTHORITY

June 1, 2022

elastomeric roof coatings, high rise elastomeric coatings, high rise waterproofing, metal roof systems, Rmerlite metal retrofit, roof repairs, and urethane coating systems over BUR, window glazing and joint caulking, and built up roof.

Contract oversight will be provided by Hector Martinez, Director of Construction Services and Sustainability, who will monitor the vendor's adherence to contract requirements and performance. The Procurement Department will be responsible to ensure the vendor submits the Contractor's Section 3 Compliance report on a monthly basis.

STRATEGIC OUTCOME:

SAHA residents live in quality affordable housing.

ATTACHMENTS:

Resolution 6249

Map

Picture

**San Antonio Housing Authority
Resolution 6249**

RESOLUTION 6249, AUTHORIZING THE AWARD OF A CONTRACT FOR ROOF REPLACEMENT AT VILLA VERAMENDI APARTMENTS TO GARLAND/DBS, INC. THROUGH OMNIA PARTNERS, PUBLIC SECTOR, A NATIONWIDE PURCHASING COOPERATIVE FOR AN AMOUNT NOT TO EXCEED \$2,692,408.00

WHEREAS, the U.S. Department of Housing and Urban Development encourages housing authorities to utilize cooperative and interagency agreements to simplify and expedite the procurement processes; and

WHEREAS, Purchasing Cooperatives assign a lead agency for its solicitations to ensure that competitive bid requirements for most state and local government agencies are followed; therefore, SAHA is not required to issue its own competitive solicitation in cases where the use of available contracts are appropriate and in accordance with SAHA procurement policies; and

WHEREAS, on August 7, 2019, Racine County, Wisconsin, lead agency for Omnia Partners, Public Sector issued an Invitation for Bid # PW1925 for Roofing Supplies and Services, Waterproofing, and Related Products and Services that closed on September 9, 2019. Garland/DBS, Inc. was the lowest priced responsive, responsible, and qualified bidder and was awarded a contract that was effective October 15, 2019, to October 14, 2024, with 1 additional 5-year term; and

WHEREAS, the staff is requesting approval to award a contract to Garland/DBS, Inc. for the roof replacement project at Villa Veramendi; and

WHEREAS, the cost for the roof replacement at Villa Veramendi Apartments is not expected to exceed an amount of \$2,692,408.00 to include a base bid amount of \$2,243,673.00, and a 20% contingency in the amount of \$448,735.00 that will only be used, if necessary. This project will be funded by CFP; and

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

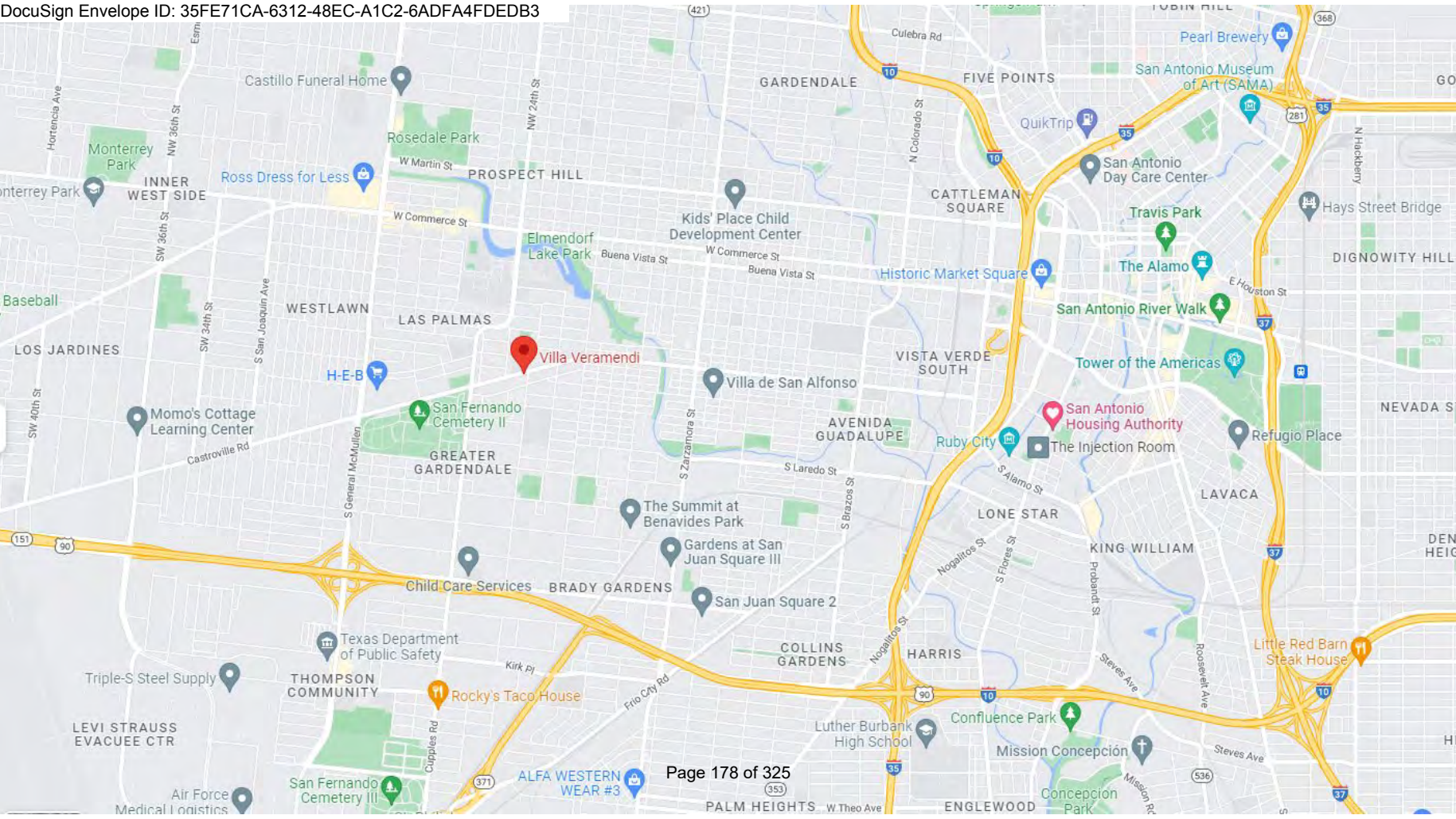
- 1) Approves Resolution 6249, approving the award of a contract for roof replacement at Villa Veramendi Apartments to Garland/DBS, Inc. through Omnia Partners, Public Sector, a Nationwide Purchasing Cooperative for an amount not to exceed \$2,692,408.00
- 2) Authorizes the President and CEO, or designee, to execute all necessary documents associated with this contract.

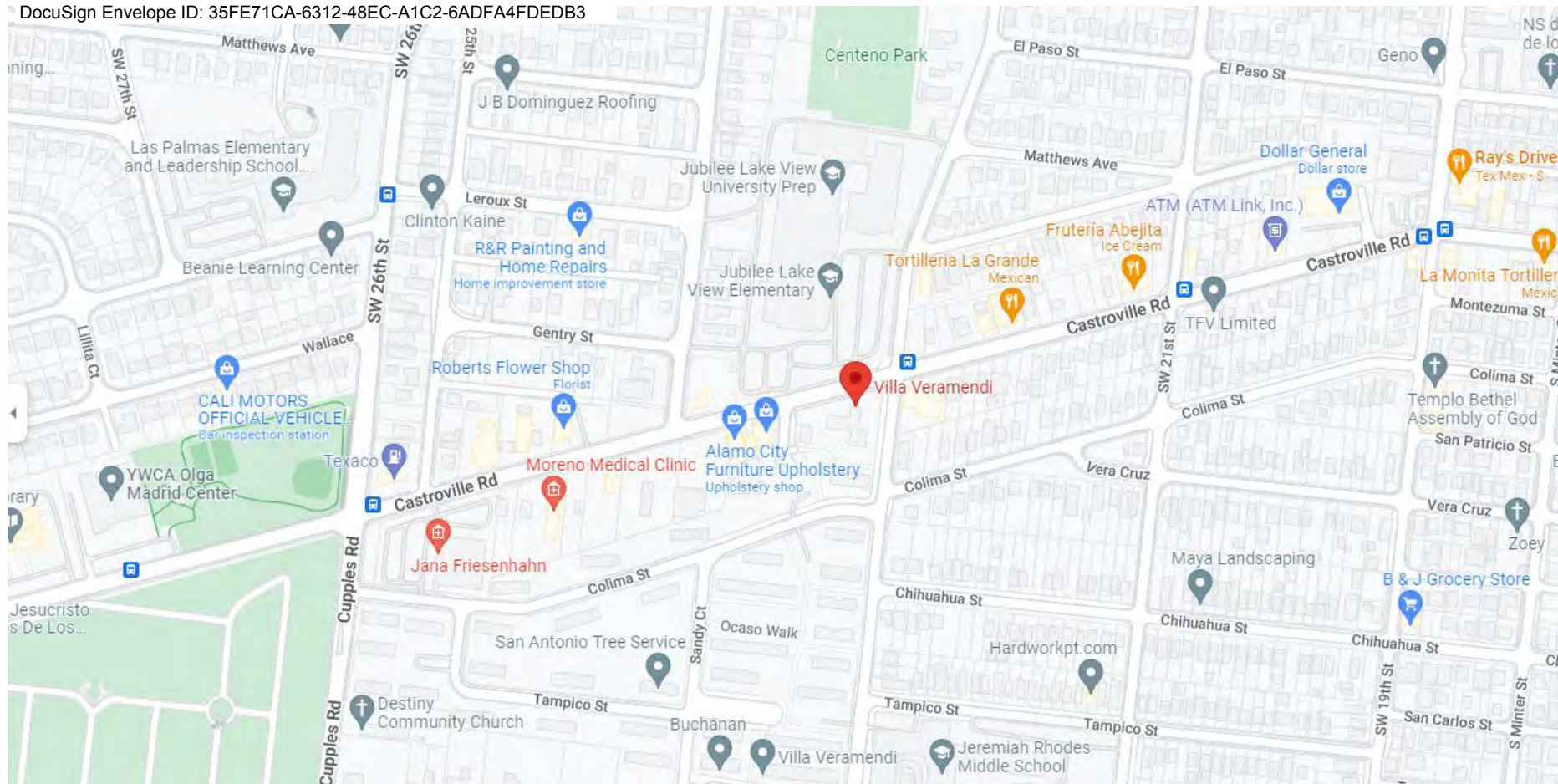
Passed and approved on the 1st day of June 2022.

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

Attested and approved as to form:

Ed Hinojosa, Jr.
President and CEO





Oct 21, 2021 at 9:15:16 AM



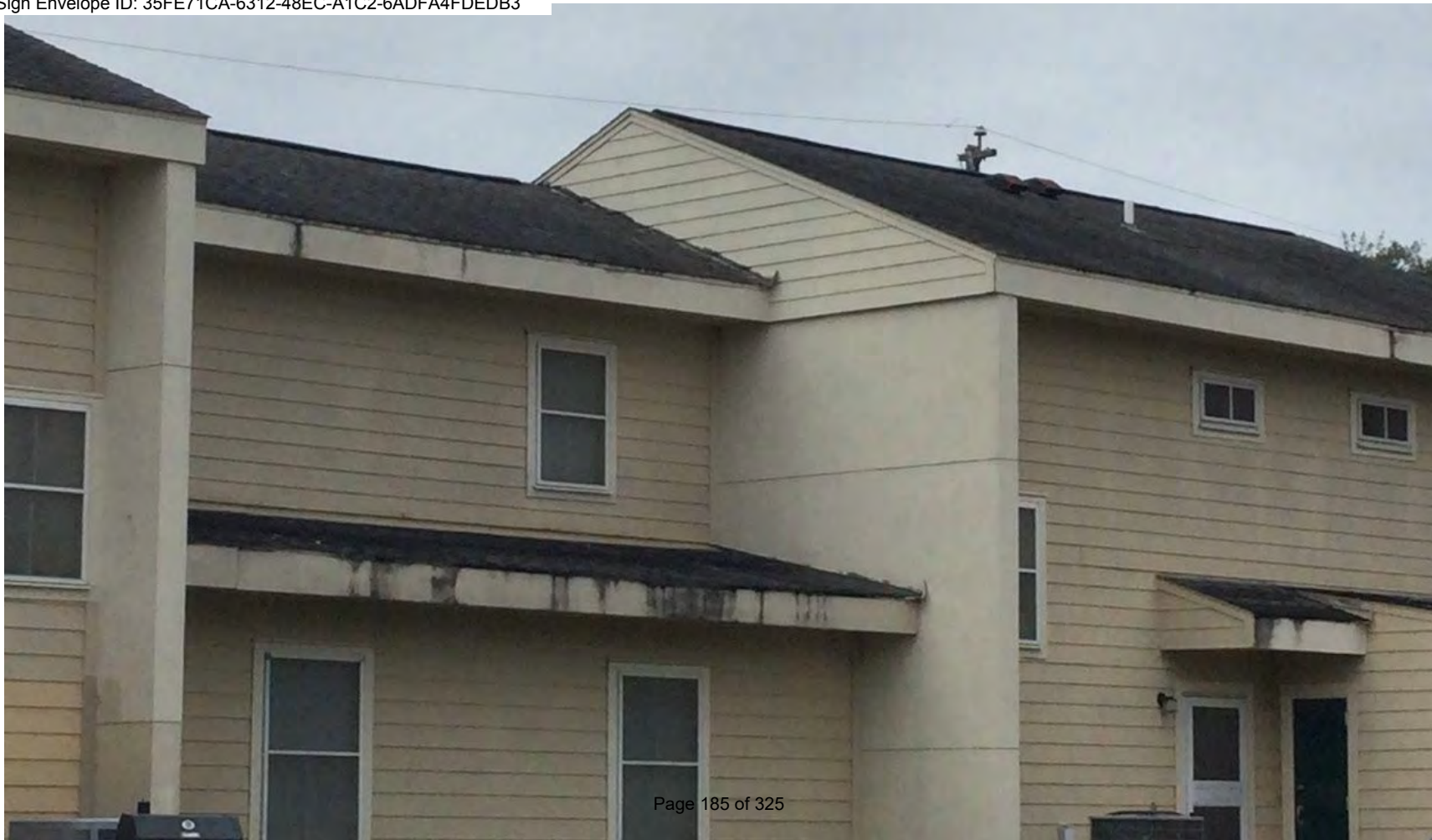


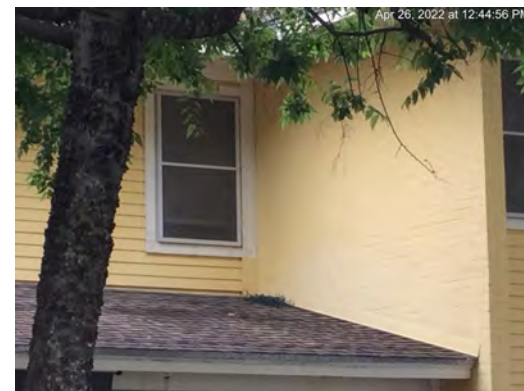
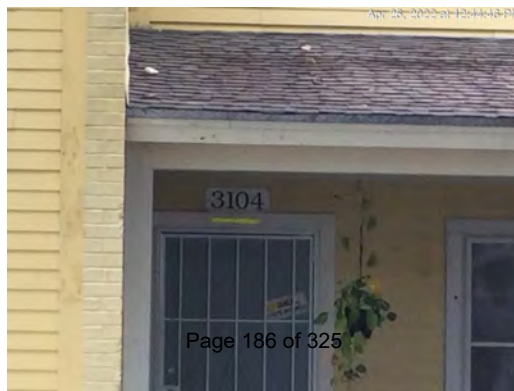
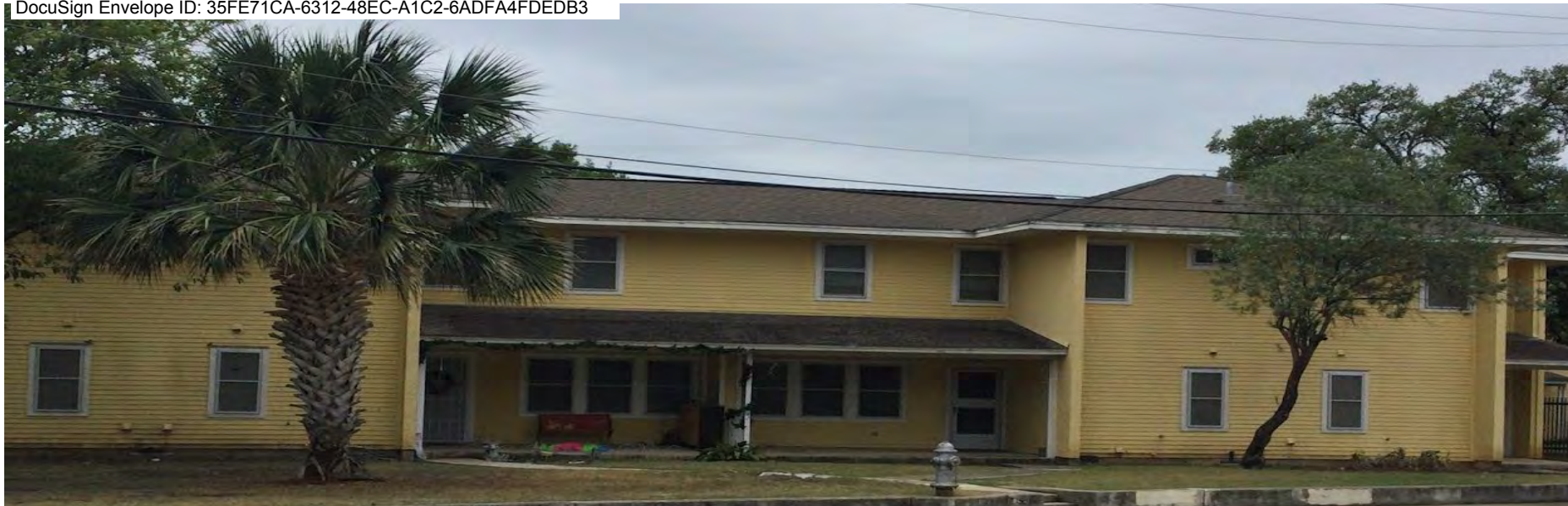




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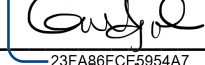
SAN ANTONIO HOUSING AUTHORITY


June 1, 2022

**BOARD OF COMMISSIONERS
Regular Board Meeting**

RESOLUTIONS 6248 AND 22FAC-04-29, AUTHORIZING THE AWARD OF A CONTRACT FOR DEBT AND EQUITY PROVIDER TO PNC BANK, NATIONAL ASSOCIATION ("PNC"), TO ACT AS OUR EXCLUSIVE AGENT TO UNDERWRITE A FORWARD COMMITMENT FOR A PERMANENT LOAN ON THE SNOWDEN PROJECT, TO PROVIDE CONSTRUCTION AND BRIDGE FINANCING, AND TO PROVIDE TAX CREDIT EQUITY

DocuSigned by:

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Ed Hinojosa, Jr.
President and CEO

DocuSigned by:

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George Ayala
Director of Procurement

DocuSigned by:

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Lorraine Robles
**Director of Development
Services and Neighborhood
Revitalization**

REQUESTED ACTION:

Consideration and approval regarding Resolutions 6248 and 22FAC-04-29, authorizing the award of a contract for debt and equity provider to PNC Bank, National Association ("PNC") to act as our exclusive agent to underwrite a forward commitment for a permanent loan on the Snowden project, provide construction and bridge financing, and to provide tax credit equity.

FINANCIAL IMPACT:

PNC is an approved Freddie Mac Targeted Affordable Housing Seller/Servicer, and will act as our exclusive agent to underwrite a Forward Commitment for a permanent loan on the Project. The final loan terms and conditions will be subject to all Freddie Mac Forward Commitment program requirements and limitations. PNC has offered 92.5 cents for the tax credits when the transaction closes and competitive construction and bridge financing. They will charge 1% of the loan amount and .5% of the amount of the bridge loan as a financing fee. There is also a \$28,000 fixed fee for underwriting legal fees.

A non-refundable deposit of \$25,000.00 (the "Application Deposit") will be paid to PNC. SAHA and its affiliates will be responsible for all costs incurred in connection with the underwriting and closing of the loan regardless of whether the closing of the transaction contemplated by this Application occurs, including, but not limited to, all third-party reports, processing, and underwriting costs, legal fees and expenses of Freddie Mac's Counsel. A \$6,500.00 underwriting and processing fee will be charged at Loan Closing. PNC will be entitled to an Origination Fee. An origination fee equal to 1.25% of the Final Loan Amount will be earned at Rate Lock and Payable to Lender at Loan Closing. Final terms and pricing are not locked until PNC has received firm quote pricing and approval from Freddie Mac.

SUMMARY:

Snowden Senior Apartments is planned as a 135-unit new construction apartment complex for seniors 62 years of age and older. It is being self-developed by SAHA. It is proposed on approximately 6.97 acres of vacant land located at 7223 Snowden Road, San Antonio, Texas, and is owned by the San Antonio Housing Finance Corporation (HFC) but will be transferred to the

SAN ANTONIO HOUSING AUTHORITY**June 1, 2022**

SAH Facility Corporation (FAC) at closing. The project is designed as a 4-story wood-frame building with a brick and siding exterior. The new development will provide a mix of one and two-bedroom units with appropriate design considerations for senior living households and is anticipated to be 100% affordable with 40% of the units subsidized by an MTW Strategy. The amenities will include an activity room, beauty salon, fitness room, game room, swimming pool, exterior unit balconies, and walking trails.

On February 2, 2022, the FAC received approval (Resolutions 6205 and 22FAC-01-25) to award a contract to Franklin Management Construction to serve as general contractor and partner for the project and will act as a Construction Manager at Risk assuming the risk of construction of the complex at the contracted price and will provide consultation to the FAC during construction and after the design of the complex.

PROCUREMENT PROCESS:

On March 7, 2022, FAC issued a "Request For Information" (RFI) #2203-5260 for Low Income Tax Credit Investor and/or Construction Lender, which closed on March 17, 2022. The RFI was published on the SAHA website, Electronic State Business Daily (ESBD), the Hart Beat, posted on NAHRO, Public Purchase, and direct solicited 9 vendors. A total of four responses were received in response to this solicitation: 42 Equity Partners, Hudson Housing Capital, JP Morgan Chase, and PNC Real Estate. All proposals were evaluated on the following criteria by looking at the amount paid for the tax credits and the best rates for the construction, bridge, and any other loans to finance the project.

STRATEGIC OUTCOME:

SAHA residents have a sufficient supply of affordable housing options.

ATTACHMENTS:

Resolution 6248

Resolution 22FAC-04-29

Advertisement List

Letter of Intent

CERTIFICATE FOR RESOLUTION RESOLUTION 6248

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

1. In accordance with its bylaws, the Board of Commissioners of SAHA (the "Board") held a meeting on June 1, 2022, (the "Meeting") of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

RESOLUTION 6248, AUTHORIZING THE AWARD OF A CONTRACT FOR DEBT AND EQUITY PROVIDER TO PNC BANK, NATIONAL ASSOCIATION ("PNC"), TO ACT AS OUR EXCLUSIVE AGENT TO UNDERWRITE A FORWARD COMMITMENT FOR A PERMANENT LOAN ON THE SNOWDEN PROJECT, TO PROVIDE CONSTRUCTION AND BRIDGE FINANCING, AND TO PROVIDE TAX CREDIT EQUITY

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

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

SIGNED and SEALED on this 1st day of June 2022.



Ed Hinojosa, Jr.
President and CEO

**San Antonio Housing Authority
Resolution 6248**

RESOLUTION 6248, AUTHORIZING THE AWARD OF A CONTRACT FOR DEBT AND EQUITY PROVIDER TO PNC BANK, NATIONAL ASSOCIATION (“PNC”), TO ACT AS OUR EXCLUSIVE AGENT TO UNDERWRITE A FORWARD COMMITMENT FOR A PERMANENT LOAN ON THE SNOWDEN PROJECT, TO PROVIDE CONSTRUCTION AND BRIDGE FINANCING, AND TO PROVIDE TAX CREDIT EQUITY

WHEREAS, Snowden Senior Apartments is planned as a 135-unit new construction apartment complex proposed on approximately 6.97 acres of vacant land located at 7223 Snowden Road, San Antonio, Texas, and is owned by the San Antonio Housing Finance Corporation (HFC) but will be transferred to the SAH Facility Corporation (FAC) at closing; and

WHEREAS, on February 2, 2022, the FAC received approval (Resolutions 6205 and 22FAC-01-25) to award a contract to Franklin Management Construction to serve as general contractor and partner for the project and will act as a Construction Manager at Risk assuming the risk of construction of the complex at the contracted price and will provide consultation to the FAC during construction and after the design of the complex; and

WHEREAS, on March 7, 2022, FAC issued a “Request For Information” (RFI) #2203-5260 for Low Income Tax Credit Investor and/or Construction Lender, which closed on March 17, 2022; and

WHEREAS, a total of four responses were received in response to this solicitation; and

WHEREAS, staff is requesting approval to award a contract to PNC. They are an approved Freddie Mac Targeted Affordable Housing Seller/Servicer and will act as our exclusive agent to underwrite a Forward Commitment for a permanent loan on the Project. The final loan terms and conditions will be subject to all Freddie Mac Forward Commitment program requirements and limitations; and

WHEREAS, PNC has offered 92.5 cents for the tax credits when the transaction closes and competitive construction and bridge financing. They will charge 1% of the loan amount and .5% of the amount of the bridge loan as a financing fee. There is also a \$28,000 fixed fee for underwriting legal fees.

A non-refundable deposit of \$25,000 (the "Application Deposit") will be paid to PNC. SAHA and its affiliates will be responsible for all costs incurred in connection with the underwriting and closing of the loan regardless of whether the closing of the transaction contemplated by this Application occurs, including, but not limited to, all third-party reports, processing, and underwriting costs, legal fees and expenses of Freddie Mac’s Counsel. A \$6,500 underwriting and processing fee will be charged at Loan Closing. PNC will be entitled to an Origination Fee. An origination fee equal to 1.25% of the Final Loan Amount will be earned at Rate Lock and Payable to Lender at Loan Closing. Final terms and pricing are not locked until PNC has received firm quote pricing and approval from Freddie Mac; and

WHEREAS, staff requests the Board of Commissioners authorize the President and CEO, or

designee, to execute all documents associated with this contract.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of San Antonio Housing Authority, hereby approves:

Section 1. The officers of SAHA and the Issuer, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 2. If any section, paragraph, clause, or provisions of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 3. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 4. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 5. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 6. This Resolution shall be in force and effect from and after its passage.

Passed and approved this 1st day of June 2022.

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

Attested and approved as to form:

Ed Hinojosa, Jr.
President and CEO

**San Antonio Housing Facility Corporation
Resolution 22FAC-04-29**

RESOLUTION 22FAC-04-29, AUTHORIZING THE AWARD OF A CONTRACT FOR DEBT AND EQUITY PROVIDER TO PNC BANK, NATIONAL ASSOCIATION ("PNC"), TO ACT AS OUR EXCLUSIVE AGENT TO UNDERWRITE A FORWARD COMMITMENT FOR A PERMANENT LOAN ON THE SNOWDEN PROJECT, TO PROVIDE CONSTRUCTION AND BRIDGE FINANCING, AND TO PROVIDE TAX CREDIT EQUITY

WHEREAS, Snowden Senior Apartments is planned as a 135-unit new construction apartment complex proposed on approximately 6.97 acres of vacant land located at 7223 Snowden Road, San Antonio, Texas, and is owned by the San Antonio Housing Finance Corporation (HFC), but will be transferred to the SAH Facility Corporation (FAC) at closing; and

WHEREAS, on February 2, 2022, the FAC received approval (Resolutions 6205 and 22FAC-01-25) to award a contract to Franklin Management Construction to serve as general contractor and partner for the project and will act as a Construction Manager at Risk assuming the risk of construction of the complex at the contracted price and will provide consultation to the FAC during construction and after the design of the complex; and

WHEREAS, on March 7, 2022, FAC issued a "Request For Information" (RFI) #2203-5260 for Low Income Tax Credit Investor and/or Construction Lender, which closed on March 17, 2022; and

WHEREAS, a total of four responses were received in response to this solicitation; and

WHEREAS, staff is requesting approval to award a contract to PNC. They are an approved Freddie Mac Targeted Affordable Housing Seller/Servicer and will act as our exclusive agent to underwrite a Forward Commitment for a permanent loan on the Project. The final loan terms and conditions will be subject to all Freddie Mac Forward Commitment program requirements and limitations; and

WHEREAS, PNC has offered 92.5 cents for the tax credits when the transaction closes and competitive construction and bridge financing. They will charge 1% of the loan amount and .5% of the amount of the bridge loan as a financing fee. There is also a \$28,000 fixed fee for underwriting legal fees.

A non-refundable deposit of \$25,000 (the "Application Deposit") will be paid to PNC. SAHA and its affiliates will be responsible for all costs incurred in connection with the underwriting and closing of the loan regardless of whether the closing of the transaction contemplated by this Application occurs, including, but not limited to, all third-party reports, processing, and underwriting costs, legal fees and expenses of Freddie Mac's Counsel. A \$6,500 underwriting and processing fee will be charged at Loan Closing. PNC will be entitled to an Origination Fee. An origination fee equal to 1.25% of the Final Loan Amount will be earned at Rate Lock and Payable to Lender at Loan Closing. Final terms and pricing are not locked until PNC has received firm quote pricing and approval from Freddie Mac; and

WHEREAS, staff requests the Board of Directors authorize the President and CEO, or designee,

to execute all documents associated with this contract.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Antonio Housing Facility Corporation, hereby approves:

Section 1. The officers of SAHA and the Issuer, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 2. If any section, paragraph, clause, or provisions of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 3. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 4. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 5. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 6. This Resolution shall be in force and effect from and after its passage.

Passed and approved this 1st day of June 2022.

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

Attested and approved as to form:

Ed Hinojosa, Jr.
Secretary/ Treasurer

San Antonio Housing Authority
RFI 2203-5260 LOW INCOME HOUSING TAX CREDIT INVESTOR
AND/OR CONSTRUCTION LENDER
Direct Solicitation

Email Address or Domain Name	Date Invited	Message
\@baml.com	Mar 9th 2022, 3:39 PM CST	
\@chase.com	Mar 9th 2022, 3:39 PM CST	
\@hudsonhousing.com	Mar 9th 2022, 3:39 PM CST	
\@phcllc.com	Mar 9th 2022, 3:39 PM CST	
josh.lappen@hudsonhousing.com	Mar 9th 2022, 3:39 PM CST	
olivio.c.ochoa@chase.com	Mar 9th 2022, 3:39 PM CST	
rchiriboga@phcllc.com	Mar 9th 2022, 3:39 PM CST	
rvandenhandel@phcllc.com	Mar 9th 2022, 3:39 PM CST	
valerie.a.williams@baml.com	Mar 9th 2022, 3:39 PM CST	



TAX CREDIT SOLUTIONS

April 13, 2022
Updated April 29, 2022

Via email

Ed Hinojosa Jr.
President and CEO
San Antonio Housing Facility Corporation
818 S. Flores St.
San Antonio, TX, 78204

**Re: Snowden Apartments, LP (the "Partnership")
Snowden Apartments, San Antonio, TX**

Dear Mr. Hinojosa:

Thank you for the opportunity to present this letter of intent to make an equity investment in your Partnership, subject to completion of PNC's underwriting and approval process. This letter of intent outlines certain terms and conditions that would be the basis of a partnership agreement (the "Partnership Agreement"), to be entered into among the general partner(s) listed below, an equity fund sponsored by PNC Bank, National Association ("PNC") or PNC directly, as the limited partner (the "Limited Partner") and a corporation affiliated with PNC as the special limited partner (the "Special Limited Partner").

Based on the information you provided to us, we have prepared this letter of intent under the following terms and assumptions:

1. TRANSACTION PARTICIPANTS

Partners

General Partner Interests	0.01%	Snowden Apartments GP, LLC (a single purpose for-profit entity) (the "General Partner")
Limited Partner Interests	99.98%	PNC or an affiliate
Special Limited Partner Interests	<u>0.01%</u>	PNC or an affiliate
	100.00%	

Other Participants

Developer:	San Antonio Housing Facility Corporation
Property Manager:	TBD PM
Contractor:	Franklin Construction
Guarantor:	San Antonio Housing Facility Corporation

Property

The property will have 135 apartment units and is located in San Antonio, Bexar County, Texas. The total development costs for the project are estimated to be \$33,899,895. The property will have no market rate

V-111620V-040320

Snowden Apartments, LP
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units and 135 tax credit units in one residential building and will include limited access entry, surveillance cameras, a community room, exercise room, and library. 54 of the apartment units shall be covered by a project based rental subsidy vouchers.

2. PARTNERSHIP TAX CREDITS

NEW CONSTRUCTION

Annual Tax Credit Reservation	\$1,500,000
Annual Tax Credit Generated	\$3,078,167
Assumed Tax Credit Rate	9.00%
Tax Credit Rate Locked at Admission	Yes
130% Basis Increase	\$7,892,735
Total Qualified Basis	\$34,201,851

3. PROJECT TIMING AND TAX CREDIT DELIVERY

KEY PROJECT BENCHMARKS

ESTIMATED DATE

Limited Partner Admission	July 2022
Construction Start	July 2022
Construction Completion	October 2023
Leasing Start	October 2023
Leasing Completion	October 2024
Mortgage Loan Commencement	March 2025
Receipt of State Designation (form 8609(s))	March 2026

<u>YEAR</u>	<u>NEW CONST/REHAB TAX CREDITS \$</u>
2024	\$1,074,074
2025-2033	\$1,500,000 annually
2034	\$425,926

4. LIMITED PARTNER CAPITAL CONTRIBUTIONS

Assuming the foregoing material assumptions are accurate and subject to the terms and conditions set forth in this letter of intent, including without limitation Section 14 (Due Diligence and Termination), and to the terms and conditions which would be included in the Partnership Agreement, PNC would agree to make capital contribution(s) to the Partnership payable in installments on an "as needed basis". The total capital contribution of \$13,873,613 (the "capital contribution") would be based upon the total projected federal low income housing tax credits to be delivered to the Limited Partner and Special Limited Partner multiplied by 92.50% (the "Tax Credit Price"). Each installment would be due within ten (10) business days of PNC's receipt and approval of documentation evidencing the satisfaction of the conditions to such installment(s) and to all previous installment(s) as follows:

FIRST INSTALLMENT \$2,774,723 or 20.00% of \$13,873,613

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- A. Fully executed Partnership Agreement.
- B. Valid carryover allocation, 10% test certification, and tax credit reservation.
- C. Acceptable owner's title insurance commitment and proforma of policy and endorsements.
- D. Fully executed construction loan documents.
- E. Fully executed bridge loan documents.
- F. Valid written permanent loan commitment(s).
- G. The closing draw, including all supporting documentation.
- H. Closing of all secondary loans.
- I. Unqualified tax opinion from PNC's legal counsel and satisfactory local counsel opinion.
- J. Construction Commencement or Notice to Proceed.

SECOND INSTALLMENT \$263,979 or 1.90% of \$13,873,613

- A. Receipt of the architect's certificate of substantial completion (AIA Form G704).
- B. Updated title policy and/or date/down thereto, including a zoning endorsement and deletion of all survey exceptions.
- C. ALTA/ACSM as-built survey.
- D. Receipt of certificates of occupancy for each building.
- E. Final inspection by PNC's construction consultant confirming completion.
- F. Evidence of Radon test results satisfactory to PNC, but only to the extent the property is located in a Radon Zone 1 or 2.
- G. Receipt of the draft cost certification from the project accountant.
- H. Evidence that at least 150% of the estimated cost to complete all outstanding punch list items has been held back from this installment.
- I. Verification that the Partnership and project are properly covered by insurance.
- J. Verification that the conditions of the previous installment(s) have been met.

THIRD INSTALLMENT \$9,751,087 or 70.29% of \$13,873,613

- A. Repayment of the PNC Bridge Loan.
- B. Verification that the Partnership and project are properly covered by insurance.
- C. Verification that the conditions of the previous installment(s) have been met.
- D. No sooner than July 15, 2024.

FOURTH INSTALLMENT \$978,232 or 7.05% of \$13,873,613

- A. Satisfaction of the conditions for achievement of Stabilized Occupancy (hereinafter defined).
- B. Mortgage Loan Commencement (hereinafter defined).
- C. Satisfactory completion of all punch list items.
- D. Evidence of filing for Form(s) 8609.
- E. 100% initial occupancy by tax credit qualified residents.
- F. Updated title policy and/or date/down thereto.
- G. Receipt of the final cost certification from the project accountant.
- H. Verification that the Partnership and project are properly covered by insurance.
- I. Verification that the conditions of the previous installment(s) have been met.

FIFTH INSTALLMENT \$105,592 or 0.76% of \$13,873,613

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- A. Final Determination by the Special Limited Partner that all Development Completion Obligations as defined in Section 9 (General Partner(s) Obligations), if any, have been satisfied.
- B. Receipt of Form K-1 for the first Fiscal Year of tax credit occupancy.
- C. Receipt of Form(s) 8609 and recorded LURA.
- D. Updated title policy and/or date/down thereto.
- E. Verification that the Partnership and project are properly covered by insurance.
- F. Verification that the conditions of the previous installment(s) have been met.

Stabilized Occupancy shall mean, for a period of three (3) consecutive months occurring immediately prior to Mortgage Loan Commencement, the achievement of:

- A. Ninety percent (90%) or greater physical occupancy by tenants paying contract rents under written leases;
- B. Eighty percent (80%) or greater economic occupancy as determined by the actual rental collections divided by the gross potential rent; and
- C. A minimum monthly Debt Service Coverage of 1.15x for each year of the compliance period, forward looking.

Evidence of Stabilized Occupancy shall be subject to the review and approval by the Special Limited Partner.

Mortgage Loan Commencement shall mean the first date following the latest to occur of (i) final construction completion and lease-up, (ii) determination by the mortgage lender and the Special Limited Partner of the final principal amount of the mortgage loan and (iii) satisfaction of the Debt Service Coverage test.

Debt Service Coverage shall mean the following calculation: operating revenue, less operating expenses (including the obligation to fund replacement reserves) divided by "must-pay" debt service on any mortgage loan (excluding debt service on loans payable from available cash flow), all utilizing the underwriting assumptions set forth in Section 12.

Funding (Draw) Process

Construction related installment(s) would be funded by PNC monthly following the achievement of the above benchmarks and upon receipt and approval of each draw request (during the construction or rehabilitation period) and supporting documentation acceptable to PNC. During the construction or rehabilitation period, draw documentation would include, but not be limited to, the following: Application and Certification For Payment (AIA Document G702 and G703), support documentation of expenditures, documentation review and written confirmation from the project inspecting architect and a third-party inspecting company approved by PNC, updated title endorsement, copies of change orders, updated construction budget, if applicable, and Conditional Waiver and Release Upon Progressive Payment (lien waiver) executed by the General Partner, General Contractor and subcontractors (as required by PNC).

The General Partner would be required to provide copies of each draw request, all change orders and all supporting documentation to the Limited Partner simultaneously with submission to the construction lender. The Limited Partner would have the right to approve change orders in excess of an amount to be determined during due diligence as well as those that change the scope of work or quality of materials utilized and those that would adversely affect timing of completion of construction.

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 April 13, 2022
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5. PAYMENT OF DEVELOPER FEES

The Partnership would be expected to pay a total development fee of \$2,749,000 from PNC's capital contribution(s), and/or from cash flow from operations.

<u>CAPITAL CONTRIBUTION(S)</u>	<u>FEE \$</u>	<u>Payable FEE %</u>
FIRST	\$263,979	25.00%
SECOND	\$263,979	25.00%
THIRD	\$0	0.00%
FOURTH	\$422,367	40.00%
FIFTH	\$105,592	10.00%
TOTAL CASH FEE	<u>\$1,055,917</u>	<u>100.00%</u>
DEFERRED FEE	<u>\$1,693,083</u>	
TOTAL DEVELOPER FEE	\$2,749,000	

To the extent PNC's capital contribution(s) or other funding sources would not be sufficient to pay the full development fee within thirteen years of the completion of construction, including interest at 4.00% or other rate to be determined during underwriting, the General Partner would be obligated to contribute capital to the Partnership to enable it to pay the remaining balance of the development fee.

6. DISTRIBUTION OF NET CASH FLOW

Beginning in the first year in which the achievement of Stabilized Occupancy has occurred, available net cash flow generated by the project after payment of operating expenses, debt service and replacement reserve deposits would be distributed within 45 days of the end of the year as follows:

- A. To PNC, \$75 per unit as a cumulative annual investor services fee, increasing 3.00% per year.
- B. To PNC, as a reimbursement for any fees, debts or liabilities owed to PNC.
- C. To the required replenishment of the Operating Reserve Account (hereinafter defined).
- D. To the extent taxable income is allocated to PNC, an amount equal to the taxable income multiplied by the sum of 5% plus the highest federal corporate tax rate for the current year.
- E. To the Developer, until payment in full of the development fee.
- F. To the General Partner, as a reimbursement for any fees, debts or liabilities owed to the General Partner or subordinate loans.
- G. 90% of the balance to the General Partner as payment of a non-cumulative incentive management fee (the "Incentive Management Fee") and, thereafter, to the extent that the Incentive Management Fee exceeds 12% of gross revenues (less any property management fees paid to an affiliate of the general partner), a distribution to the General Partner as a preferred return ("Preferred Return"), provided however, that in the event the distribution under this paragraph is paid as a Preferred Return, then in such event, there shall also be a gross income allocation to the General Partner for that Fiscal Year in an amount equal to such Preferred Return.
- H. Any remaining net cash flow shall be distributed 90.00% to the General Partner and 10.00% to PNC.

Interest reserve draws would be limited to that amount of monthly debt service which exceeds available net cash flow. The total amount of fees and distributions to the General Partner in its capacity as General Partner would not be permitted to exceed 90.00% of available net cash flow annually. No distribution of

Snowden Apartments, LP
April 13, 2022
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net cash flow would be made prior to Stabilized Occupancy at any time without the consent of the Special Limited Partner.

7. SALE OF THE PROPERTY OR PNC'S PARTNERSHIP INTERESTS

Option to Purchase the Property

During the twelve month period (the "Option Period") following the end of the fifteen year compliance period (the "Compliance Period"), the General Partner would be granted an option (the "Option") to acquire either the project (the "Asset Option") or the Limited Partner Interests and Special Limited Partner Interests (the "Partnership Interests" and the option to acquire being referred to as "the Interests Option"); and the Limited Partner and the Special Limited Partner being sometimes referred to collectively as the "Limited Partners") during such time in a manner conforming to the requirements of Section 42 of the Internal Revenue Code (the "Code"), as determined by tax counsel to PNC. The Option would expire one year after the end of the Compliance Period or terminate in the event the General Partner is removed. The purchase price of the project if acquired pursuant to the Asset Option would be the:

Greater of (A) the fair market value of the project or (B) the sum of all outstanding debt secured by mortgages on the project and any other obligations of the Partnership, including loans from any partner plus \$1.00 and all debts, exit taxes, fees, and obligations owed, if any, to the Limited Partners.

The purchase price of the limited partner interests if acquired pursuant to the Interests Option shall be the sum of:

(A) the fair market value of the partnership interests; (B) exit taxes payable in connection with the sale of the interests and (C) all debts, fees, and obligations owed, if any, to the Limited Partners.

If the General Partner has not acquired either the project or the Partnership Interests by the expiration of the Option Period, the General Partner shall, using a real estate broker of PNC's choice, begin marketing the project in an effort to sell the project to a third-party buyer. In addition, the Limited Partner may begin soliciting offers for the purchase of its Partnership Interests. If a bona-fide third-party purchase offer is received for either the project or the Partnership Interests which PNC desires to accept, a copy would be forwarded to the General Partner. If the General Partner does not purchase the project or the Partnership Interests at the bona-fide third-party purchase price within thirty (30) days of being presented the offer, then the project or the Partnership Interests could be sold by PNC and the proceeds, if the project is sold, distributed as described in Section 8 (Distribution of Net Cash Proceeds Upon Sale or Refinancing).

The fair market value of the project or the Partnership Interests shall be determined by mutual agreement of the parties or, in the absence of such agreement the General Partner and the Limited Partners shall select a mutually acceptable specialized affordable housing real estate broker (the "**Broker**") who shall determine the fair market value of the Project. Notwithstanding anything to the contrary, the minimum price for the Partnership Interests shall not be less than the greater of fair market value or the sum of (i) an amount equal to the proceeds that would have been distributed to the Limited Partner in liquidation of the Partnership from the hypothetical sale of the project at fair market value, and (ii) all debts, exit taxes and fees (to the extent that fair market value proceeds, as described above, fall short of any exit taxes and fees that accrue to the Limited Partners), and obligations, if any, owed to Limited Partners.

Snowden Apartments, LP
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Non-Profit Right of First Refusal

During the twelve month period following the end of the Compliance Period if the Partner(s)ship receives a bona-fide third-party offer to purchase the project, the General Partner or its affiliate, if it is a qualified non-profit purchaser as defined in Section 42(i)(7)(B) of the Code, would be entitled to exercise a right of first refusal to purchase the property at the minimum purchase price as defined in Section 42(i)(7)(B) of the Code, plus all fees, debts, exit taxes, and obligations, if any, owed to PNC.

Limited Partner Put

Notwithstanding anything to the contrary contained herein, the tax credit pricing assumption assumes that the Limited Partners shall have the right exercisable in their sole and absolute discretion to put their Partnership Interests at any time following the end of the credit period to the General Partner or its designee for a price equal to the sum of the following: (i) one thousand and No/100ths Dollars (\$1,000.00); (ii) the Limited Partners' costs and expenses incurred in connection with the transfer of their Partnership Interests; and (iii) all amounts due and owing to the Limited Partners including, but not limited to any adjustment amounts, investor services fees, debts or other obligations. Such transfer shall be made pursuant to an assignment and assumption agreement reasonably acceptable to the Limited Partners (which will address such matters as release and indemnity of the Limited Partners from and after the effective date of such assignment and assumption and, if during the Compliance Period, the continuation and ratification of the guarantees of the General Partner and Guarantor for tax credit recapture in accordance with the Partnership Agreement and certain ongoing compliance reporting obligations with respect to the tax credits).

8. DISTRIBUTION OF PROCEEDS FROM THE SALE OR REFINANCING OF THE PROJECT

Proceeds from the sale or refinancing of the project would be distributed as follows:

- A. To the payment of all debts and liabilities of the Partnership, excluding those owed to the General Partner.
- B. To the setting up of any reserves deemed reasonably necessary by PNC for contingency and/or conditional or unmatured liabilities.
- C. To the payment of any unpaid fees, exit taxes, or obligations, if any, owed to PNC.
- D. To the repayment of secondary loans.
- E. To the payment of any unpaid fees, debts or liabilities owed to the General Partner(s) including subordinate loans
- F. The balance, 89.99% to the General Partner, 0.01% to the Special Limited Partner and 10.00% to the Limited Partner.

9. GENERAL PARTNER(S) OBLIGATIONS

The General Partner and Guarantor would be required to perform or guarantee the customary duties and obligations of the General Partner, consistent with the representations and warranties, to ensure the successful development, maintenance, and operation of the property, including but not limited to maximizing tax credits and cash flow, maintaining insurance, setting up reserves, satisfying guarantees, prohibiting detrimental activities at the property, and working with the Limited Partner and Special Limited Partner on issues impacting the property and Partnership, including seeking consent on material matters. A summary of the obligations is outlined herein.

Development Completion

The Developer and the General Partner would be required to guarantee timely lien-free construction completion of all improvements substantially in accordance with the approved plans and specifications and without material defect. The Developer and the General Partner would be required to fund any development cost overruns through Stabilized Occupancy. Construction cost overruns funded by the General Partner(s) may be reimbursed by the Partnership if an analysis by PNC of the projected Limited Partner capital account does not project a potential reallocation of benefits. The reimbursement would be in the form of a non-interest bearing loan paid according to Section 7 (Sale of the Property or PNC's Partnership Interests) and Section 8 (Distributions of Net Cash Proceeds Upon Sale or Refinancing). Any balance owed in the event the General Partner is removed shall be repaid by the General Partner via a capital contribution or assigned to the Special Limited Partner or replacement General Partner as required by the SLP.

Operating Deficits

Following the achievement of Stabilized Occupancy, the General Partner would be required to guarantee the funding of any operating deficits for 60 months, in an amount not to exceed 6 months foreclosable debt service, operating expenses and replacement reserves, currently estimated to be \$555,865. Such operating deficits would be reduced first by deferring payment of fees or expenses, including the management fee due to any entity affiliated with the General Partner or Guarantor. Prior to the termination of the operating deficit guarantee, the Operating Reserve Account would be required to be fully funded, and the property would be required to have maintained Stabilized Occupancy calculated in a similar manner as the original calculation, but based on actual results and a 7% vacancy factor, for the four consecutive quarters period immediately prior to termination of the operating deficit guarantee period.

Additionally, if the project benefits from a property tax exemption or abatement, the General Partner and Guarantor shall guarantee all deficits associated with the loss or reduction of the exemption or abatement for the compliance period.

Subsidy Contract/Appropriations Guaranty [Remove or modify this section as applicable.]

The General Partner and Guarantor would be required to guarantee up to \$0 in deficits that result from any reduction in rental subsidy. The amount of guarantee assumes certain achievable rents and expenses after the loss of rental subsidy. To the extent that achievable rents or expenses are not realistic based on underwriting, then the amount of guarantee is subject to change. The assumed achievable rents and expenses are attached as an exhibit.

Tax Credit Recapture

In the event of a recapture of tax credits, the General Partner would be obligated to reimburse the Limited Partner the amount of the recaptured tax credits plus any associated penalties, interest or additional taxes due as a capital contribution. The General Partner would not be liable for a recapture event caused by a change in law or arising as a result of a sale, transfer or assignment of a Partnership Interest by the Limited or Special Limited Partner.

Repurchase Obligations

If certain sponsor, development, operational or tax credit benchmarks (such as placement in service, failure to receive historic designation, if applicable, issuance of 8609s, Mortgage Loan Commencement or

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Stabilized Occupancy) are not achieved by outside dates to be specified in the operating agreement for the Partnership, or if an event of default has occurred with respect to any loan on the project, or there is a bankruptcy of the Partnership, General Partner, controlling interest in the General Partner or Guarantor, the General Partner will be obligated to repurchase the Partnership Interests for a price equal to (a) the sum of (i) the amount of the previously contributed capital, plus (ii) interest on the amount of the previously contributed capital at 10% per annum, plus (iii) recapture penalties and expenses, minus (b) the amount paid for credits taken and not subject to recapture.

General Partner Removal

The Partnership Agreement shall contain provisions for the removal of the General Partner with cause. Upon request by the Special Limited Partner, any amounts owed by the Partnership to the General Partner and/or its affiliates shall be repaid by a General Partner capital contribution or assigned to the Special Limited Partner upon removal.

Net Worth and Liquidity

The General Partner, Developer and/or Guarantor would covenant to maintain aggregate net worth and aggregate liquidity of \$5,000,000 and \$2,000,000, respectively, until the expiration of the operating deficit guarantee period in support of their respective obligations, along with any additional parameters determined by PNC. Liquidity will be defined as unrestricted cash and unencumbered marketable securities held solely in the name of the General Partner and/or the Guarantor.

Guarantor

The Guarantor would be required to unconditionally guarantee all obligations of the General Partner and Developer.

10. PARTNERSHIP RESERVE(S)

Operating Reserves

The development budget would be required to include a funded operating reserve (the "Operating Reserve") equal to 6 months of operating expenses, replacement reserves and must-pay debt service, currently estimated to be \$555,865 to be funded from the Fourth Installment and to be held in an account at PNC Bank (the "Operating Reserve Account"). Funds shall remain in the Operating Reserve for the initial 15 year Compliance Period. The Operating Reserve may be utilized before any operating deficit guarantee obligation is funded.

11. CAPITAL ADJUSTMENTS

At PNC's discretion, the Partnership would be permitted to elect to defer the placed in service election and receipt of the tax credits for any individual building which is not 100% tax credit qualified by December 31st of that year. The timing and amount of the tax credits received by PNC is a critical component of its return. To the extent the actual tax credit delivery differs from the projections provided in Section 3 (Project Timing and Tax Credit Delivery), then PNC's capital contribution(s) would be modified as outlined below:

- A. Form(s) 8609 Tax Credit Decrease** - If the annual tax credit allocation on the form(s) 8609 is less than the amount forecast, then the next capital contribution(s) would be reduced by an amount equal

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to the total amount of credits that will not be received multiplied by the Tax Credit Price. If the remaining capital contribution(s) are not sufficient, then the General Partner(s) will be required to contribute the difference as capital. Upon such event, the forecasted tax credit schedule would be restated without change to the lease-up schedule attached to the Partnership Agreement upon closing.

- B. Form(s) 8609 Tax Credit Increase** - If the annual tax credit allocation on the form(s) 8609 is more than the amount forecast, then the final capital contribution would be increased by an amount equal to the total amount of the additional credits multiplied by the Tax Credit Price. Upon such event, the forecasted tax credit schedule would be restated without change to the lease-up schedule attached to the Partnership Agreement upon closing.
- C. Administrative Adjustment Request** - If the annual amount of tax credit forecasted to be delivered is delayed or challenged by the IRS due to the absence of the Form 8609 then the next capital contribution(s) would be reduced by an amount equal to the difference between the forecasted credits and actual credits multiplied by \$0.10 for each year the shortfall is delayed plus the amount of any other costs incurred by the Limited Partner such as penalties and interest.
- D. Tax Credit Delivery Delay** - If the annual amount of tax credit forecasted to be delivered is delayed, then the next capital contribution(s) would be reduced by an amount equal to the difference between the forecasted credits and actual credits multiplied by \$0.6144. If the remaining capital contribution(s) are not sufficient, then the General Partner(s) would be required to contribute the difference as capital.
- E. Tax Credit Delivery Acceleration** - If the annual amount of the forecasted tax credit to be delivered is accelerated, then the final capital contribution would be increased by an amount equal to the difference between the actual credits and the forecasted credits multiplied by \$0.3856.
- F. Placed In Service Delay** – If the placed in service date is later than December 31, 2023 for any building, then the capital contributions shall be reduced by an amount to be calculated during underwriting, which amount will offset the loss in yield due to the inability to take accelerated depreciation on that building(s).

12. FINANCING

The General Partner shall provide to PNC for its review and approval, copies of any grant agreements, loan commitments or financing documents for all financing sources. All of the financing sources listed below are assumed to be from qualified commercial lenders and qualify for the 9% tax credit applicable percentage except for certain soft, non-foreclosable financing, which shall be funded at closing. The minimum foreclosable Debt Service Coverage ratio would be 1.15x or such higher Debt Service Coverage ratio as may be required by the permanent lender(s). All financing commitments would be required to provide the Limited Partner with notice and cure rights, unrestricted transferability of its interests to PNC affiliates, and the ability to remove the General Partner for cause without lender consent according to the terms of the Partnership Agreement. All interim financing sources shall be committed and closed prior to admission of PNC to the Partnership. The maturity of any interim financing (including extensions) would be required to exceed the expected Mortgage Loan Commencement date by a reasonable period, which shall be determined by PNC during underwriting. All permanent financing would be required to non-recourse to the Partnership. The anticipated sources are as follows:

Interim Source(s)

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<u>Lender</u>	<u>Amount</u>	<u>Index</u>	<u>Spread</u>	<u>Rate</u>	<u>Funding-Type</u>
Sponsor Loan	\$1,322,600	N/A	N/A	0.00%	Draw
San Antonio Housing Authority	\$8,640,000	N/A	N/A	0.00%	Draw
PNC Construction Loan	\$8,370,000	BSBY	3.25%	4.00%	Draw
PNC Bridge Loan	\$9,751,087	BSBY	2.75%	3.50%	Draw

Permanent Source(s)

<u>Lender</u>	<u>Cash Flow</u>	<u>Amount</u>	<u>Rate</u>	<u>Term</u>	<u>Amort</u>
Sponsor Loan	Yes	\$1,322,600	2.25%	360 mos.	N/A
San Antonio Housing Authority	Yes	\$8,640,000	2.25%	360 mos.	N/A
TBD Perm	No	\$8,370,000	5.00%	216 mos.	480 mos.

Grant(s), Soft Loans, and State Tax Credit Equity

All grants, soft loans and state tax credit equity would be required to be contributed to the Partnership prior to admission of the Limited Partner and Special Limited Partner or in such other manner as acceptable to PNC.

<u>Other Sources</u>	<u>Funding Date</u>	<u>Amount</u>
San Antonio Local Government Grant	July 2022	\$500

Underwriting Assumptions

- All assumed monthly rent levels will provide at least a 10% rental advantage to comparable market rate units, and rental assistance will be assumed not to be renewed after the end of the initial contract period.
- Depreciable lives of the real and personal property are assumed to be 30 and 5 years, respectively. Personal property is assumed to be \$7,000 per unit. It is also assumed that the Partnership will elect to take accelerated depreciation on personal property and site work. To the extent delays in completion prevent the usage of this accelerated depreciation, the price of the tax credits will be discounted in an amount sufficient to offset the loss in yield to the ILP.
- A vacancy rate of the higher of market or 7% will be utilized. Income and expenses will be trended at 2% and 3%, respectively, unless available HUD AMI or market information warrants different escalators and operating expenses for purposes of Debt Service Coverage shall be the higher of underwritten or actual except for taxes and insurance which shall be based on actuals.
- The projected sources/uses, net operating income, and tax credit delivery assumptions are attached.
- Within six months after placement in service, the Partnership would be required to deposit monthly into a Replacement Reserve Account \$20.83 (\$250 per unit per year) or such higher amount as determined by the third-party construction consultant or lender increasing thereafter by 3% annually.
- Any related party loans or loans from entities affiliated with the General Partner, Developer, or Guarantor shall be soft in all respects, subordinate to any PNC financing, and non-foreclosable

while PNC is a partner or lender in the transaction. Insurance premiums will be underwritten at premiums readily available on a stand-alone basis.

13. PROPERTY MANAGEMENT, ACCOUNTING, CONTRACTOR AND INSURANCE

Property Manager

The property manager would be required to be approved by PNC. The General Partner would be required to provide or cause the property management agent (the "Property Manager") to provide management reports to the Limited Partner in a timely manner concerning operations, occupancy, and other information essential to the management of the project including, at a minimum: operating reports, tax credit tenant eligibility reports, tax credit occupancy reports, annual operating budgets, certificates of insurance, property management agreement, management plan, tax credit monitoring, audit and lender correspondence, inspection reports, and tax credit certification documentation as updated and/or received by the General Partner and Property Manager.

All property management agreements would be for a one-year term and be required to include a termination clause allowing either the General Partner or the Property Manager to terminate the agreement by giving a 30-day advance written notice to the other party. Upon the occurrence of certain events, including any material violations, negligence or misconduct or inadequate reporting, the Special Limited Partner would have the option to replace the Property Manager. If the Property Manager is an affiliate of the General Partner, the Developer, or the Guarantor, the Property Manager would also be required to agree to defer or accrue the management fee, if necessary, to prevent an operating deficit or a default under the permanent mortgage loan(s). If the general partner is a non-profit performing supportive services, it shall also agree to accrue any related overhead associated with performing such services, if necessary, to prevent an operating deficit or a default under the permanent mortgage loan(s).

Partnership's Accountants Obligations

The Partnership's accountant would be required to have prior experience with low income housing tax credits and to be approved by PNC. The General Partner would be required to provide or cause the Partnership's accountant to provide federal and state tax returns and audited Partnership financial statements by February 15th of each year. Any delays beyond the agreed upon report date(s) may result in a \$100 per day penalty to the General Partner.

Real Estate Title Insurance

The Partnership would be required to obtain an extended ALTA owner's title insurance policy in an amount not less than the sum of the permanent mortgage(s), the General Partner and Limited Partner's capital contribution(s) and any other permanent sources of funds such as grants, with all standard exceptions deleted or approved along with fairways, non-imputation and any other requested endorsements.

General Contractor and Contract

The construction contract would be required to be for a fixed price contract in form and substance acceptable to PNC including retainage, draw provisions, and allowances, and the General Contractor would be required to be bonded in a manner satisfactory to the Limited Partner and a hard cost contingency would be required outside of the construction contract in an amount no less than 5% of all hard costs, general

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conditions, and contractor profit and overhead, subject to review and acceptance by the third-party inspecting architect.

Commercial Property Insurance

The Partnership would be required to obtain insurance from acceptable carriers with a minimum rating of A: Class VII by A.M. Best or "A" by Standard & Poor's, naming the Partnership and the Limited Partner as a named insured party and containing a minimum of the following (along with such other insurance as PNC might from time to time require): commercial general liability coverage of \$1,000,000 per occurrence / \$2,000,000 general aggregate; umbrella/excess liability insurance of \$4,000,000 per occurrence and in the aggregate; builders risk insurance through the completion of construction; all risk, fire and extended coverage in an amount equal to the full replacement value; worker's compensation insurance; 12 months business interruption insurance; earthquake insurance (in earthquake zones); flood insurance coverage (in flood zones); wind coverage, including a deductible of no greater than 3%, in hurricane zones.

14. DUE DILIGENCE AND TERMINATION

During the due diligence period, PNC will conduct a due diligence review and negotiate with the General Partner, in good faith, the terms and provisions of mutually acceptable legal documentation. The due diligence review will include, without limitation, the verification of factual representations made by the General Partner, a review of the property and Partnership documents, a site visit and an evaluation of the following: the experience and expertise of the General Partner, General Contractor, architect and Property Manager; the financial condition of the Guarantor; property area market; an appraisal of the property; a zoning report; the construction schedule; the total development budget; the residual potential of the property; property title, title insurance and available endorsements; capital account analysis; Phase I environmental assessment and all subsequent environmental reports; and other relevant factors. PNC may also commission consultants to perform market analysis, construction, insurance, and environmental reviews.

The price and terms included in this letter of intent are premised upon the information provided by the General Partner. Admission of PNC to the Partnership as a limited partner by the end of the month of admission projected in Section 3 herein is subject to the completion of the due diligence review, (and) approval of the transaction by PNC's investment committee ("IC"), and approval by the investor(s) to whom PNC will be syndicating this investment. If, at any time, any event occurs and becomes known to the General Partner(s) which causes the assumptions and statements contained herein to be untrue or misleading, the General Partner(s) agrees to immediately notify PNC of the event(s) and will provide information which will correct the assumptions and/or statements.

The General Partner and PNC acknowledge that, except as specifically set forth in this Section 14 - Due Diligence and Termination, no legally enforceable relationship shall exist between General Partner and PNC unless and until IC shall have approved the proposed transaction and the parties shall have executed the Partnership Agreement and any other required transaction and financing documents. PNC reserves the right, at its option, to decline the proposed transaction or to propose new terms upon which a transaction could be approved at any time during the due diligence period.

Exclusive Right to Acquire

The General Partner grants PNC the exclusive right to acquire the Partnership Interests commencing on the date of the initial execution of this letter of intent by the General Partner and terminating 60 days after

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receipt by PNC of all due diligence documents. The due diligence documents to be delivered are more fully described in the syndication package that will be sent to the General Partner upon receipt of a fully executed copy of this letter.

Good Faith

In the event this transaction is not consummated for any reason, including but not limited to: (i) failure of the General Partner to negotiate in good faith, (ii) failure to provide due diligence documentation, (iii) sale or intent to sell an interest in the Partnership to another purchaser, or (iv) any misrepresentation of a material factual matter, the General Partner shall reimburse PNC for all of its due diligence and transaction costs, including but not limited to legal expenses, appraisals and market studies, environmental, insurance and engineering reviews, and site visits.

Due Diligence Costs

PNC expects to incur due diligence and legal costs in the amount of \$83,000 for the underwriting and admission of PNC or its affiliates as Limited Partner to the Partnership. **These costs will be paid by PNC.** However, to the extent the normal and customary due diligence costs exceed this amount, the General Partner shall reimburse PNC for any excess costs. Such reimbursement agreement shall be in addition to any other obligations in this letter of intent. PNC will provide the Developer and General Partner with periodic updates as to the costs incurred.

Additional Properties

The General Partner, Developer or an affiliated party shall not construct any additional rental units within a one mile radius of this property without the consent of the Special Limited Partner, which shall not be unreasonably withheld, conditioned, or delayed. The General Partner, Developer and or any affiliated party ("Developer Entities") shall provide PNC with an exclusive opportunity to acquire the majority limited partnership interest in any such additional rental units. PNC's terms shall be consistent with those offered herein and pricing will be based on that paid by PNC for similar transactions in the past 12 months. Developer Entities agree to work exclusively with PNC to finalize terms and shall not solicit other offers for this investment until such time as PNC shall have declined to make such offer. PNC shall have 30 days from receipt of information sufficient to analyze the investment opportunity and to provide such offer to the Developer Entities or decline to make an offer. If PNC declines to make such offer, the exclusivity arrangement will be terminated.

Confidentiality

The General Partner acknowledges that this letter of intent contains confidential information and agrees not to disclose either orally or in writing its contents to any third party other than the General Partner's accountant(s) and attorney(s), the applicable state tax credit agency, and the General Partner's financing sources with respect to the property, without the express prior written consent of PNC, and further agrees to advise its representatives that the representatives shall not disclose either orally or in writing the contents of this letter of intent.

Sale to a Third Party

The General Partner acknowledges that if PNC approves the investment and acquires the Limited Partner and Special Limited Partner Interests, those partnership interests may be sold or assigned in whole or part.

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In connection therewith, PNC may disclose to PNC's investors or proposed investors the information previously supplied about the transaction, the Partnership, Developer, General Partner and the Guarantor. The General Partner, Developer, and Guarantor shall supply PNC such further information its counsel or its investor(s) may require to effectuate a sale or assignment. The Partnership, General Partner, Developer and Guarantor each further agree to execute such documents, agreements, and instruments as may be necessary or expedient to facilitate the sale or assignment of the Limited Partner and/or Special Limited Partner Interests including, but not limited to, updated or revised Partnership counsel opinions.

USA PATRIOT Act Notice

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions (including PNC Bank, National Association and its subsidiaries) to obtain, verify, and record information that identifies each person who establishes a formal relationship with such institution. What this means for you -- when you enter into a business relationship with PNC Bank, we will ask you your name, street address, tax ID number and other pertinent information that will allow us to identify you. We may also ask to see your organizational documents or other identifying information. We appreciate your business and patience with our compliance efforts.

If this letter of intent correctly reflects our understanding and agreement concerning the framework of the proposed investment, please so indicate by signing in the space below and returning the original. **If not signed and returned to PNC by May 8, 2022, PNC may either change the terms of the offer or cease to evaluate the opportunity.** The timing assumptions included herein are a critical component to the investment structure and time is of the essence. The General Partner agrees to cooperate in providing information necessary to receive preliminary investor approval, which shall include but not be limited to, financial statements, project information, market study, tax credit application, and authorization to perform background and credit reference checks. The executed letter will not be considered final if it includes handwritten markups.

Should you have any questions, please do not hesitate to call. We look forward to working with you on this and future partnerships.

Sincerely:

PNC Bank, National Association



Vice President

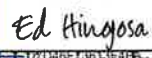
Date: April 29, 2022

Agreed and Accepted:

Snowden Apartments GP, LLC
the Managing General Partner

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DocuSigned by:


Ed Hinojosa Jr. Secretary/Treasurer

Date 5/5/2022

Guarantor Acknowledgement:

San Antonio Housing Facility Corporation

DocuSigned by:


Ed Hinojosa Jr. Secretary/Treasurer
5/5/2022
ATTACHED: PROJECTIONS



TAX CREDIT SOLUTIONS

Snowden Apartments, LP, a 135 Unit Affordable Elderly Development located in San Antonio, TX

Financial Projections & Assumptions

Capital Contribution Developer Fee Payments						
Capital Contribution Installments	Anticipated Funding Date	Funding Condition	Total Capital Contribution	Installment Percentage %	Development Fee Contribution	Development Fee Percentage %
Admission	July-2022	Admission	\$ 2,774,723	20.0%	\$ 263,979	25.0%
Second	November-2023	Compl	263,979	1.9%	263,979	25.0%
Third	July-2024	Date Certain	9,751,087	70.3%	-	0.0%
Fourth	March-2025	3DSCR	978,232	7.1%	422,367	40.0%
Fifth	March-2026	8609	105,592	0.8%	105,592	10.0%
Total Capital Contributions			\$ 13,873,613	100.0%	\$ 1,055,917	100.0%

Sources and Uses	
Source Category	Total Source
Investment Limited Partner	\$ 13,873,613
General Partner	100
Hard Financing	8,370,000
Cash Flow Financing	9,962,600
Grants	-
Other Financing	500
Deferred Development Fee	1,693,083
Total Sources	\$ 33,899,895

Use Category	Total Use
Land and Acquisition Costs	\$ 1,224,630
Hard Costs	25,069,491
Soft Costs	3,304,280
Financing Costs	996,629
Op Reserve (Paid with Fourth Install)	555,865
	-
Uses After Completion	555,865
Development Fees	2,749,000
Total Uses	\$ 33,899,895

Stabilized Debt Coverage Ratio	1.16
Year 15 Debt Coverage Ratio	1.25

Property Operations	
Category	Annual Amount
Potential Gross Rental Income	\$1,256,328
Less: Rental Vacancy @ 7.00%	(\$87,943)
Net Rental Income	\$1,168,385
Potential Other Income	\$24,300
Less: Other Vacancy @ 7.00%	(\$1,701)
Net Other Income	\$22,599
Effective Gross Income (EGI)	\$1,190,984
Fixed Expenses	
Real Estate Taxes	\$0
Property Insurance	\$45,383
Variable Expenses	
Management Fee	\$54,344
Administrative - General	\$67,542
Administrative - Payroll/Personnel	\$190,069
Repairs/Maintenance - General	\$122,750
Repairs/Maintenance - Payroll Maintenance	\$0
Repairs/Maintenance - Grounds	\$108,174
Other - TDHCA Compliance Fee	\$5,400
Gross Expenses Excl Reserves	\$593,662
Replacement Reserves	\$33,750
Net Operating Income (NOI)	\$563,572

Unit Breakdown						
Number of Units	Tax Credit Set-Aside Election %	Net Rent	Estimated Utility Allowance	Maximum Tax Credit Rent	Net Rent as a % of Maximum Rent	Advantage to Market
7	30%	\$341	\$60	\$417	81.9%	73%
17	50%	\$611	\$60	\$694	88.0%	52%
14	50%	\$849	\$60	\$694	122.3%	33%
13	60%	\$849	\$60	\$833	101.9%	33%
41	60%	\$746	\$60	\$833	89.6%	41%
7	30%	\$401	\$72	\$500	80.2%	75%
2	50%	\$725	\$72	\$833	87.0%	55%
14	50%	\$1,035	\$72	\$833	124.2%	36%
13	60%	\$1,035	\$72	\$1,000	103.5%	36%
7	60%	\$887	\$72	\$1,000	88.7%	45%
135		\$776	\$64	\$788	0.0%	44%

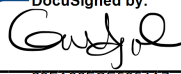
Financing					
Interim Loan Sources					
Lender	Loan Amount	Base Index	All-In Rate	Loan Fee	Funding Method
Sponsor Loan Construction	\$ 1,322,600	0	0.00%	0.00%	Draw
San Antonio Housing Authority (SAHA) Constr	\$ 8,640,000	0	0.00%	0.00%	Draw
PNC Bank Construction	\$ 8,370,000	BSBY	4.00%	1.00%	Draw
PNC Bank Bridge	\$ 9,751,087	BSBY	3.50%	0.50%	Draw
Total	\$ 28,083,687				
Permanent Loan Sources					
Lender	Loan Amount	All-In Rate	Term / Amort Months	Loan Fee	Development Cost %
Sponsor Loan	\$ 1,322,600	2.25% - Fixed	360/ Non-amort	0.00%	3.9%
San Antonio Housing Authority (SAHA)	\$ 8,640,000	2.25% - Fixed	360/ Non-amort	0.00%	25.5%
TBD Perm	\$ 8,370,000	5.00% - Fixed	216/480	0.00%	24.7%
Total	\$ 18,332,600				

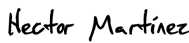
Tax Credit Delivery				Leasing Projection		
YEAR	CREDITS	YEAR	CREDITS	Month	2023	2024
2023	N/A	2029	\$ 1,500,000	Jan	0	41
2024	\$ 1,074,074	2030	\$ 1,500,000	Feb	0	13
2025	\$ 1,500,000	2031	\$ 1,500,000	Mar	0	12
2026	\$ 1,500,000	2032	\$ 1,500,000	Apr	0	11
2027	\$ 1,500,000	2033	\$ 1,500,000	May	0	12
2028	\$ 1,500,000	2034	\$ 425,926	Jun	0	10
				Jul	0	7
				Aug	0	6
				Sep	0	7
				Oct	0	8
				Nov	0	8
				Dec	0	0
				Total	0	135
				Effective %	0.0%	71.6%
				Year Unit Avg	N/A	12.3
				Tax Credits	\$ -	\$ 1,074,074

SAN ANTONIO HOUSING AUTHORITY**June 1, 2022****BOARD OF COMMISSIONERS
Regular Board Meeting****RESOLUTION 6247, AUTHORIZING THE EXPENDITURE OF ADDITIONAL FUNDS FOR VILLA
TRANCHESE FIRE PROTECTION IMPROVEMENTS TO RANGER BUILDERS, LLC FOR AN
AMOUNT NOT TO EXCEED \$764,462.50**

DocuSigned by:

 Ed Hinojosa, Jr.
 President and CEO

DocuSigned by:

 George Ayala
 Director of Procurement

DocuSigned by:

 Hector Martinez
 Director of Construction
 and Sustainability Services

REQUESTED ACTION:

Consideration and approval regarding Resolution 6247, authorizing the expenditure of additional funds for Villa Tranchese Fire Protection Improvements to Ranger Builders, LLC for an amount not to exceed \$764,462.50.

FINANCIAL IMPACT:

The cost for the additional services is not expected to exceed the amount of \$764,462.50. This project will be funded through the Capital Fund Program.

SUMMARY:

Villa Tranchese Apartments, built-in 1972, is a Senior/Disabled, nine-story high-rise community located near downtown San Antonio. This community is comprised of 201 units, including 40 efficiencies, 142 one-bedroom units, and 19 two-bedroom units.

On November 12, 2015, the City of San Antonio adopted Ordinance 2015-11-12-0946 requiring that not later than twelve (12) years (December 31, 2027) after the first effective date of this Ordinance (January 1, 2016), the building owner shall install an automatic sprinkler system in accordance with the adopted standards of the International Fire Code on all floors of the building. This Ordinance applies to high-rise buildings defined as a building with an occupied floor located more than 75 feet (22.86 mm) above the lowest level of the Fire Department Vehicle access.

In order to meet the requirements of the City Ordinance, On June 6, 2019, SAHA received Board approval (Resolution 5935) authorizing the award of a contract for Fire Protection Improvements to expand and provide a comprehensive fire sprinkler and fire alarm system to include piping and detection devices at Villa Tranchese Apartments. The cost for this project was not expected to exceed the amount of \$3,057,850.00.

We are requesting additional funding in the amount of \$764,462.50 in order to absorb significant cost increases in labor and material that have, and continue to, escalate globally, with manufacturers facing shortages in raw materials, and extremely long lead times in delivery. The original Notice To Proceed was issued in September 2019 and the contractor began the shop drawing approval process, as the nature of this type of project typically has a deferred submittal process allowing for the contractor, not the design professional, to apply for, and obtain, design

SAN ANTONIO HOUSING AUTHORITY**June 1, 2022**

and permit approval from the City of San Antonio. However, as the COVID pandemic began to spread worldwide in early 2020, SAHA elected to modify operations in order to mitigate exposure and provide a safe working and living environment for staff and residents.

As the contractor had not yet begun working inside apartments, and with a high exposure risk of performing an intrusive retrofit project inside Senior/Disabled occupied apartments, a decision was made to pause the project, and not proceed with construction until the pandemic conditions eased, and safer work conditions returned. During this time, SAHA and the contractor re-engaged and began efforts to continue with project design and permitting. In February 2022, Ranger Builders, LLC submitted a request for increased funding, and a series of negotiations ensued, resulting in the amount now being requested.

The total amount requested represents a 25% increase to the original contract value, which aligns with the State of Texas statute limiting contract modification increases to 25%.

STRATEGIC OUTCOME:

SAHA residents live in quality affordable housing.

ATTACHMENTS:

Resolution 6247

Picture

Map

**San Antonio Housing Authority
Resolution 6247**

RESOLUTION 6247, AUTHORIZING THE EXPENDITURE OF ADDITIONAL FUNDS FOR VILLA TRANCHESE FIRE PROTECTION IMPROVEMENTS TO RANGER BUILDERS, LLC FOR AN AMOUNT NOT TO EXCEED \$764,462.50

WHEREAS, on November 12, 2015, the City of San Antonio adopted Ordinance 2015-11-12-0946 requiring that not later than twelve (12) years (December 31, 2027) after the first effective date of this Ordinance (January 1, 2016), the building owner shall install an automatic sprinkler system in accordance with the adopted standards of the International Fire Code on all floors of the building. This Ordinance applies to high-rise buildings defined as a building with an occupied floor located more than 75 feet (22.86 mm) above the lowest level of the Fire Department Vehicle access; and

WHEREAS, on June 6, 2019, SAHA received Board approval (Resolution 5935) authorizing the award of a contract for Fire Protection Improvements to expand and provide a comprehensive fire sprinkler and fire alarm system to include piping and detection devices at Villa Tranchese Apartments. The cost for this project was not expected to exceed the amount of \$3,057,850.00; and

WHEREAS, the original Notice To Proceed was issued in September 2019; however, as the COVID pandemic began to spread worldwide in early 2020, SAHA elected to pause the project, and not proceed with construction until the pandemic conditions eased, and safer work conditions returned. SAHA and the contractor re-engaged. In February 2022, Ranger Builders, LLC submitted a request for increased funding; and

WHEREAS, staff is requesting additional funding in the amount of \$764,462.50 in order to absorb significant cost increases in labor and material that have, and continue to, escalate globally, with manufacturers facing shortages in raw materials, and extremely long lead times in delivery. The total amount requested represents a 25% increase to the original contract value, which aligns with the State of Texas statute limiting contract modification increases to 25%; and

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

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

- 1) Approves Resolution 6247, authorizing the expenditure of additional funds for Villa Tranchese Fire Protection Improvements to Ranger Builders, LLC for an amount not to exceed \$764,462.50.
- 2) Authorizes the President and CEO, or designee, to execute all necessary documents associated with this contract.

Passed and approved the 1st day of June 2022.

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

Attested and approved as to form:

Ed Hinojosa, Jr.
President and CEO

Google Maps 307 Marshall St

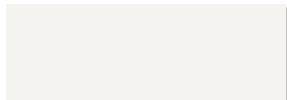


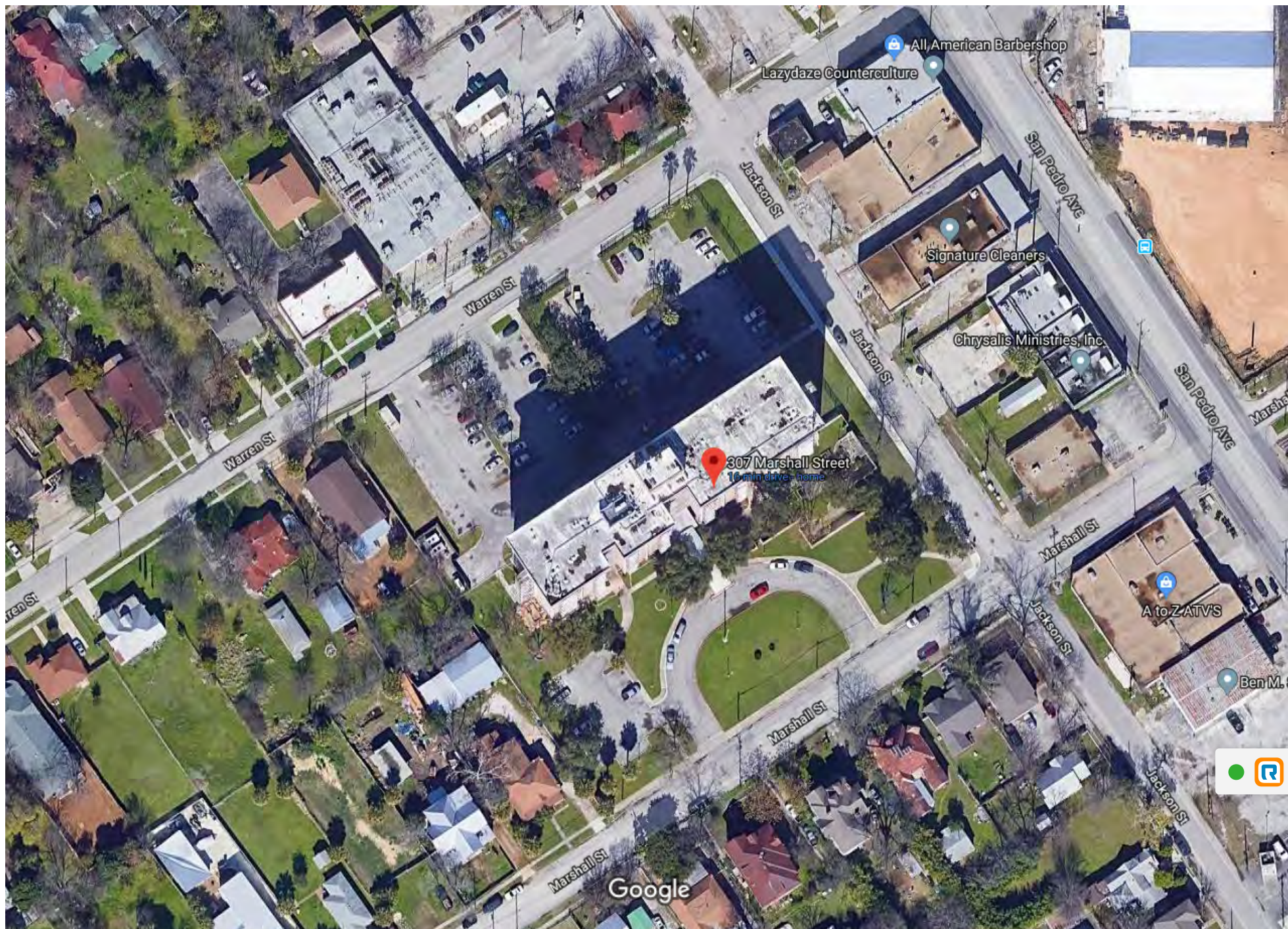
Image capture: Mar 2016 © 2016

San Antonio, Texas



Street View - Mar 2016





Imagery ©2019 DigitalGlobe, Texas Orthoimagery Program, Map data ©2019 Google

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SAN ANTONIO HOUSING AUTHORITY

June 1, 2022

BOARD OF COMMISSIONERS
Regular Board MeetingRESOLUTION 6246, APPROVING THE 2022 SMALL AREA FAIR MARKET RENT (SAFMR)
PAYMENT STANDARD SCHEDULE

DocuSigned by:

 D7D46F73613F4FA...
Ed Hinojosa, Jr.
 President and CEO

DocuSigned by:

 9385B8EF671943C...
Stephanie Rodriguez
 Director of Assisted Housing Programs

REQUESTED ACTION:

Consideration and approval regarding Resolution 6246, approving the 2022 Small Area Fair Market Rent (SAFMR) Payment Standard Schedule for the Housing Choice Voucher (HCV) Program and the Emergency Housing Voucher (EHV) Program at 96% - 107% of SAFMRs. The recommended 2022 Payment Standard Schedule will be effective with all HCVs and EHV's issued after July 1, 2022 and recertifications effective October 1, 2022.

FINANCIAL IMPACT:

There is an estimated monthly impact on the current Housing Assistance Payment for Housing Choice Vouchers and Emergency Housing Vouchers of \$1,025,877.00 or a 10.5% increase.

Table 1. Current and Proposed SAHA SAFMR Payment Standards Comparison

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
2022 SAFMR Payment Standard Schedule (Current)							
Group 1	608	713	865	1112	1368	1573	1778
Group 2	642	756	917	1183	1460	1679	1898
Group 3	722	846	1026	1321	1625	1868	2112
Group 4	780	922	1117	1435	1772	2038	2303
Group 5	827	970	1180	1530	1900	2185	2470
Group 6	884	1045	1264	1625	2005	2305	2606
Group 7	941	1112	1349	1739	2140	2461	2782
Group 8	988	1159	1406	1815	2233	2567	2902
Group 9	1088	1278	1554	2000	2466	2836	3205
Group 10	1159	1368	1658	2138	2632	3026	3421
2022 SAFMR Payment Standard Schedule (Proposed)							
Group 1	640	750	910	1170	1440	1656	1872
Group 2	675	795	965	1245	1530	1760	1989
Group 3	760	890	1080	1390	1710	1967	2223
Group 4	820	970	1175	1510	1865	2145	2425
Group 5	870	1020	1240	1600	1970	2266	2561

SAN ANTONIO HOUSING AUTHORITY**June 1, 2022**

Group 6	930	1100	1330	1710	2110	2427	2743
Group 7	990	1170	1420	1830	2250	2588	2925
Group 8	1040	1220	1480	1910	2350	2703	3055
Group 9	1145	1345	1635	2105	2595	2985	3374
Group 10	1220	1440	1745	2250	2770	3186	3601

SUMMARY:

On November 16, 2016, the U.S. Department of Housing and Urban Development (HUD) published the Small Area Fair Market Rents (SAFMR) Final Rule, which provides that designated Public Housing Agencies (PHAs) will use SAFMRs to determine Housing Choice Voucher (HCV) payment standards in lieu of using the annually published Metropolitan Fair Market Rents (MAFMR) schedule. Payment standard is defined as “the maximum assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family)” [24 CFR 982.4(b)]. HUD permits the housing authority to establish a payment standard amount for each unit size at any level between 90% and 110%—referred to as the “basic range”—of the FMR for the unit size [24 CFR 982.503(b)(1)(i)].

On January 17, 2018, HUD issued PIH Notice 2018-01 which required implementation of SAFMRs by April 1, 2018. SAHA submitted a waiver to HUD through SAHA’s FY2018-19 Moving to Work (MTW) Annual Plan requesting a delay in implementation for July 1, 2018. Using the MTW waiver, SAHA implemented SAFMRs through a Phase-In approach with two tiers of payment standards in Phase I effective July 1, 2018. This MTW activity also allows SAHA to set the payment standard outside of the 90 to 110% range. SAHA updated its payment standard schedule to ten zip code groups for Phase II effective January 1, 2020.

The proposed FY2022 100% median SAFMR Payment Standard Schedule, included in the table above, shows an increase in payment standards across all zip code groups and bedroom sizes. The increases vary by unit size from \$32.00 (Group 1, 0 BR) to \$180 (Group 10, 6BR). Although the board previously approved 95% median payment standards, a new analysis was completed at the 100% median to give families greater opportunity to find affordable housing. Staff believes these increases are more consistent with today’s current market trends and will expand housing opportunities for our families. With these increases, staff has estimated a total of \$1,025,877.00 in additional Housing Assistance Payments will be paid out each month after full implementation.

The range utilized in the proposed SAFMR Payment Standard calculations is between 96% and 107% of Fair Market Rents. In addition to this requirement, HUD requires housing authorities to establish payment standards for Emergency Housing Vouchers (EHV) parallel to the HCV Program payment standards. The proposed payment standards for 2022 will be effective with all Housing Choice Vouchers and Emergency Housing Vouchers issued after July 1, 2022 and recertifications effective October 1, 2022.

STRATEGIC OUTCOME:

SAHA residents have a sufficient supply of affordable housing options.

ATTACHMENTS:

Resolution 6246
Presentation

**San Antonio Housing Authority
Resolution 6246**

RESOLUTION 6246, APPROVING THE 2022 SMALL AREA FAIR MARKET RENT (SAFMR) PAYMENT STANDARD SCHEDULE

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) annually establishes fair market rents (FMRs) for each area in the United States; and

WHEREAS, HUD requires SAHA to establish voucher payment standards for each unit size; and

WHEREAS, SAHA staff request authorization to establish the 2022 Small Area Fair Market Rent (SAFMR) Payment Standard Schedule at the proposed amounts in order to ensure payment standards are compliant with federal regulations.

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

Resolution 6246, approving the 2022 SAFMR Payment Standard Schedule to be effective for all vouchers issued after July 1, 2022 and later and recertifications effective October 1, 2022 and later.

2022 SAFMR Payment Standard Schedule (Proposed)

Group 1	640	750	910	1170	1440	1656	1872
Group 2	675	795	965	1245	1530	1760	1989
Group 3	760	890	1080	1390	1710	1967	2223
Group 4	820	970	1175	1510	1865	2145	2425
Group 5	870	1020	1240	1600	1970	2266	2561
Group 6	930	1100	1330	1710	2110	2427	2743
Group 7	990	1170	1420	1830	2250	2588	2925
Group 8	1040	1220	1480	1910	2350	2703	3055
Group 9	1145	1345	1635	2105	2595	2985	3374
Group 10	1220	1440	1745	2250	2770	3186	3601

Passed and approved the 1st day of June 2022.

Attested and approved as to form:

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

Ed Hinojosa, Jr.
President and CEO



2022 SAFMR PAYMENT STANDARDS

BACKGROUND

Payment Standards

2

- SAHA is an SAFMR-designated PHA, meaning required to use **Small Area Fair Market Rent (SAFMR)** to determine Housing Choice Voucher (HCV) and Emergency Housing Voucher (EHV) payment standards
- **Payment Standard:** The maximum subsidy for a family assisted in the voucher program (before deducting the total tenant payment by the family)

BACKGROUND

SAFMR Policy

3

- Using MTW Activity FY2019-01, SAHA implemented SAFMRs through MTW Activity FY2019-01 with **two tiers of payment standards** effective July 1, 2018
- SAHA updated its payment standard schedule to **10 zip code groups** for Phase II effective January 1, 2020
- The proposed 2022 Payment Standard Schedule will be effective for **recertifications effective October 1, 2022 or later**, and all **vouchers issued with effective dates of July 1, 2022 or later**

SAFMR PAYMENT STANDARDS

4

	0 BR	1 BR	2 BR	3 BR	4 BR	5BR	6BR
Current Payment Standards							
Group 1	608	713	865	1112	1368	1573	1778
Group 10	1159	1368	1658	2138	2632	3026	3421
2022 Proposed Payment Standards							
Group 1	640	750	910	1170	1440	1656	1872
Group 10	1220	1440	1745	2250	2770	3186	3601

FINANCIAL IMPACT

5

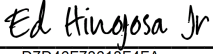
- There is an estimated monthly impact on the current Housing Assistance Payment for Housing Choice Vouchers and Emergency Housing Vouchers of **\$1,025,877.00 or a 10.5% increase**
- Due to biennial and triennial recertifications, the increase will be phased in over a period of three years

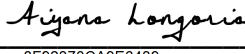
QUESTIONS?

SAN ANTONIO HOUSING AUTHORITY

June 1, 2022

BOARD OF COMMISSIONERS
Regular Board Meeting**RESOLUTION 6251, RESOLUTION IN SUPPORT OF THE THIRD AMENDMENT TO THE HOUSING AUTHORITY OF THE CITY OF SAN ANTONIO EMPLOYEES' MONEY PURCHASE PENSION PLAN AND TRUST, RESTATED EFFECTIVE JULY 1, 2021**

DocuSigned by:

D7D46F73613F4FA...
Ed Hinojosa, Jr.
President and CEO

DocuSigned by:

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Aiyana Longoria
Director of Human Resources

REQUESTED ACTION:

Consideration and approval regarding Resolution 6251, Resolution in support of the Third Amendment to the Housing Authority of the City of San Antonio Employees' Money Purchase Pension Plan and Trust, restated effective July 1, 2021. This Resolution amends the Employees' Money Purchase Pension Plan by adjusting the employer contribution for all eligible participants for compensation earned on or after June 11, 2022, to the sum of: (A) 11% of each participant's total Compensation plus (B) 5.7% of each participant's Excess Compensation (compensation in excess of the Social Security taxable wage base, if any).

This amendment makes no change with respect to the employer contributions made on behalf of eligible participants who were hired before July 1, 2017, and were not subsequently terminated and rehired. However, it will increase the employer contributions for all other eligible participants, who are currently receiving the sum of (A) 7% of total Compensation plus (B) 5.7% of Excess Compensation. The adjustment allows for an equitable contribution for all eligible participants.

FINANCIAL IMPACT:

Increasing the Employer contribution as contemplated by the Third Amendment would have an approximate initial impact of \$485,323.88 in FY 2022-2023. This amount is already budgeted in the retirement benefit; therefore, this action does not have a negative impact on the budget.

SUMMARY:

The Third Amendment will equalize the employer contribution for all eligible participants in the plan, by raising the amount contributed on behalf of eligible participants who were hired or rehired on or after July 1, 2017.

STRATEGIC OUTCOME:

SAHA Staff Thrive in Career and Professional Work.

ATTACHMENTS:

Resolution 6251

Third Amendment - Housing Authority of the City of San Antonio Employees' Money Purchase Pension Plan

**San Antonio Housing Authority
Resolution 6251**

RESOLUTION 6251, RESOLUTION IN SUPPORT OF THE THIRD AMENDMENT TO THE HOUSING AUTHORITY OF THE CITY OF SAN ANTONIO EMPLOYEES' MONEY PURCHASE PENSION PLAN AND TRUST RESTATED EFFECTIVE JULY 1, 2021

WHEREAS, on June 3, 2021, the Board of Commissioners (the "Commissioners") of the Housing Authority of the City of San Antonio ("Employer") approved the restatement of the *Housing Authority of the City of San Antonio Employees' Money Purchase Pension Plan and Trust* (the "Plan"), generally effective July 1, 2021; and

WHEREAS, Section 10.1.a. of the Plan provides that the Employer may amend the Plan at any time, provided that any amendment which affects the rights, duties, or responsibilities of the Trustee of the Plan may be made only with the Trustee's written consent; and

WHEREAS, the restated Plan has been amended two times; and

WHEREAS, the Commissioners now desire to amend the Plan to increase certain employer contributions to the Plan, in the form attached hereto as Exhibit A, which the Commissioners have reviewed; and have determined that no written consent of the Trustee is required, because such amendment does not affect the rights, duties, or responsibilities of the Trustee.

NOW, THEREFORE, BE IT RESOLVED that the Commissioners hereby:

- 1) Approve Resolution 6251, Resolution in support of the Third Amendment to the Housing Authority of the City of San Antonio Employees' Money Purchase Pension Plan and Trust, Restated Effective July 1, 2021, in the form attached hereto.
- 2) Authorize the President and CEO, or his designee, to execute all documents necessary to carry out the various transactions authorized above.

Passed and approved the 1st day of June 2022.

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

Attested and approved as to form:

Ed Hinojosa, Jr.
President and CEO

**HOUSING AUTHORITY OF THE CITY OF SAN ANTONIO
EMPLOYEES' MONEY PURCHASE PENSION PLAN AND TRUST
Restated Effective July 1, 2021**

THIRD AMENDMENT

WHEREAS, on June 3, 2021, the Board of Commissioners (the "Commissioners") of the Housing Authority of the City of San Antonio ("Employer") approved the restatement of the *Housing Authority of the City of San Antonio Employees' Money Purchase Pension Plan and Trust* (the "Plan"), generally effective July 1, 2021; and

WHEREAS, Section 10.1.a. of the Plan provides that the Employer may amend the Plan at any time, provided that any amendment which affects the rights, duties, or responsibilities of the Trustee of the Plan may be made only with the Trustee's written consent; and

WHEREAS, the restated Plan has been previously amended two times; and

WHEREAS, the Commissioners now desire to amend the Plan to increase certain Employer contributions to the Plan, which change does not affect the rights, duties, or responsibilities of the Trustee; and

WHEREAS, on June 1, 2022, the Commissioners adopted Resolution 6251, amending and restating certain provisions of the Plan as set out below.

NOW, THEREFORE, the Housing Authority of the City of San Antonio, in accordance with the provisions of the Plan pertaining to amendments thereof, hereby amends the Plan, effective June 11, 2022, to provide as follows:

Plan Section 5.1.b.1 is amended and restated in its entirety to read as follows:

"5.1.b.1 The Employer shall make Contributions ("Employer Contributions") on the following basis. For each Plan Year, the Employer shall contribute an amount which equals the sum of the following amounts on behalf of all Participants eligible to share in allocations for such Plan Year: (A) 11% of the total Compensation of such Participant, if hired by the Employer before July 1, 2017 and continuously employed by the Employer since such hire date, or 7% of the total Compensation of such Participant, if hired or rehired by the Employer on or after July 1, 2017 (the "Base Contribution"), plus (B) 5.7% of the Excess Compensation of such Participant (the "Excess Contribution"). Effective for Compensation earned on or after June 11, 2022; however, the Employer shall contribute an amount which equals the sum of the following amounts on behalf of all Participants eligible to share in allocations for the Plan Year: (A) 11% of the total Compensation of such Participant (the "Base

Contribution”), plus (B) 5.7% of the Excess Compensation of such Participant (the “Excess Contribution”).”

Except as hereby amended, the Housing Authority of City of San Antonio Employees’ Money Purchase Pension Plan and Trust, as restated effective July 1, 2021, and previously amended, is hereby ratified and confirmed.

EXECUTED this 1st day of June 2022.


EMPLOYER


**HOUSING AUTHORITY OF THE
CITY OF SAN ANTONIO**

By: _____
Edelmiro Hinojosa, Jr.
President and CEO

SAN ANTONIO HOUSING AUTHORITY**June 1, 2022****BOARD OF COMMISSIONERS
Regular Board Meeting**

RESOLUTION 6242, AUTHORIZING (I) THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (AURORA APARTMENTS) SERIES 2022A; (II) THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (AURORA APARTMENTS) SERIES 2022B (TOGETHER, THE “NOTES”); (III) THE LAS VARAS PUBLIC FACILITY CORPORATION (THE “ISSUER” OR “LVPFC”) TO APPROVE RESOLUTION 22LVPFC-04-26 AUTHORIZING THE NOTES; AND (IV) OTHER MATTERS IN CONNECTION THEREWITH

DocuSigned by:

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Ed Hinojosa, Jr.
President and CEO

DocuSigned by:

 D75A07309C0B466...
Timothy E. Alcott
Chief Legal and Real Estate Officer

REQUESTED ACTION:

Consideration and approval regarding Resolution 6242, authorizing (i) the Las Varas Public Facility Corporation Multifamily Housing Revenue Notes (Aurora Apartments) Series 2022A; (ii) the Las Varas Public Facility Corporation Multifamily Housing Revenue Notes (Aurora Apartments) Series 2022B (together, the “Notes”); (iii) the Las Varas Public Facility Corporation (the “Issuer” or “LVPFC”) to approve Resolution 22LVPFC-04-26 authorizing the Notes; and (iv) other matters in connection therewith.

FINANCIAL IMPACT:

The total project cost is expected to be approximately \$31,710,245.00 or approximately \$302,002.33 per unit. The developer is Fairstead Affordable, and they will give all required guarantees. The Issuer is expected to receive a fee of approximately \$200,000.00 in connection with the issuance of the Notes.

SUMMARY:

Final approval of the issuance of the Notes for the Aurora Apartments Project (the “Project”), a rehabilitation project proposed by Fairstead Affordable, located at 509 Howard Street, San Antonio, Texas 78212. The Project will consist of 105 units, all of which will be low income housing tax credit units serving families whose incomes average 60% or less of area median income (AMI), with 50% of the units to be set aside for families at 50% AMI or below. All units will have restricted rent and must accept Section 8 vouchers.

Up to \$20,000,000.00 of tax-exempt Notes will be issued by LVPFC, and equity contributions will be made to finance the construction and long term operations. LVPFC and SAHA will serve only as the conduit issuer and will not be involved in the ownership structure of the Project. The land and existing improvements (together, the “Premises”) will be acquired by Aurora Preservation LP, which will be a partnership between Fairstead Affordable and Rainbow Housing Assistance Corporation, which will lease the Premises to the Project partnership; LVPFC, SAHA, and the San Antonio Housing Facility Corporation will not participate in the project as either ground lessor or as a general partner of the partnership.

SAN ANTONIO HOUSING AUTHORITY

June 1, 2022

We are targeting a closing date of June 22, 2022, and construction is expected to begin in August 2022. The rehabilitation will take place on only a portion of the units at a given time to reduce tenant relocation outside the building. It is intended for all resident relocation to be internal to the building, but there is a written plan for both internal and external relocation should it be absolutely necessary for some residents to temporarily live outside the building during the course of the renovation. Neither SAHA nor LVPFC will be responsible for relocations, should that be necessary.

STRATEGIC OUTCOMES:

- SAHA residents have a sufficient supply of affordable housing options.
- SAHA residents live in quality affordable housing.

ATTACHMENTS:

Resolution 6242

Resolution 22LVPFC-04-26

Presentation

**CERTIFICATE FOR RESOLUTION
Resolution 6242**

The undersigned officer of the Housing Authority of the City of San Antonio, Texas (the "Authority") hereby certifies as follows:

1. In accordance with the bylaws of the Authority, the Board of Commissioners of the Authority (the "Board") held a meeting on June 1, 2022 (the "Meeting") of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

RESOLUTION 6242, AUTHORIZING (I) THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (AURORA APARTMENTS) SERIES 2022A; (II) THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (AURORA APARTMENTS) SERIES 2022B (TOGETHER, THE "NOTES"); (III) THE LAS VARAS PUBLIC FACILITY CORPORATION (THE "ISSUER" OR "LVPFC") TO APPROVE RESOLUTION 22LVPFC-04-26 AUTHORIZING THE NOTES; AND (IV) OTHER MATTERS IN CONNECTION THEREWITH

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

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

SIGNED AND SEALED this 1st day of June 2022.



Ed Hinojosa, Jr.
President and CEO

**San Antonio Housing Authority
Resolution 6242**

RESOLUTION 6242, AUTHORIZING (I) THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (AURORA APARTMENTS) SERIES 2022A; (II) THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (AURORA APARTMENTS) SERIES 2022B (TOGETHER, THE “NOTES”); (III) THE LAS VARAS PUBLIC FACILITY CORPORATION (THE “ISSUER” OR “LVPFC) TO APPROVE RESOLUTION 22LVPFC-04-26 AUTHORIZING THE NOTES; AND (IV) OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of San Antonio, Texas (the “Authority”) has created the Las Varas Public Facility Corporation (the “Issuer”) to finance affordable housing on its behalf; and

WHEREAS, the Issuer has developed a program of issuing Notes and loaning their proceeds to defray, in whole or in part, all reasonable or necessary costs incidental to the acquisition, renovation, construction, rehabilitation and improvement of land, improvements, and related property, which is intended to be occupied by persons of low or moderate income, as determined by the Issuer, all in order to alleviate a shortage of affordable rental housing within the City of San Antonio, Texas, for such persons of low or moderate income, and to refund such Notes; and

WHEREAS, the Issuer has been requested to issue its “Multifamily Housing Revenue Notes (Aurora Apartments) Series 2022A” and its “Multifamily Housing Revenue Notes (Aurora Apartments) Series 2022B” in the aggregate principal amount not to exceed \$20,000,000.00 (together, the “Notes”), the proceeds of which will be used to finance the cost of acquiring, rehabilitating, and equipping an existing 105-unit multifamily apartment facility to be known as the Aurora Apartments, located at 509 Howard Street, San Antonio, Bexar County, Texas (the “Project”) for Aurora Preservation LP, a Texas limited partnership (the “Borrower”); and

WHEREAS, the Issuer desires to issue the Notes pursuant to a Funding Loan Agreement (the “Funding Loan Agreement”) between the Issuer and U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”), and to loan (or otherwise make available) the proceeds thereof to the Borrower pursuant to a Project Loan Agreement (the “Project Loan Agreement”) among the Issuer, the Fiscal Agent, and the Borrower, all subject to the terms of a Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) among the Issuer, the Fiscal Agent, and the Borrower; and

WHEREAS, the loan will be evidenced by a Note issued under the Project Loan Agreement (the “Note”), and assignments of the Note (the “Assignments”) from the Issuer in favor of the Fiscal Agent; and

WHEREAS, a Note Purchase Agreement (the “Purchase Agreement”), setting forth certain terms and conditions upon which the Note purchaser will purchase the Notes and the Issuer will sell the Notes to the Note purchaser; and

WHEREAS, the Issuer is authorized to issue the Notes pursuant to the Texas Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended; and

WHEREAS, pursuant to 303.071 of the Texas Local Government Code, the Board of Commissioners of the Authority (the "Board") must approve and authorize the issuance of the tax-exempt Notes by the Issuer; and

WHEREAS, the Issuer has determined that issuance of the Notes is necessary to finance the costs of acquiring, rehabilitation, and equipping the Project; and

WHEREAS, the Board has determined that it is in the public interest and to the benefit of the citizens and residents of San Antonio for the Issuer to enter into the transactions described above so that the Partnership may rehabilitate the Project; and

WHEREAS, this Board has reviewed the foregoing and determined that the action herein authorized is in furtherance of the corporate purposes of the Issuer and that the terms and conditions of the Notes and the above-described instruments, including, without limitation, the dates, interest rates, maturities, redemption terms, and sales price of the Notes and the manner of disbursing the proceeds thereof are advisable.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the San Antonio Housing Authority hereby:

Section 1. The proposed development and the terms of the Notes, the Funding Loan Agreement, the Project Loan Agreement, the Note, the Regulatory Agreement, the Assignments, and the Purchase Agreement are hereby authorized and approved.

Section 2. The Chairman, any Vice Chairman, the Secretary/Treasurer (or Interim Secretary/Treasurer), and each Assistant Secretary/Treasurer, or any of them, are authorized and directed to execute and deliver (or to accept, as the case may be) any documents and other instruments upon the conditions therein described or necessary or desirable in connection with the issuance of the Notes and the financing of the Project or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 3. The Board has expressly determined and hereby confirms that the issuance of the Notes to assist in the financing of the Project will promote the public purposes set forth in Section 303.002 of the Act and will accomplish a valid public purpose of the Issuer by assisting persons of low and moderate income in the City to obtain decent, safe, and sanitary housing at affordable prices, thereby helping to relieve unemployment, to preserve and increase the tax base of the City, and to reduce public expenditures for crime prevention and control, public health, welfare, and safety and for other valid public purposes.

Section 4. The Notes and the interest thereon shall be limited obligations of the Issuer payable solely from the revenues, funds, and assets pledged under the Funding Loan Agreement to secure payment of the Notes, and under no circumstances shall the Notes be payable from any other revenues, funds, assets, or income of the Issuer.

Section 5. The Notes shall not constitute an indebtedness, liability, general, special, or moral obligation or a pledge or loan of the faith or credit or taxing power, within the meaning of any constitutional or statutory provision whatsoever, of the United States of America or any agency or instrumentality thereof, the State of Texas, the County of Bexar, the City of San Antonio, the Authority, or any other political subdivision or governmental unit.

Section 6. After the Notes are issued, this Resolution shall be and remain irrevocable until the Notes or interest thereon shall have been fully paid or provision for payment shall have been made pursuant to the Funding Loan Agreement.

Section 7. The Board hereby approves Resolution 22LVPFC-04-26 and authorizes the Notes to be issued in connection with the Project.

Section 8. If any section, paragraph, clause, or provision of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution. In case any obligation of the Issuer authorized or established by this Resolution or the Notes is held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

Section 9. The recitals of this Resolution are hereby found to be true and are incorporated herein for all purposes.

Section 10. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 11. This Resolution shall be in force and effect from and after its passage.

Passed and approved the 1st day of June 2022.

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

Attested and approved as to form:

Ed Hinojosa, Jr.
President and CEO

CERTIFICATE FOR RESOLUTION
Resolution 22LVPFC-04-26

The undersigned officer of the Las Varas Public Facility Corporation (the “Issuer”) hereby certifies as follows:

1. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on June 1, 2022 (the “Meeting”) of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

RESOLUTION 22LVPFC-04-26, AUTHORIZING THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING GOVERNMENTAL NOTES (AURORA APARTMENTS) SERIES 2022A AND THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING GOVERNMENTAL NOTES (AURORA APARTMENTS) SERIES 2022B; AND OTHER MATTERS IN CONNECTION THEREWITH

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

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

SIGNED this 1st day of June 2022.

Ed Hinojosa, Jr.
Secretary/Treasurer

**Las Varas Public Facility Corporation
Resolution 22LVPFC-04-26**

RESOLUTION 22LVPFC-04-26, AUTHORIZING THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING GOVERNMENTAL NOTES (AURORA APARTMENTS) SERIES 2022A AND THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING GOVERNMENTAL NOTES (AURORA APARTMENTS) SERIES 2022B; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Las Varas Public Facility Corporation (the “Issuer”) has developed a program of issuing Notes and loaning their proceeds to defray, in whole or in part, all reasonable or necessary costs incidental to the acquisition, renovation, construction, and improvement of land, improvements, and related property, which is intended to be occupied by persons of low or moderate income, as determined by the Issuer, all in order to alleviate a shortage of affordable rental housing within San Antonio, Texas, for such persons of low or moderate income, and to refund such Notes; and

WHEREAS, the Issuer has been requested to issue its “Multifamily Housing Revenue Notes (Aurora Apartments) Series 2022A” and its “Multifamily Housing Revenue Notes (Aurora Apartments) Series 2022B” in the aggregate principal amount not to exceed \$20,000,000.00 (together, the “Notes”), the proceeds of which will be used to finance the cost of acquiring, rehabilitating, and equipping an existing 105-unit multifamily affordable apartment facility to be known as the Aurora Apartments, located at 509 Howard Street, San Antonio, Texas 78212 (the “Project”) for Aurora Preservation LP, a Texas limited partnership (the “Borrower”); and

WHEREAS, the Issuer desires to issue the Notes pursuant to a Funding Loan Agreement (the “Funding Loan Agreement”) between the Issuer and U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”), and to loan (or otherwise make available) the proceeds thereof to the Borrower pursuant to a Project Loan Agreement (the “Project Loan Agreement”) among the Issuer, the Fiscal Agent, and the Borrower, all subject to the terms of a Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) among the Issuer, the Fiscal Agent, and the Borrower; and

WHEREAS, the loan will be evidenced by a promissory note issued under the Project Loan Agreement (the “Note”), and assignments of the Note (the “Assignments”) from the Issuer in favor of the Fiscal Agent; and

WHEREAS, the Issuer will be presented with a Note purchase agreement (the “Purchase Agreement”), setting forth certain terms and conditions upon which the Note purchaser will purchase the Notes and the Issuer will sell the Notes to the Note purchaser; and

WHEREAS, the Issuer is authorized to issue the Notes pursuant to the Texas Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended; and

WHEREAS, the Issuer has determined that issuance of the Notes is necessary to finance the costs of acquiring, rehabilitating, and equipping the Project; and

WHEREAS, the Board of Directors of the Issuer (the “Board”) has reviewed the foregoing and determined that the action herein authorized is in furtherance of the corporate purposes of the Issuer and that the terms and conditions of the Notes and the above-described instruments,

including without limitation the dates, interest rates, maturities, redemption terms, and sales price of the Notes and the manner of disbursing the proceeds thereof are advisable.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Las Varas Public Facility Corporation hereby:

Section 1. The terms of the Project Loan Agreement, the Funding Loan Agreement, the Note, the Regulatory Agreement, the Assignments, and the Purchase Agreement are hereby authorized and approved, when such documents are approved by the officer designated as the signatory on such document(s).

Section 2. The President, any Vice President, the Secretary/Treasurer, and each Assistant Secretary/Treasurer, or any of them, are authorized and directed to execute (to the extent required to be executed or acknowledged by the Issuer) and deliver (or to accept, as the case may be) the Funding Loan Agreement, the Project Loan Agreement, the Regulatory Agreement, the Note, the Assignments, the Purchase Agreement, and any and all certificates (including tax certificates) and other instruments described therein upon the conditions therein described or necessary or desirable in connection with the issuance of the Notes and the loan of the proceeds thereof to the Borrower, all upon the terms herein approved, and the President, the Vice President, the Secretary/Treasurer, and each Assistant Secretary/Treasurer, or any of them, are authorized to negotiate and approve such changes in the terms of or amendment to each such instrument as such officers shall deem necessary or appropriate upon the advice of counsel to the Issuer, and approval of the terms of each such instrument by such officers shall be conclusively evidenced by the execution and delivery of such documents.

Section 3. The Notes, in the aggregate principal amount of not to exceed \$20,000,000.00, with an interest rate (not including applicable premium) not to exceed 6% as set forth in the Funding Loan Agreement, and with a maturity date not to exceed December 31, 2042, in substantially the form and substance set forth in the Project Loan Agreement, are hereby approved, and the President, the Vice President, the Secretary/Treasurer, and each Assistant Secretary/Treasurer, or any of them, are hereby authorized and directed, for and on behalf of the Issuer, to execute the Notes or have their facsimile signatures placed upon them, and such officers are hereby authorized and directed to deliver the Notes, and the seal of the Issuer is hereby authorized and directed to be affixed or placed by facsimile on the Notes, if required. Authentication of the Notes upon the terms and conditions and in the manner described in the Funding Loan Agreement as the same may be modified is authorized by this Resolution. The final principal amounts, interest rates, maturity dates (not to exceed the amounts, the rates, and the maximum term set forth above), and final redemption dates and prices for the Notes shall be set forth in the final form of the Funding Loan Agreement, and the execution and delivery of the Funding Loan Agreement and any agreements relating to the purchase of the Notes by the Note Purchaser by the President, the Vice President, the Secretary/Treasurer, each Assistant Secretary/Treasurer, or any of them, shall constitute approval of the agreed final principal amounts of, interest rates on the Notes, maturity dates of the Notes, and the final redemption dates and prices for the Notes. The proceeds of the Notes are hereby authorized to be utilized as set forth herein and in the Project Loan Agreement and the Funding Loan Agreement.

Section 4. The Fiscal Agent shall be U.S. Bank National Association.

Section 5. Cantu Harden LLP, as Bond Counsel, is hereby ratified as the hearing officer

for purposes of the public TEFRA hearing regarding the Project.

Section 6. The President, the Vice President, the Secretary/Treasurer, each Assistant Secretary/Treasurer, or any of them, are hereby authorized to execute and deliver to the Fiscal Agent the written request of the Issuer for the authentication and delivery of the Notes by the Fiscal Agent in accordance with the Project Loan Agreement and the Funding Loan Agreement.

Section 7. All action and resolutions, not inconsistent with provisions of this Resolution heretofore taken by this Board and the officers of the Issuer directed toward the financing of the Project and the issuance of the Notes shall be and the same hereby is extended, ratified, approved, and confirmed. The officers of this Board, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the instruments approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 8. The Board has expressly determined and hereby confirms that the issuance of the Notes to assist in the financing of the Project will promote the public purposes in the Act and will accomplish a valid public purpose of the Issuer by assisting persons of low and moderate income in the City to obtain decent, safe, and sanitary housing at affordable prices, thereby helping to relieve unemployment, to preserve and increase the tax base of the City, and to reduce public expenditures for crime prevention and control, public health, welfare, and safety and for other valid public purposes.

Section 9. The Notes and the interest thereon shall be limited obligations of the Issuer payable solely from the revenues, funds, and assets pledged under the Project Loan Agreement to secure payment of the Notes, and under no circumstances shall the Notes be payable from any other revenues, funds, assets, or income of the Issuer.

Section 10. The Notes shall not constitute an indebtedness, liability, general, special, or moral obligation or a pledge or loan of the faith or credit or taxing power, within the meaning of any constitutional or statutory provision whatsoever, of the United States of America or any agency or instrumentality thereof, the State of Texas, the City, or any other political subdivision or governmental unit.

Section 11. After the Notes are issued, this Resolution shall be and remain irrevocable until the Notes or interest thereon shall have been fully paid or provision for payment shall have been made pursuant to the Project Loan Agreement.

Section 12. If any section, paragraph, clause, or provision of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution. In case any obligation of the Issuer authorized or established by this Resolution or the Notes is held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

Section 13. The recitals of this Resolution are hereby found to be true and are incorporated herein for all purposes.

Passed and approved the 1st day of June 2022.

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

Attested and approved as to form:

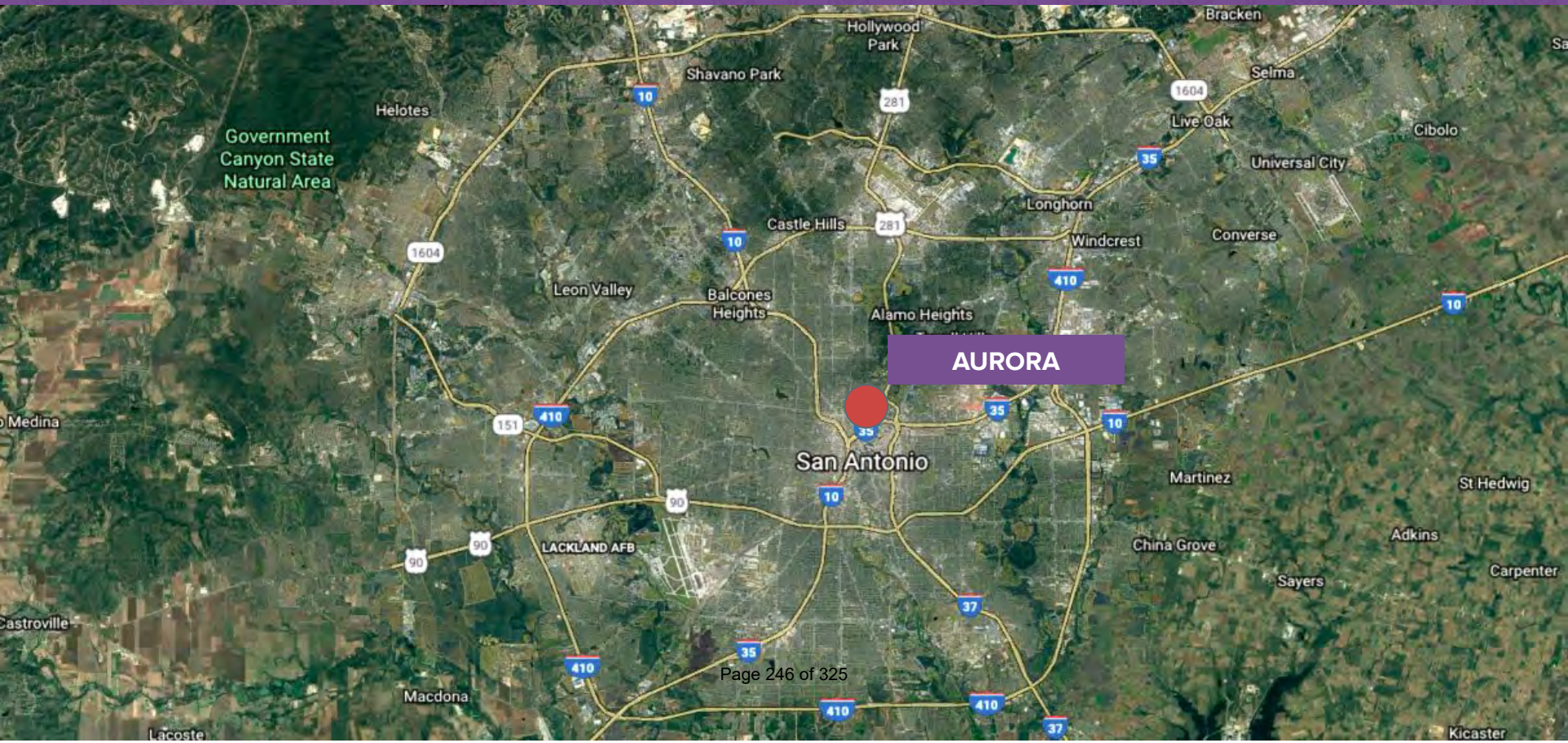
Ed Hinojosa, Jr.
Secretary/Treasurer



Aurora Apartments

Timothy Alcott, Chief Legal and Real Estate Officer
Lorraine Robles, Director of Development Services and Neighborhood
Revitalization

MAP



REGIONAL CENTERS

PHASE 1 CENTERS

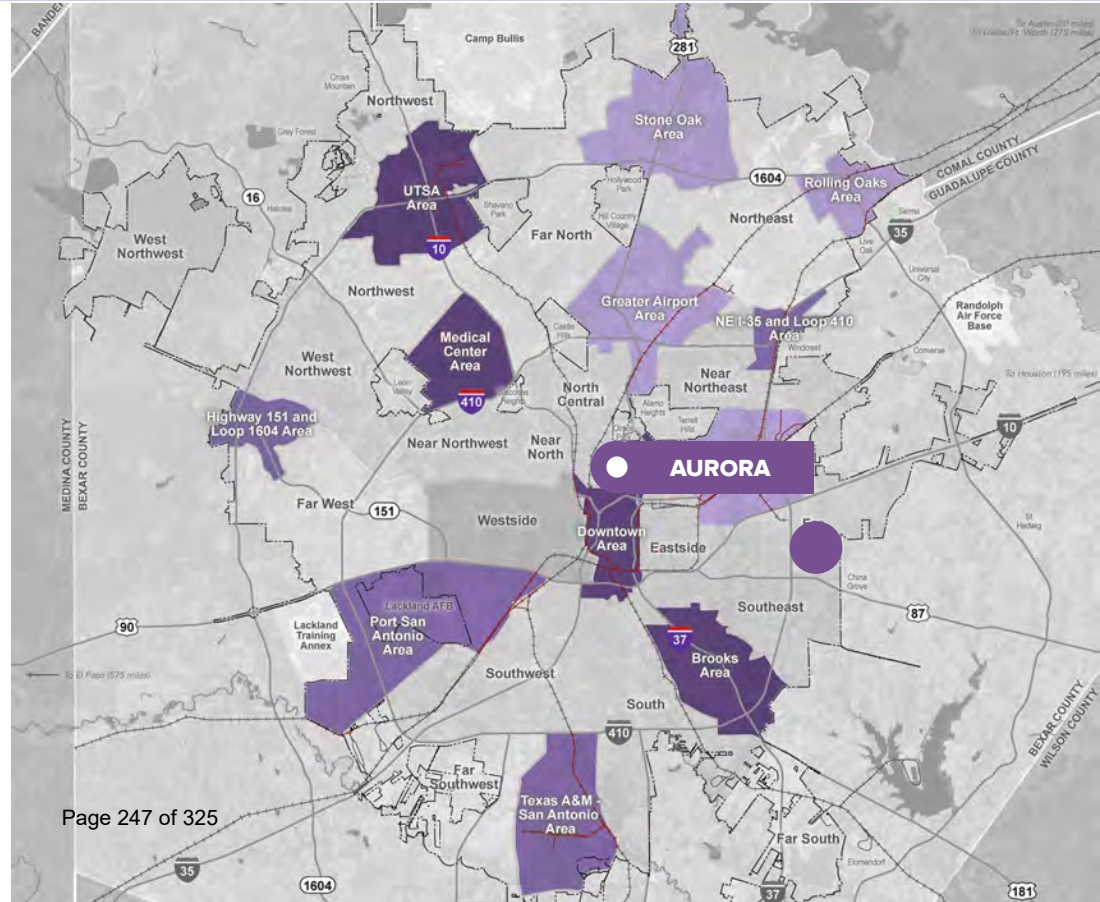
Downtown
Medical Center
UTSA
Midtown
Brooks

PHASE 2 CENTERS

NE I-35 and Loop 410
Highway 151 and Loop 1604
Texas A&M — San Antonio
Port San Antonio

PHASE 3 CENTERS

Greater Airport Area
Fort Sam Houston
Rolling Oaks
Stone Oak



AURORA APARTMENTS



OPPORTUNITY **LIVES HERE**
@SAHAhousing

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- ❖ City Council District 1
- ❖ San Antonio ISD
- ❖ 105 Units
 - 50% AMI - 53
 - 60% AMI - 52
- ❖ Bond Issuance
- ❖ Total Development Cost:
- ❖ \$31,710,245.00

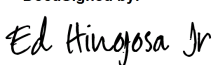
QUESTIONS?

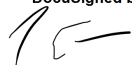
SAN ANTONIO HOUSING AUTHORITY

June 1, 2022

BOARD OF COMMISSIONERS
Regular Board Meeting

RESOLUTIONS 6244 AND 22LVPFC-04-27, AUTHORIZING THE LAS VARAS PUBLIC FACILITY CORPORATION TO APPROVE A RESOLUTION RELATING TO THE PROPOSED TAX EXEMPT BOND FINANCING FOR THE VIENTO APARTMENTS PROJECT

DocuSigned by:

D7D46F73613F4FA...
Ed Hinojosa, Jr.
President and CEO

DocuSigned by:

B75AC7309C8B400...
Timothy E. Alcott
Chief Legal and Real Estate Officer

REQUESTED ACTION:

Consideration and approval regarding Resolutions 6244 and 22LVPFC-04-27 authorizing the Las Varas Public Facility Corporation to approve a resolution relating to the proposed Viento Apartments Project.

FINANCIAL IMPACT:

None at this time.

SUMMARY:

The Board has previously authorized the Las Varas Public Facility Corporation ("LVPFC") to pass a non-binding resolution inducing the proposed Viento Apartments 4% tax credit project (the "Project"). The Project, which was induced by LVPFC on November 4, 2021 (the "Inducement Date"), is an approximately 324-unit project proposed by the NRP Group to be located on South Zarzamora Street near the intersection of SW Loop 410. It is proposed that all 324 units will be reserved for tenants with incomes that average 60% or less of median income, including 49 units (15%) reserved for tenants earning 30% or less of median income. The total project cost is estimated to be approximately \$65 million.

All 4% tax credit projects must be financed in part with tax-exempt bonds. In order to issue tax-exempt bonds, the issuer must obtain a volume cap allocation from the Texas Bond Review Board. LVPFC has previously approved the reassignment of the carryforward designation that it received for the canceled Old Pearsall Flats, Alazan Courts Apartments and St. John's Square projects, which it can reassign to the Project in order to obtain a volume cap allocation now, rather than waiting in line. This will enable the Project to move forward, begin putting the financing together and negotiate the specific terms of the deal, which we will bring back to you for approval.

Since the Inducement Date, the San Antonio Housing Trust Public Facility Corporation ("SAHTPFC") has agreed to serve as the sole member of the general partner of the partnership that will own and operate the Project. Thus, SAHA's participation in the project will be limited to issuing bonds through LVPFC. However, SAHA or its affiliate will receive an option to purchase the Project for outstanding debt plus exit taxes. The attached resolution approves the reassignment of carryforward designation to the Project and consents to and acknowledges the participation of SAHTPFC.

SAN ANTONIO HOUSING AUTHORITY

June 1, 2022

STRATEGIC OUTCOME:

SAHA residents have a sufficient supply of affordable housing options.

.

ATTACHMENTS:

Resolution 6244

22LVPFC-04-27

Presentation

**San Antonio Housing Authority
Resolution 6244**

RESOLUTION 6244, AUTHORIZING THE LAS VARAS PUBLIC FACILITY CORPORATION TO APPROVE A RESOLUTION RELATING TO THE PROPOSED TAX EXEMPT BOND FINANCING FOR THE VIENTO APARTMENTS PROJECT

WHEREAS, one of the San Antonio Housing Authority's strategic goals is to expand the supply of affordable housing; and

WHEREAS, a principal financing mechanism for new affordable housing is the 4% low income housing tax credit; and

WHEREAS, it is necessary to obtain volume cap allocations for tax-exempt bonds and applications for tax credits for the Viento Apartments project (the "Project"); and

WHEREAS, it is proposed that Las Varas Public Facility Corporation ("LVPFC") apply for volume cap allocation for the Project; and

WHEREAS, LVPFC passed a nonbinding resolution to induce the Project and authorize the applications needed to finance the Project and to negotiate the terms of such financing, which will be brought back to the Board for final consideration; and

WHEREAS, the San Antonio Housing Trust Public Facility Corporation has subsequently agreed to participate in the Project by serving as the sole member of the general partner of the tax credit partnership that will own the Project (the "Equity Participation"); and

WHEREAS, LVPFC wishes to reassign carryforward designation that it received for the Old Pearsall Flats, Alazan Courts and St. John's Apartment projects to the Project in order to receive volume cap allocation (the "Reassignment").

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

1. Approves Resolutions 6244 and 22LVPFC-04-27 of LVPFC authorizing the Reassignment, consenting to and acknowledging the Equity Participation, and other matters in connection with the financing of the Project.
2. Authorizes the President and CEO, or designee, to execute all necessary documents associated therewith.

Passed and approved the 1st day of June 2022.

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

Attested and approved as to form:

Ed Hinojosa, Jr.
President and CEO

**CERTIFICATE FOR RESOLUTION
Resolution 22LVPFC-04-27**

The undersigned officer of the Las Varas Public Facility Corporation (the “Issuer”) hereby certifies as follows:

1. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on June 1, 2022 (the “Meeting”) of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

RESOLUTION 22LVPFC-04-27, CONCERNING THE PROPOSED FINANCING OF UP TO \$38,000,000.00 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE VIENTO APARTMENTS; THE REASSIGNMENT OF CARRYFORWARD DESIGNATION TO OBTAIN VOLUME CAP ALLOCATION; CONSENT TO AND ACKNOWLEDGEMENT OF THE PARTICIPATION OF THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION AS THE SOLE MEMBER OF THE GENERAL PARTNER OF THE USER; AND OTHER MATTERS IN CONNECTION THEREWITH

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

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

SIGNED on this 1st day of June 2022.

**Ed Hinojosa, Jr.
Secretary/Treasurer**

**Las Varas Public Facility Corporation
Resolution 22LVPFC-04-27**

RESOLUTION 22LVPFC-04-27, CONCERNING THE PROPOSED FINANCING OF UP TO \$38,000,000.00 OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE VIENTO APARTMENTS; THE REASSIGNMENT OF CARRYFORWARD DESIGNATION TO OBTAIN VOLUME CAP ALLOCATION; CONSENT TO AND ACKNOWLEDGEMENT OF THE PARTICIPATION OF THE SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION AS THE SOLE MEMBER OF THE GENERAL PARTNER OF THE USER; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of San Antonio, Texas (the “Housing Authority”), has, pursuant to the Texas Public Facility Corporations Act, Chapter 303, Texas Local Government Code, as amended (the “Act”), approved and created the Las Varas Public Facility Corporation, a nonstock, nonprofit public facility corporation (the “Issuer”); and

WHEREAS, the Issuer, on behalf of the Housing Authority, is empowered to finance the costs of residential ownership and development that will provide decent, safe, and sanitary housing at affordable prices for residents of the City by the issuance of housing revenue bonds; and

WHEREAS, prior to November 4, 2021 (the “Inducement Date”), Viento Apartments Ltd., a Texas limited partnership (the “User”), filed a complete Application (as defined in the Federal Register Notice) (the “Application”), requesting that (i) the Issuer finance the acquisition, construction, and equipping of a proposed 324-unit multifamily housing facility to be located on South Zarzamora Street near the intersection of SW Loop 410 and known as the Viento Apartments (the “Project”); and (ii) the Issuer file a 2022 and/or 2023 Allocation Application (defined hereafter) and/or any carryforward applications associated with such Allocation Applications to the Texas Bond Review Board (the “BRB”) as described herein; and

WHEREAS, the User has advised the Issuer that a contributing factor that would further induce the User to proceed with providing for the acquisition, construction, equipping, and improvement of the Project would be a commitment and agreement by the Board of Directors (the “Board”) of the Issuer to issue housing revenue bonds pursuant to the Act (the “Bonds”) to finance and pay any Development Costs, as defined in the Act, for the Project; and

WHEREAS, on the Inducement Date, the Issuer adopted an inducement resolution (the “Inducement Resolution”) (i) constituting the Issuer’s commitment to issue Bonds, or other obligations, pursuant to the Act in an amount prescribed by the User not to exceed \$38,000,000.00 and to expend the proceeds thereof to pay Development Costs, including costs of acquisition, construction, equipping, and improvement of the Project, funding a debt service or other reserve fund for the Project, and paying expenses and costs in connection with the issuance of the Bonds, including costs of obtaining credit enhancement, if any and (ii) authorizing Issuer to submit an “Application for Allocation of Private Activity Bonds” or an “Application for Carryforward for Private Activity Bonds” (the “Allocation Application”) to the BRB; and

WHEREAS, in order to issue the Bonds in the manner contemplated, the Issuer must receive an allocation of the State of Texas volume cap pertaining to private activity bonds in order to satisfy the provisions of the Internal Revenue Code of 1986, as amended; and

WHEREAS, the Issuer filed with the BRB a “2019 Application for Carryforward for Private Activity Bonds” for each of its Alazan Courts Apartments project (“Alazan”) and Old Pearsall Flats project

(“Old Pearsall”) and a “2020 Application for Carryforward for Private Activity Bonds” for its St. John’s Square Apartments project (“St. John’s” and, together with Alazan and Old Pearsall, the “Prior Projects”) (the “Carryforward Applications”); and

WHEREAS, pursuant to the Carryforward Applications, the Issuer received (1) Carryforward Designation Certificate – Docket Number 19CF-003 for Alazan (the “Alazan Carryforward”), (2) Carryforward Designation Certificate – Docket Number 19CF-004 for Old Pearsall (the “Old Pearsall Carryforward”) and (3) Carryforward Designation Certificate – Docket Number 20CF-011 (the “St. John’s Carryforward” and, together with the Alazan Carryforward and the Old Pearsall Carryforward, the “Carryforwards”); and

WHEREAS, the Prior Projects will not be completed, so the Issuer will reassign a portion of one or each of the Carryforwards (the “Reassignment”) in accordance with Texas Government Code Section 1372.074 in order to allocate volume cap to the Project; and

WHEREAS, the participation of the Housing Authority and its affiliates, including the Issuer, will be limited to the issuance of the Bonds and the San Antonio Housing Trust Public Facility Corporation or another nonprofit governmental entity will serve as the sole member of the general partner of the User (the “Equity Participation”); and

WHEREAS, the members of the Board and their respective offices are as follows:

<u>Name of Director/Officer</u>	<u>Position</u>
Dr. Ana M. “Cha” Guzmán	Chair and Director
Olga Kauffman	Vice Chair and Director
Ignacio Perez	Director
Dalia Flores Contreras	Director
Gilbert Casillas	Director
Gabriel “Gabe” Lopez	Director
Loren Dantzler	Director
Ed Hinojosa, Jr.	Secretary/Treasurer
Diana Fiedler	Asst. Secretary/Treasurer
Timothy E. Alcott	Asst. Secretary/Treasurer
Muriel Rhoder	Asst. Secretary/Treasurer
Brandee Perez	Asst. Secretary/Treasurer
Michael Reyes	Asst. Secretary/Treasurer
Richard Milk	Asst. Secretary/Treasurer

WHEREAS, the Board has determined that it is in the public interest and to the benefit of the citizens and residents of San Antonio for the various entities to enter into the transactions described above so that the User may construct the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LAS VARAS PUBLIC FACILITY CORPORATION THAT:

Section 1. The provisions of the Inducement Resolution are hereby ratified and confirmed in all respect;

Section 2. The Reassignment and all actions necessary or desirable in connection therewith are hereby authorized and approved;

Section 3. The Equity Participation is hereby consented to and acknowledged by the Issuer;

Section 4. The Board authorizes the President, Vice President, Secretary/Treasurer or any Assistant Secretary/Treasurer of the Board to execute any documents or certificates necessary or desirable in connection with any of the transactions described herein, and each of them are authorized to negotiate and approve such changes in the terms of such documents as such officers shall deem necessary or appropriate upon the advice of counsel to the Issuer, and approval of the terms of each such instrument by such officers shall be conclusively evidenced by the execution and delivery of such documents.

Section 5. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 6. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 7. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 8. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 9. This Resolution shall be in force and effect from and after its passage.

Passed and approved the 1st day of June 2022.

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

Attested and approved as to form:

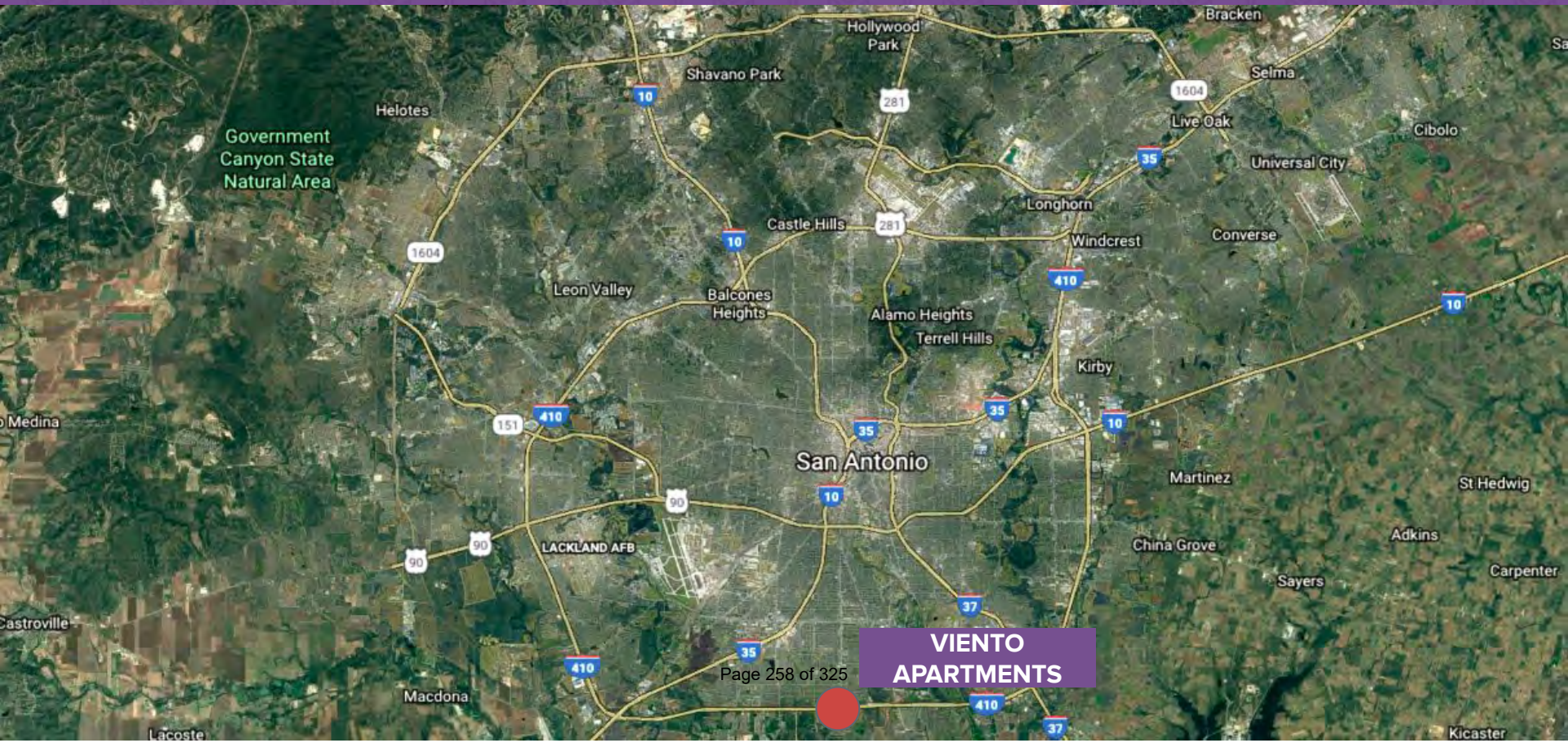
Ed Hinojosa, Jr.
Secretary/Treasurer



Viento Apartments

Timothy Alcott, Chief Legal and Real Estate Officer
Lorraine Robles, Director of Development Services and Neighborhood
Revitalization

MAP



**VIENTO
APARTMENTS**

REGIONAL CENTERS

PHASE 1 CENTERS

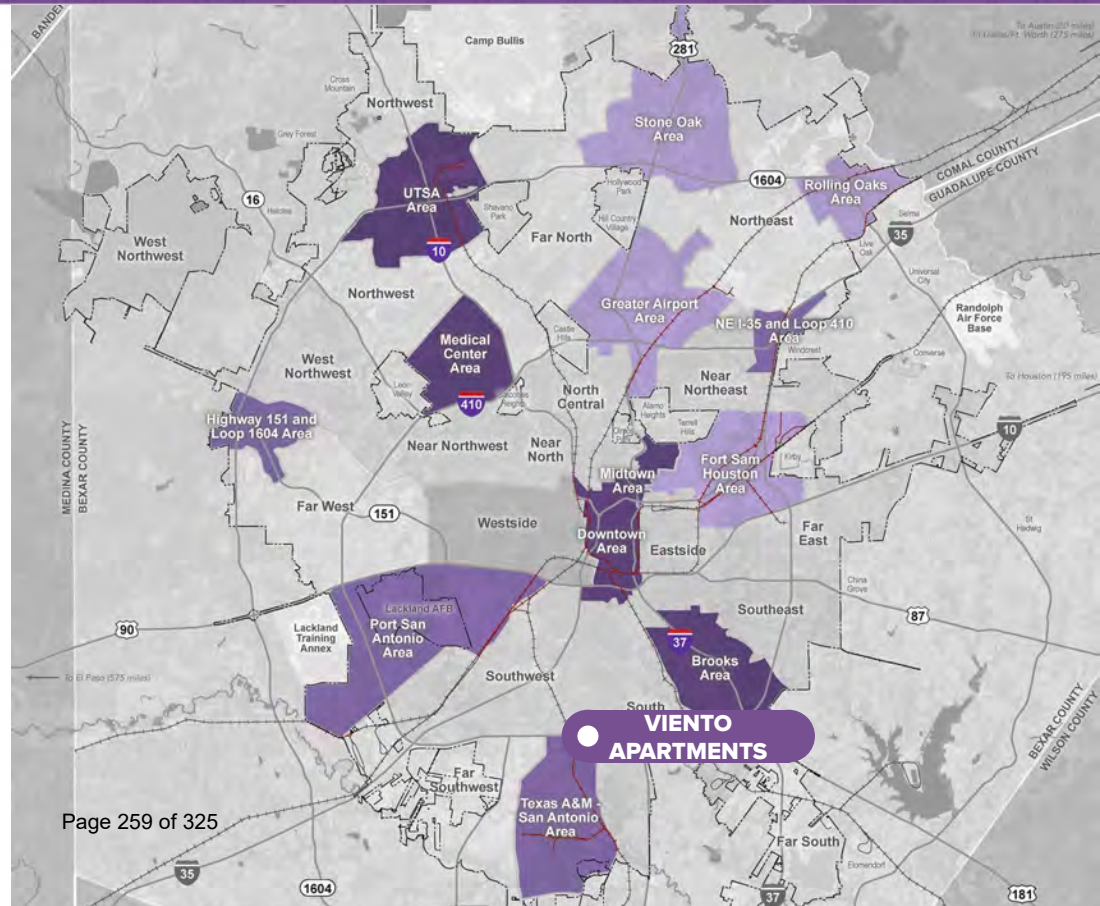
Downtown
Medical Center
UTSA
Midtown
Brooks

PHASE 2 CENTERS

NE I-35 and Loop 410
Highway 151 and Loop 1604
Texas A&M — San Antonio
Port San Antonio

PHASE 3 CENTERS

Greater Airport Area
Fort Sam Houston
Rolling Oaks
Stone Oak



VIENTO APARTMENTS

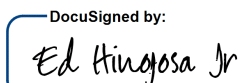



- ❖ City Council District 4
- ❖ Southwest ISD
- ❖ 324 Units
 - 30% AMI - 49
 - 60% AMI - 161
 - 70% AMI - 114
- ❖ Bond Inducement
\$38,000,000.00
- ❖ Total Development Cost:
\$72,000,000.00

QUESTIONS?

SAN ANTONIO HOUSING AUTHORITY**June 1, 2022****BOARD OF COMMISSIONERS
Regular Board Meeting**

RESOLUTION 6252, AUTHORIZING (I) THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (ROSEMONT AT BETHEL PLACE APARTMENTS) SERIES 2022A; (II) THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (ROSEMONT AT BETHEL PLACE APARTMENTS) SERIES 2022B (TOGETHER, THE “NOTES”); (III) THE LAS VARAS PUBLIC FACILITY CORPORATION (THE “ISSUER” OR “LVPFC”) TO APPROVE RESOLUTION 22LVPFC-05-04 AUTHORIZING THE NOTES; AND (IV) OTHER MATTERS IN CONNECTION THEREWITH

DocuSigned by:

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Ed Hinojosa, Jr.
President and CEO

DocuSigned by:

 B75A67309C8B400...
Timothy E. Alcott
Chief Legal and Real Estate Officer

REQUESTED ACTION:

Consideration and approval regarding Resolution 6252, authorizing (i) the Las Varas Public Facility Corporation Multifamily Housing Revenue Notes (Rosemont at Bethel Place Apartments) Series 2022A; (ii) the Las Varas Public Facility Corporation Multifamily Housing Revenue Notes (Rosemont at Bethel Place Apartments) Series 2022B (together, the “Notes”); (iii) the Las Varas Public Facility Corporation (the “Issuer” or “LVPFC”) to approve Resolution 22LVPFC-05-04 authorizing the Notes; and (iv) other matters in connection therewith.

FINANCIAL IMPACT:

The total project cost is expected to be approximately \$48,000,000.00 or approximately \$192,000.00 per unit. The developer is Fairfield Residential, and they will give all required guarantees. The Issuer is expected to receive a fee of approximately \$410,000.00 in connection with the issuance of the Notes.

SUMMARY:

This is the final approval of the issuance of the Notes for the Rosemont at Bethel Place Apartments Project (the “Project”), a rehabilitation project proposed by Fairfield Residential, located at 535 South Acme Road. The Project will consist of 250 affordable units, all of which will be low income housing tax credit units serving families whose incomes average 60% or less of area median income (AMI), with 50% of the units set at 50% AMI or below. All units will have restricted rent and must accept Section 8 vouchers.

Up to \$48,000,000.00 of tax-exempt Notes will be issued by LVPFC and purchased by Citibank, and such amount will be issued to finance the construction and long term operations. The land and existing improvements (together, the “Premises”) are owned by Las Varas Public Facility Corporation, which will lease the Premises to the Project partnership; the San Antonio Housing Facility Corporation will not participate in the project as either ground lessor or as a general partner of the partnership.

We are targeting a closing date of June 23, 2022, and construction is expected to begin in August 2022. The rehabilitation will take place on approximately 30% of the units at a time to

SAN ANTONIO HOUSING AUTHORITY

June 1, 2022

reduce tenant relocation outside the building. It is intended for all resident relocation to be internal to the building, but there is a written plan for both internal and external relocation should it be absolutely necessary for some residents to temporarily live outside the building during the course of the renovation.

STRATEGIC OUTCOMES:

- SAHA residents have a sufficient supply of affordable housing options.
- SAHA residents live in quality affordable housing.

ATTACHMENTS:

Resolution 6252

Resolution 22LVPFC-05-04

Presentation

CERTIFICATE FOR RESOLUTION 6252

The undersigned officer of the Housing Authority of the City of San Antonio, Texas (the "Authority") hereby certifies as follows:

1. In accordance with the bylaws of the Authority, the Board of Commissioners of the Authority (the "Board") held a meeting on June 1, 2022 (the "Meeting") of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

RESOLUTION 6252, AUTHORIZING (I) THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (ROSEMONT AT BETHEL PLACE APARTMENTS) SERIES 2022A; (II) THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (ROSEMONT AT BETHEL PLACE APARTMENTS) SERIES 2022B (TOGETHER, THE "NOTES"); (III) THE LAS VARAS PUBLIC FACILITY CORPORATION (THE "ISSUER" OR "LVPFC") TO APPROVE RESOLUTION 22LVPFC-05-04 AUTHORIZING THE NOTES; AND (IV) OTHER MATTERS IN CONNECTION THEREWITH

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

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

SIGNED AND SEALED this 1st day of June 2022.



Ed Hinojosa, Jr.
President and CEO

**San Antonio Housing Authority
Resolution 6252**

RESOLUTION 6252, AUTHORIZING (I) THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (ROSEMONT AT BETHEL PLACE APARTMENTS) SERIES 2022A; (II) THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (ROSEMONT AT BETHEL PLACE APARTMENTS) SERIES 2022B (TOGETHER, THE “NOTES”); (III) THE LAS VARAS PUBLIC FACILITY CORPORATION (THE “ISSUER” OR “LVPFC”) TO APPROVE RESOLUTION 22LVPFC-05-04 AUTHORIZING THE NOTES; AND (IV) OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of San Antonio, Texas (the “Authority”) has created the Las Varas Public Facility Corporation (the “Issuer”) to finance affordable housing on its behalf; and

WHEREAS, the Issuer has developed a program of issuing notes and loaning their proceeds to defray, in whole or in part, all reasonable or necessary costs incidental to the acquisition, renovation, construction, rehabilitation and improvement of land, improvements, and related property, which is intended to be occupied by persons of low or moderate income, as determined by the Issuer, all in order to alleviate a shortage of affordable rental housing within the City of San Antonio, Texas, for such persons of low or moderate income, and to refund such notes; and

WHEREAS, the Issuer has been requested to issue its “Multifamily Housing Revenue Notes (Rosemont at Bethel Place Apartments) Series 2022A” and its “Multifamily Housing Revenue Notes (Rosemont at Bethel Place Apartments) Series 2022B” in the aggregate principal amount not to exceed \$48,000,000.00 (together, the “Notes”), the proceeds of which will be used to finance the cost of acquiring, rehabilitating, and equipping an existing 250-unit apartment facility to be known as the Rosemont at Bethel Place Apartments, located at 535 South Acme Road, San Antonio, Bexar County, Texas (the “Project”) for Fairfield Bethel Place LP, a Texas limited partnership (the “Borrower”); and

WHEREAS, the Issuer desires to issue the Notes pursuant to a Funding Loan Agreement (the “Funding Loan Agreement”) among Citibank, N.A., as funding lender (the “Funding Lender”), the Issuer, as governmental lender, and Wilmington Trust, National Association, as fiscal agent (the “Fiscal Agent”), and to loan (or otherwise make available) the proceeds thereof to the Borrower pursuant to a Borrower Loan Agreement (the “Borrower Loan Agreement”) between the Issuer and the Borrower, all subject to the terms of a Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) among the Issuer, the Fiscal Agent, and the Borrower; and

WHEREAS, the loan will be evidenced by Notes issued under the Borrower Loan Agreement (the “Note”), and a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the “Security Instrument”) from the Issuer in favor of the Fiscal Agent; and

WHEREAS, a Note Purchase Agreement (the “Purchase Agreement”), setting forth certain terms and conditions upon which the Funding Lender will purchase the Notes and the Issuer will sell the Notes to the Funding Lender; and

WHEREAS, the Issuer is authorized to issue the Notes pursuant to the Texas Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended; and

WHEREAS, pursuant to 303.071 of the Texas Local Government Code, the Board of Commissioners of the Authority (the "Board") must approve and authorize the issuance of the tax-exempt notes by the Issuer; and

WHEREAS, the Issuer has determined that issuance of the Notes is necessary to finance the costs of acquisition, rehabilitation, and equipping the Project; and

WHEREAS, the Board has determined that it is in the public interest and to the benefit of the citizens and residents of San Antonio for the Issuer to enter into the transactions described above so that the Borrower may rehabilitate the Project; and

WHEREAS, this Board has reviewed the foregoing and determined that the action herein authorized is in furtherance of the corporate purposes of the Issuer and that the terms and conditions of the Notes and the above-described instruments, including without limitation the dates, interest rates, maturities, redemption terms, and sales price of the Notes and the manner of disbursing the proceeds thereof are advisable.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the San Antonio Housing Authority hereby:

Section 1. The proposed development and the terms of the Notes, the Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement, the Security Instrument, and the Purchase Agreement are hereby authorized and approved.

Section 2. The Chairman, any Vice Chairman, the Secretary/Treasurer (or Interim Secretary/Treasurer), and each Assistant Secretary/Treasurer, or any of them, are authorized and directed to execute and deliver (or to accept, as the case may be) any documents and other instruments upon the conditions therein described or necessary or desirable in connection with the issuance of the Notes and the financing of the Project or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 3. The Board has expressly determined and hereby confirms that the issuance of the Notes to assist in the financing of the Project will promote the public purposes set forth in Section 303.002 of the Act and will accomplish a valid public purpose of the Issuer by assisting persons of low and moderate income in the City to obtain decent, safe, and sanitary housing at affordable prices, thereby helping to relieve unemployment, to preserve and increase the tax base of the City, and to reduce public expenditures for crime prevention and control, public health, welfare, and safety and for other valid public purposes.

Section 4. The Notes and the interest thereon shall be limited obligations of the Issuer payable solely from the revenues, funds, and assets pledged under the Funding Loan Agreement to secure payment of the Notes, and under no circumstances shall the Notes be payable from any other revenues, funds, assets, or income of the Issuer.

Section 5. The Notes shall not constitute an indebtedness, liability, general, special, or moral obligation or a pledge or loan of the faith or credit or taxing power, within the meaning of

any constitutional or statutory provision whatsoever, of the United States of America or any agency or instrumentality thereof, the State of Texas, the County of Bexar, the City of San Antonio, the Authority, or any other political subdivision or governmental unit.

Section 6. After the Notes are issued, this Resolution shall be and remain irrevocable until the Notes or interest thereon shall have been fully paid or provision for payment shall have been made pursuant to the Funding Loan Agreement.

Section 7. The Board hereby approves Resolution 22LVPFC-05-04 and authorizes the Notes to be issued in connection with the Project.

Section 8. If any section, paragraph, clause, or provision of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution. In case any obligation of the Issuer authorized or established by this Resolution or the Notes is held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

Section 9. The recitals of this Resolution are hereby found to be true and are incorporated herein for all purposes.

Section 10. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 11. This Resolution shall be in force and effect from and after its passage.

Passed and approved the 1st day of June 2022.

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

Attested and approved as to form:

Ed Hinojosa, Jr.
President and CEO

CERTIFICATE FOR RESOLUTION 22LVPFC-05-04

The undersigned officer of the Las Varas Public Facility Corporation (the “Issuer”) hereby certifies as follows:

1. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on June 1, 2022 (the “Meeting”) of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

RESOLUTION 22LVPFC-05-04, AUTHORIZING THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (ROSEMONT AT BETHEL PLACE APARTMENTS), SERIES 2022A AND THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (ROSEMONT AT BETHEL PLACE APARTMENTS), SERIES 2022B; AND OTHER MATTERS IN CONNECTION THEREWITH

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

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

SIGNED this 1st day of June 2022.

Ed Hinojosa, Jr.
Secretary/Treasurer

**Las Varas Public Facility Corporation
Resolution 22LVPCF-05-04**

RESOLUTION 22LVPCF-05-04, AUTHORIZING THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (ROSEMONT AT BETHEL PLACE APARTMENTS), SERIES 2022A AND THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (ROSEMONT AT BETHEL PLACE APARTMENTS), SERIES 2022B; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Las Varas Public Facility Corporation (the “Issuer”) has developed a program of issuing notes and loaning their proceeds to defray, in whole or in part, all reasonable or necessary costs incidental to the acquisition, renovation, construction, and improvement of land, improvements, and related property, which is intended to be occupied by persons of low or moderate income, as determined by the Issuer, all in order to alleviate a shortage of affordable rental housing within San Antonio, Texas, for such persons of low or moderate income, and to refund such notes; and

WHEREAS, the Issuer has been requested to issue its “Multifamily Housing Revenue Notes (Rosemont at Bethel Place Apartments), Series 2022A” and its “Multifamily Housing Revenue Notes (Rosemont at Bethel Place Apartments), Series 2022B” in the aggregate principal amount not to exceed \$48,000,000.00 (together, the “Notes”), the proceeds of which will be used to finance the cost of acquiring, rehabilitating, and equipping an existing 250-unit apartment facility to be known as the Rosemont at Bethel Place Apartments, located at 535 South Acme Road, San Antonio, Bexar County, Texas (the “Project”) for Fairfield Bethel Place LP, a Texas limited partnership (the “Borrower”); and

WHEREAS, the Issuer desires to issue the Notes pursuant to a Funding Loan Agreement (the “Funding Loan Agreement”) among Citibank, N.A., as funding lender (the “Funding Lender”), the Issuer, as governmental lender, and Wilmington Trust, National Association, as fiscal agent (the “Fiscal Agent”), and to loan (or otherwise make available) the proceeds thereof to the Borrower pursuant to a Borrower Loan Agreement (the “Borrower Loan Agreement”) between the Issuer, as governmental lender, and the Borrower, all subject to the terms of a Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) among the Issuer, the Fiscal Agent, and the Borrower; and

WHEREAS, the loan will be evidenced by promissory notes issued under the Borrower Loan Agreement (the “Note”), and a Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the “Security Instrument”) from the Issuer in favor of the Fiscal Agent; and

WHEREAS, the Issuer will be presented with a note purchase agreement (the “Purchase Agreement”), setting forth certain terms and conditions upon which the Funding Lender will purchase the Notes and the Issuer will sell the Notes to the Funding Lender; and

WHEREAS, the Issuer is authorized to issue the Notes pursuant to the Texas Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended; and

WHEREAS, the Issuer has determined that issuance of the Notes is necessary to finance the costs of acquiring, rehabilitating, and equipping the Project; and

WHEREAS, the Board of Directors of the Issuer (the “Board”) has reviewed the foregoing and determined that the action herein authorized is in furtherance of the corporate purposes of the Issuer and that the terms and conditions of the Notes and the above-described instruments, including without limitation the dates, interest rates, maturities, redemption terms, and sales price of the Notes and the manner of disbursing the proceeds thereof are advisable.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Las Varas Public Facility Corporation hereby:

Section 1. The terms of the Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement, the Security Instrument, and the Purchase Agreement are hereby authorized and approved, when such documents are approved by the officer designated as the signatory on such document(s).

Section 2. The President, any Vice President, the Secretary/Treasurer, and each Assistant Secretary/Treasurer, or any of them, are authorized and directed to execute (to the extent required to be executed or acknowledged by the Issuer) and deliver (or to accept, as the case may be) the Funding Loan Agreement, the Borrower Loan Agreement, the Regulatory Agreement, the Security Instrument, the Purchase Agreement, and any and all certificates (including tax certificates) and other instruments described therein upon the conditions therein described or necessary or desirable in connection with the issuance of the Notes and the loan of the proceeds thereof to the Borrower, all upon the terms herein approved, and the President, the Vice President, the Secretary/Treasurer, and each Assistant Secretary/Treasurer, or any of them, are authorized to negotiate and approve such changes in the terms of or amendment to each such instrument as such officers shall deem necessary or appropriate upon the advice of counsel to the Issuer, and approval of the terms of each such instrument by such officers shall be conclusively evidenced by the execution and delivery of such documents.

Section 3. The Notes, in the aggregate principal amount of not to exceed \$48,000,000.00, with an interest rate (not including applicable premium) not to exceed 6% as set forth in the Funding Loan Agreement, and with a maturity date not to exceed December 31, 2042, in substantially the form and substance set forth in the Funding Loan Agreement, are hereby approved, and the President, the Vice President, the Secretary/Treasurer, and each Assistant Secretary/Treasurer, or any of them, are hereby authorized and directed, for and on behalf of the Issuer, to execute the Notes or have their facsimile signatures placed upon them, and such officers are hereby authorized and directed to deliver the Notes, and the seal of the Issuer is hereby authorized and directed to be affixed or placed by facsimile on the Notes, if required. Authentication of the Notes upon the terms and conditions and in the manner described in the Funding Loan Agreement as the same may be modified is authorized by this Resolution. The final principal amounts, interest rates, maturity dates (not to exceed the amounts, the rates, and the maximum term set forth above), and final redemption dates and prices for the Notes shall be set forth in the final form of the Funding Loan Agreement, and the execution and delivery of the Funding Loan Agreement and any agreements relating to the purchase of the Notes by the Funding Lender by the President, the Vice President, the Secretary/Treasurer, each Assistant Secretary/Treasurer, or any of them, shall constitute approval of the agreed final principal amounts of, interest rates on the Notes, maturity dates of the Notes, and the final redemption dates and prices for the Notes. The proceeds of the Notes are hereby authorized to be utilized as set forth herein and in the Funding Loan Agreement and the Borrower Loan Agreement.

Section 4. The Fiscal Agent shall be Wilmington Trust, National Association.

Section 5. Cantu Harden LLP, as Bond Counsel, is hereby ratified as the hearing officer for purposes of the public TEFRA hearing regarding the Project.

Section 6. The President, the Vice President, the Secretary/Treasurer, each Assistant Secretary/Treasurer, or any of them, are hereby authorized to execute and deliver to the Fiscal Agent the written request of the Issuer for the authentication and delivery of the Notes by the Fiscal Agent in accordance with the Funding Loan Agreement and the Borrower Loan Agreement.

Section 7. All action and resolutions, not inconsistent with provisions of this Resolution heretofore taken by this Board and the officers of the Issuer directed toward the financing of the Project and the issuance of the Notes shall be and the same hereby is extended, ratified, approved, and confirmed. The officers of this Board, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the instruments approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 8. The Board has expressly determined and hereby confirms that the issuance of the Notes to assist in the financing of the Project will promote the public purposes in the Act and will accomplish a valid public purpose of the Issuer by assisting persons of low and moderate income in the City to obtain decent, safe, and sanitary housing at affordable prices, thereby helping to relieve unemployment, to preserve and increase the tax base of the City, and to reduce public expenditures for crime prevention and control, public health, welfare, and safety and for other valid public purposes.

Section 9. The Notes and the interest thereon shall be limited obligations of the Issuer payable solely from the revenues, funds, and assets pledged under the Funding Loan Agreement to secure payment of the Notes, and under no circumstances shall the Notes be payable from any other revenues, funds, assets, or income of the Issuer.

Section 10. The Notes shall not constitute an indebtedness, liability, general, special, or moral obligation or a pledge or loan of the faith or credit or taxing power, within the meaning of any constitutional or statutory provision whatsoever, of the United States of America or any agency or instrumentality thereof, the State of Texas, the City, or any other political subdivision or governmental unit.

Section 11. After the Notes are issued, this Resolution shall be and remain irrevocable until the Notes or interest thereon shall have been fully paid or provision for payment shall have been made pursuant to the Funding Loan Agreement.

Section 12. If any section, paragraph, clause, or provision of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution. In case any obligation of the Issuer authorized or established by this Resolution or the Notes is held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

Section 13. The recitals of this Resolution are hereby found to be true and are

incorporated herein for all purposes.

Passed and approved the 1st day of June 2022.

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

Attested and approved as to form:

Ed Hinojosa, Jr.
Secretary/Treasurer



Rosemont at Bethel Place Bond Transaction

Background

Date Constructed:

- Rosemont at Bethel Place - 2005 (new deal to SAHA)

Rosemont at Bethel Place will be a new addition to our portfolio.

Rosemont at Bethel Place

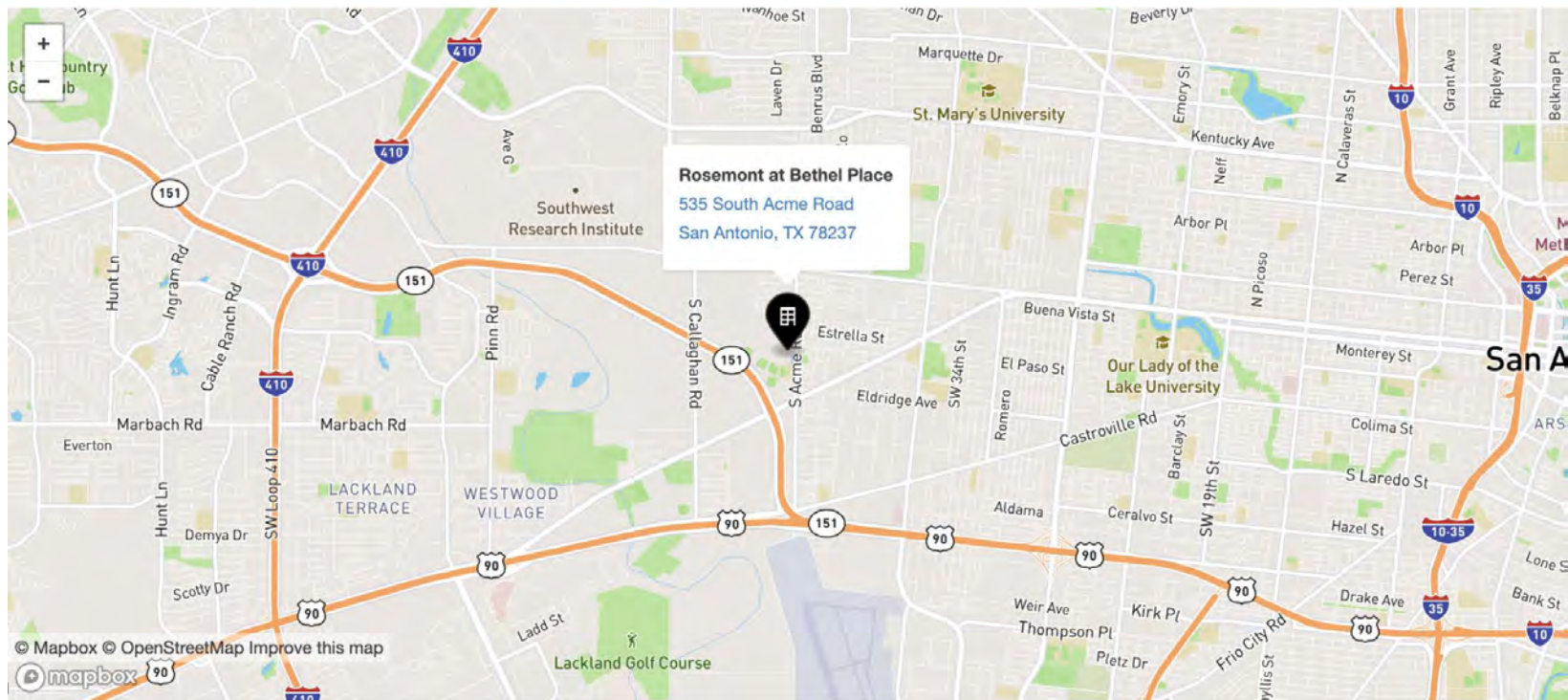
535 S. Acme Road



- ❖ City Council District 6
- ❖ Edgewood ISD
- ❖ 250 Units
 - Current**
 - 60% AMI -250
 - Proposed**
 - 15% AMI - 38
 - 60% AMI -212
 - Section 8 Vouchers**
 - 85 - 30% AMI
- ❖ Bond Issuance Amount
 - \$48,000,000

Rosemont at Bethel Place

535 S. Acme Road



Fairfield

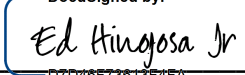
Experienced Owner Operator of Multifamily and Affordable Multifamily Developments

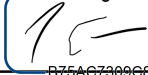
- Fairfield has been in business for 36 years with \$37.4 billion in assets developed and acquired since inception
- National experience in development, construction, renovation, and property management
- Affordable portfolio of 60 assets with 13,853 units
- Currently own and operate 7 LIHTC assets in TX with 1,394 units
- Majority owned by California State Teachers Retirement Fund (CalSTRS)
- Investment goal is to acquire and preserve affordable housing assets in high growth markets

QUESTIONS?

SAN ANTONIO HOUSING AUTHORITY**June 1, 2022****BOARD OF COMMISSIONERS
Regular Board Meeting**

RESOLUTION 6254, AUTHORIZING (I) THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (SORENTO APARTMENTS) SERIES 2022A; (II) THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (SORENTO APARTMENTS) SERIES 2022B (TOGETHER, THE “NOTES”); (III) THE LAS VARAS PUBLIC FACILITY CORPORATION (THE “ISSUER” OR “LVPFC”) TO APPROVE RESOLUTION 22LVPFC-05-05 AUTHORIZING THE NOTES; AND (IV) OTHER MATTERS IN CONNECTION THEREWITH

DocuSigned by:

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Ed Hinojosa, Jr.
President and CEO

DocuSigned by:

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Timothy E. Alcott
Chief Legal and Real Estate Officer

REQUESTED ACTION:

Consideration and approval regarding Resolution 6254, authorizing (i) the Las Varas Public Facility Corporation Multifamily Housing Revenue Notes (Sorento Apartments) Series 2022A; (ii) the Las Varas Public Facility Corporation Multifamily Housing Revenue Notes (Sorento Apartments) Series 2022B (together, the “Notes”); (iii) the Las Varas Public Facility Corporation (the “Issuer” or “LVPFC”) to approve Resolution 22LVPFC-05-05 authorizing the Notes; and (iv) other matters in connection therewith.

FINANCIAL IMPACT:

The total project cost is expected to be approximately \$55,522,000.00 or approximately \$223,879.00 per unit. The developer is Fairfield Residential, and they will give all required guarantees. The Issuer is expected to receive a fee of approximately \$380,000.00 in connection with the issuance of the Notes.

SUMMARY:

Final approval of the issuance of the Notes for the Sorento Apartments Project (the “Project”), a rehabilitation project proposed by Fairfield Residential, located at 2803 Fredericksburg Road. The Project will consist of 248 senior units, all of which will be low income housing tax credit units serving families whose incomes average 60% or less of area median income (AMI), with 15% of the units set at 30% AMI or below. All units will have restricted rent and must accept Section 8 vouchers.

Up to \$45,000,000.00 of tax-exempt Notes will be issued by LVPFC and purchased by Citibank, N.A., will be issued to finance the construction and long term operations. The land and existing improvements (together, the “Premises”) are owned by Las Varas Public Facility Corporation, which will lease the Premises to the Project partnership; the San Antonio Housing Facility Corporation will not participate in the project as either ground lessor or as a general partner of the partnership.

We are targeting a closing date of June 16, 2022, and construction is expected to begin in August 2022. The rehabilitation will take place on approximately 30% of the units at a time to reduce

SAN ANTONIO HOUSING AUTHORITY

June 1, 2022

tenant relocation outside the building. It is intended for all resident relocation to be internal to the building, but there is a written plan for both internal and external relocation should it be absolutely necessary for some residents to temporarily live outside the building during the course of the renovation.

STRATEGIC OUTCOMES:

- SAHA residents have a sufficient supply of affordable housing options
- SAHA residents live in quality affordable housing

ATTACHMENTS:

Resolution 6254

Resolution 22LVPFC-05-05

Presentation

CERTIFICATE FOR RESOLUTION 6254

The undersigned officer of the Housing Authority of the City of San Antonio, Texas (the "Authority") hereby certifies as follows:

1. In accordance with the bylaws of the Authority, the Board of Commissioners of the Authority (the "Board") held a meeting on June 1, 2022 (the "Meeting") of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

RESOLUTION 6254, AUTHORIZING (I) THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (SORENTO APARTMENTS) SERIES 2022A; (II) THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (SORENTO APARTMENTS) SERIES 2022B (TOGETHER, THE "NOTES"); (III) THE LAS VARAS PUBLIC FACILITY CORPORATION (THE "ISSUER" OR "LVPFC") TO APPROVE RESOLUTION 22LVPFC-05-05 AUTHORIZING THE NOTES; AND (IV) OTHER MATTERS IN CONNECTION THEREWITH

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

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

SIGNED AND SEALED this 1st day of June 2022.



Ed Hinojosa, Jr.
President and CEO

**San Antonio Housing Authority
Resolution 6254**

RESOLUTION 6254, AUTHORIZING (I) THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (SORENTO APARTMENTS) SERIES 2022A; (II) THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (SORENTO APARTMENTS) SERIES 2022B (TOGETHER, THE “NOTES”); (III) THE LAS VARAS PUBLIC FACILITY CORPORATION (THE “ISSUER” OR “LVPFC”) TO APPROVE RESOLUTION 22LVPFC-05-05 AUTHORIZING THE NOTES; AND (IV) OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of San Antonio, Texas (the “Authority”) has created the Las Varas Public Facility Corporation (the “Issuer”) to finance affordable housing on its behalf; and

WHEREAS, the Issuer has developed a program of issuing bonds and loaning their proceeds to defray, in whole or in part, all reasonable or necessary costs incidental to the acquisition, renovation, construction, rehabilitation and improvement of land, improvements, and related property, which is intended to be occupied by persons of low or moderate income, as determined by the Issuer, all in order to alleviate a shortage of affordable rental housing within the City of San Antonio, Texas, for such persons of low or moderate income, and to refund such bonds; and

WHEREAS, the Issuer has been requested to issue its “Multifamily Housing Revenue Notes (Sorento Apartments) Series 2022A” and “Multifamily Housing Revenue Notes (Sorento Apartments) Series 2022B” in the aggregate principal amount not to exceed \$45,000,000.00 (together, the “Notes”), the proceeds of which will be used to finance the cost of acquiring, rehabilitating, and equipping an existing 248-unit senior apartment facility to be known as the Sorento Apartments, located at 2803 Fredericksburg Road, San Antonio, Bexar County, Texas (the “Project”) for Fairfield Sorento LP, a Texas limited partnership (the “Borrower”); and

WHEREAS, the Issuer desires to issue the Notes pursuant to a Funding Loan Agreement (the “Funding Loan Agreement”) between the Issuer and Wilmington Trust, National Association, as fiscal agent (the “Fiscal Agent”), and to loan (or otherwise make available) the proceeds thereof to the Borrower pursuant to a Project Loan Agreement (the “Project Loan Agreement”) among the Issuer, the Fiscal Agent, and the Borrower, all subject to the terms of a Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) among the Issuer, the Fiscal Agent, and the Borrower; and

WHEREAS, the loan will be evidenced by Note issued under the Project Loan Agreement (the “Note”), and assignments of the Note (the “Assignments”) from the Issuer in favor of the Fiscal Agent; and

WHEREAS, a Note Purchase Agreement (the “Purchase Agreement”), setting forth certain terms and conditions upon which the Note purchaser will purchase the Notes and the Issuer will sell the Notes to the Note purchaser; and

WHEREAS, the Issuer is authorized to issue the Notes pursuant to the Texas Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended; and

WHEREAS, pursuant to 303.071 of the Texas Local Government Code, the Board of Commissioners of the Authority (the “Board”) must approve and authorize the issuance of the tax-exempt bonds by the Issuer; and

WHEREAS, the Issuer has determined that issuance of the Notes is necessary to finance the costs of acquiring, rehabilitation, and equipping the Project; and

WHEREAS, the Board has determined that it is in the public interest and to the benefit of the citizens and residents of San Antonio for the Issuer to enter into the transactions described above so that the Partnership may rehabilitate the Project; and

WHEREAS, this Board has reviewed the foregoing and determined that the action herein authorized is in furtherance of the corporate purposes of the Issuer and that the terms and conditions of the Notes and the above-described instruments, including without limitation the dates, interest rates, maturities, redemption terms, and sales price of the Notes and the manner of disbursing the proceeds thereof are advisable.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the San Antonio Housing Authority hereby:

Section 1. The proposed development and the terms of the Notes, the Funding Loan Agreement, the Project Loan Agreement, the Note, the Regulatory Agreement, the Assignments, and the Purchase Agreement are hereby authorized and approved.

Section 2. The Chairman, any Vice Chairman, the Secretary/Treasurer (or Interim Secretary/Treasurer), and each Assistant Secretary/Treasurer, or any of them, are authorized and directed to execute and deliver (or to accept, as the case may be) any documents and other instruments upon the conditions therein described or necessary or desirable in connection with the issuance of the Notes and the financing of the Project or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 3. The Board has expressly determined and hereby confirms that the issuance of the Notes to assist in the financing of the Project will promote the public purposes set forth in Section 303.002 of the Act and will accomplish a valid public purpose of the Issuer by assisting persons of low and moderate income in the City to obtain decent, safe, and sanitary housing at affordable prices, thereby helping to relieve unemployment, to preserve and increase the tax base of the City, and to reduce public expenditures for crime prevention and control, public health, welfare, and safety and for other valid public purposes.

Section 4. The Notes and the interest thereon shall be limited obligations of the Issuer payable solely from the revenues, funds, and assets pledged under the Funding Loan Agreement to secure payment of the Notes, and under no circumstances shall the Notes be payable from any other revenues, funds, assets, or income of the Issuer.

Section 5. The Notes shall not constitute an indebtedness, liability, general, special, or moral obligation or a pledge or loan of the faith or credit or taxing power, within the meaning of any constitutional or statutory provision whatsoever, of the United States of America or any agency or instrumentality thereof, the State of Texas, the County of Bexar, the City of San Antonio, the Authority, or any other political subdivision or governmental unit.

Section 6. After the Notes are issued, this Resolution shall be and remain irrevocable until the Notes or interest thereon shall have been fully paid or provision for payment shall have been made pursuant to the Funding Loan Agreement.

Section 7. The Board hereby approves Resolution 22LVPFC-05-05 and authorizes the Notes to be issued in connection with the Project.

Section 8. If any section, paragraph, clause, or provision of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution. In case any obligation of the Issuer authorized or established by this Resolution or the Notes is held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

Section 9. The recitals of this Resolution are hereby found to be true and are incorporated herein for all purposes.

Section 10. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 11. This Resolution shall be in force and effect from and after its passage.

Passed and approved the 1st day of June 2022.

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

Attested and approved as to form:

Ed Hinojosa, Jr.
President and CEO

CERTIFICATE FOR RESOLUTION 22LVPFC-05-05

The undersigned officer of the Las Varas Public Facility Corporation (the “Issuer”) hereby certifies as follows:

1. In accordance with the bylaws of the Issuer, the Board of Directors of the Issuer (the “Board”) held a meeting on June 1, 2022 (the “Meeting”) of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

RESOLUTION 22LVPFC-05-05, AUTHORIZING THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (SORENTO APARTMENTS) SERIES 2022A AND LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (SORENTO APARTMENTS) SERIES 2022B; AND OTHER MATTERS IN CONNECTION THEREWITH

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

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

SIGNED this 1st day of June 2022.

Ed Hinojosa, Jr.
Secretary/Treasurer

**Las Varas Public Facility Corporation
Resolution 22LVPFC-05-05**

RESOLUTION 22LVPFC-05-05, AUTHORIZING THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (SORENTO APARTMENTS) SERIES 2022A AND THE LAS VARAS PUBLIC FACILITY CORPORATION MULTIFAMILY HOUSING REVENUE NOTES (SORENTO APARTMENTS) SERIES 2022B; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Las Varas Public Facility Corporation (the “Issuer”) has developed a program of issuing Notes and loaning their proceeds to defray, in whole or in part, all reasonable or necessary costs incidental to the acquisition, renovation, construction, and improvement of land, improvements, and related property, which is intended to be occupied by persons of low or moderate income, as determined by the Issuer, all in order to alleviate a shortage of affordable rental housing within San Antonio, Texas, for such persons of low or moderate income, and to refund such Notes; and

WHEREAS, the Issuer has been requested to issue its “Multifamily Housing Revenue Notes (Sorento Apartments) Series 2022A” and its “Multifamily Housing Revenue Notes (Sorento Apartments) Series 2022B” in the aggregate principal amount not to exceed \$45,000,000.00 (together, the “Notes”), the proceeds of which will be used to finance the cost of acquiring, rehabilitating, and equipping an existing 248-unit senior apartment facility to be known as the Sorento Apartments, located at 2803 Fredericksburg Road, San Antonio, Texas (the “Project”) for Fairfield Sorento, LP, a Texas limited partnership (the “Borrower”); and

WHEREAS, the Issuer desires to issue the Notes pursuant to a Funding Loan Agreement (the “Funding Loan Agreement”) between the Issuer and Wilmington Trust, National Association, as fiscal agent (the “Fiscal Agent”), and to loan (or otherwise make available) the proceeds thereof to the Borrower pursuant to a Project Loan Agreement (the “Project Loan Agreement”) among the Issuer, the Fiscal Agent, and the Borrower, all subject to the terms of a Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) among the Issuer, the Fiscal Agent, and the Borrower; and

WHEREAS, the loan will be evidenced by a promissory note issued under the Project Loan Agreement (the “Note”), and assignments of the Note (the “Assignments”) from the Issuer in favor of the Fiscal Agent; and

WHEREAS, the Issuer will be presented with a Note purchase agreement (the “Purchase Agreement”), setting forth certain terms and conditions upon which the Note purchaser will purchase the Notes and the Issuer will sell the Notes to the Note purchaser; and

WHEREAS, the Issuer is authorized to issue the Notes pursuant to the Texas Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended; and

WHEREAS, the Issuer has determined that issuance of the Notes is necessary to finance the costs of acquiring, rehabilitating, and equipping the Project; and

WHEREAS, the Board of Directors of the Issuer (the “Board”) has reviewed the foregoing and determined that the action herein authorized is in furtherance of the corporate purposes of the

Issuer and that the terms and conditions of the Notes and the above-described instruments, including without limitation the dates, interest rates, maturities, redemption terms, and sales price of the Notes and the manner of disbursing the proceeds thereof are advisable.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Las Varas Public Facility Corporation hereby:

Section 1. The terms of the Project Loan Agreement, the Funding Loan Agreement, the Note, the Regulatory Agreement, the Assignments, and the Purchase Agreement are hereby authorized and approved, when such documents are approved by the officer designated as the signatory on such document(s).

Section 2. The President, any Vice President, the Secretary/Treasurer, and each Assistant Secretary/Treasurer, or any of them, are authorized and directed to execute (to the extent required to be executed or acknowledged by the Issuer) and deliver (or to accept, as the case may be) the Funding Loan Agreement, the Project Loan Agreement, the Regulatory Agreement, the Note, the Assignments, the Purchase Agreement, and any and all certificates (including tax certificates) and other instruments described therein upon the conditions therein described or necessary or desirable in connection with the issuance of the Notes and the loan of the proceeds thereof to the Borrower, all upon the terms herein approved, and the President, the Vice President, the Secretary/Treasurer, and each Assistant Secretary/Treasurer, or any of them, are authorized to negotiate and approve such changes in the terms of or amendment to each such instrument as such officers shall deem necessary or appropriate upon the advice of counsel to the Issuer, and approval of the terms of each such instrument by such officers shall be conclusively evidenced by the execution and delivery of such documents.

Section 3. The Notes, in the aggregate principal amount of not to exceed \$45,000,000.00, with an interest rate (not including applicable premium) not to exceed 6% as set forth in the Funding Loan Agreement, and with a maturity date not to exceed December 31, 2042, in substantially the form and substance set forth in the Project Loan Agreement, are hereby approved, and the President, the Vice President, the Secretary/Treasurer, and each Assistant Secretary/Treasurer, or any of them, are hereby authorized and directed, for and on behalf of the Issuer, to execute the Notes or have their facsimile signatures placed upon them, and such officers are hereby authorized and directed to deliver the Notes, and the seal of the Issuer is hereby authorized and directed to be affixed or placed by facsimile on the Notes, if required. Authentication of the Notes upon the terms and conditions and in the manner described in the Funding Loan Agreement as the same may be modified is authorized by this Resolution. The final principal amounts, interest rates, maturity dates (not to exceed the amounts, the rates, and the maximum term set forth above), and final redemption dates and prices for the Notes shall be set forth in the final form of the Funding Loan Agreement, and the execution and delivery of the Funding Loan Agreement and any agreements relating to the purchase of the Notes by the Note Purchaser by the President, the Vice President, the Secretary/Treasurer, each Assistant Secretary/Treasurer, or any of them, shall constitute approval of the agreed final principal amounts of, interest rates on the Notes, maturity dates of the Notes, and the final redemption dates and prices for the Notes. The proceeds of the Notes are hereby authorized to be utilized as set forth herein and in the Project Loan Agreement and the Funding Loan Agreement.

Section 4. The Fiscal Agent shall be Wilmington Trust, National Association.

Section 5. Cantu Harden LLP, as Bond Counsel, is hereby ratified as the hearing officer for purposes of the public TEFRA hearing regarding the Project.

Section 6. The President, the Vice President, the Secretary/Treasurer, each Assistant Secretary/Treasurer, or any of them, are hereby authorized to execute and deliver to the Fiscal Agent the written request of the Issuer for the authentication and delivery of the Notes by the Fiscal Agent in accordance with the Project Loan Agreement and the Funding Loan Agreement.

Section 7. All action and resolutions, not inconsistent with provisions of this Resolution heretofore taken by this Board and the officers of the Issuer directed toward the financing of the Project and the issuance of the Notes shall be and the same hereby is extended, ratified, approved, and confirmed. The officers of this Board, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the instruments approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

Section 8. The Board has expressly determined and hereby confirms that the issuance of the Notes to assist in the financing of the Project will promote the public purposes in the Act and will accomplish a valid public purpose of the Issuer by assisting persons of low and moderate income in the City to obtain decent, safe, and sanitary housing at affordable prices, thereby helping to relieve unemployment, to preserve and increase the tax base of the City, and to reduce public expenditures for crime prevention and control, public health, welfare, and safety and for other valid public purposes.

Section 9. The Notes and the interest thereon shall be limited obligations of the Issuer payable solely from the revenues, funds, and assets pledged under the Project Loan Agreement to secure payment of the Notes, and under no circumstances shall the Notes be payable from any other revenues, funds, assets, or income of the Issuer.

Section 10. The Notes shall not constitute an indebtedness, liability, general, special, or moral obligation or a pledge or loan of the faith or credit or taxing power, within the meaning of any constitutional or statutory provision whatsoever, of the United States of America or any agency or instrumentality thereof, the State of Texas, the City, or any other political subdivision or governmental unit.

Section 11. After the Notes are issued, this Resolution shall be and remain irrevocable until the Notes or interest thereon shall have been fully paid or provision for payment shall have been made pursuant to the Project Loan Agreement.

Section 12. If any section, paragraph, clause, or provision of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution. In case any obligation of the Issuer authorized or established by this Resolution or the Notes is held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

Section 13. The recitals of this Resolution are hereby found to be true and are incorporated herein for all purposes.

Passed and approved the 1st day of June 2022.

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

Attested and approved as to form:

Ed Hinojosa, Jr.
Secretary/Treasurer



Sorento Bond Transaction

Background

Date Constructed:

- The Sorrento - 2005 (\$19.8 million development cost)

SAHA was a development partner in The Sorrento, but did not contribute any equity in either deal. Rosemont at Bethel Place will be a new addition to our portfolio.

The Sorrento

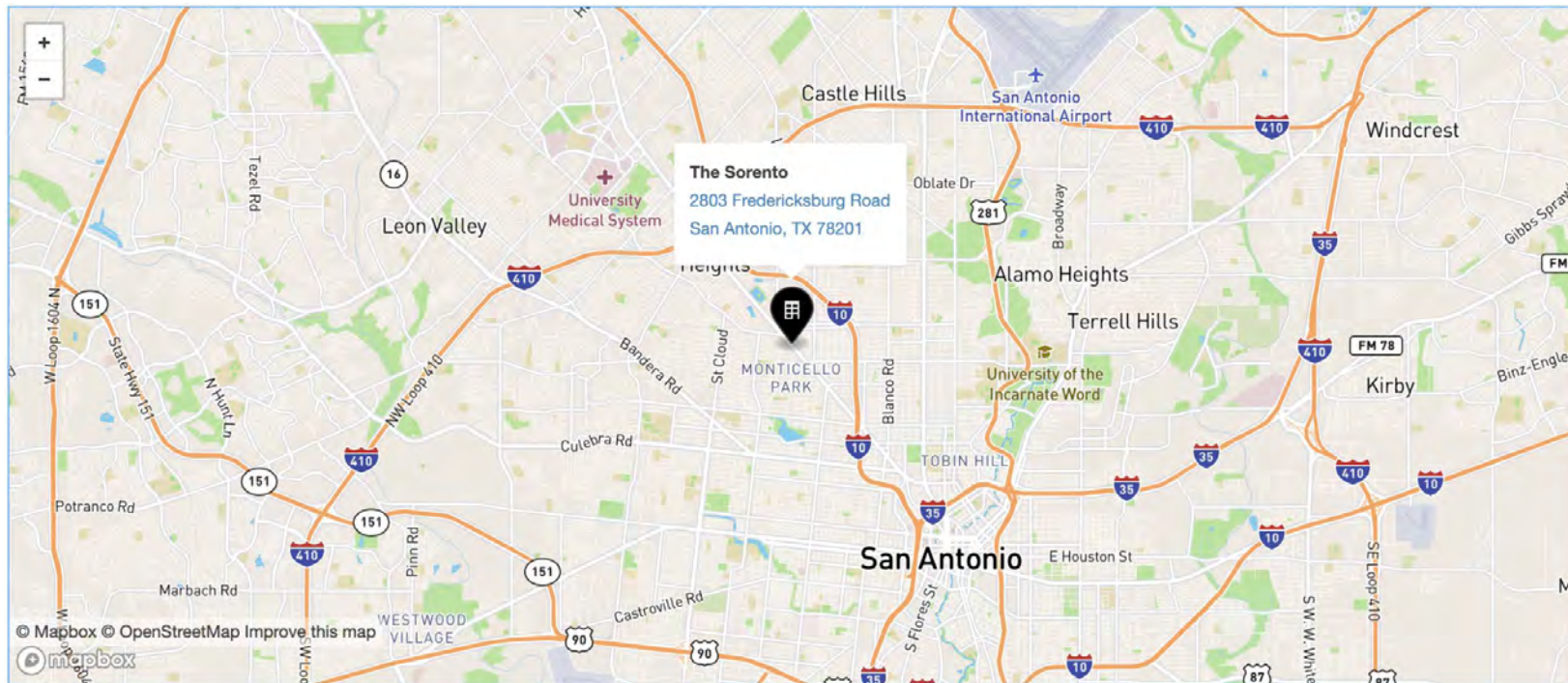
2803 Fredericksburg



- ❖ City Council District 7
- ❖ San Antonio ISD
- ❖ 248 Units
 - Current**
 - 50% AMI -4
 - 60% AMI -244
 - Proposed**
 - 15% AMI - 38
 - 60% AMI -210
 - Section 8 Vouchers**
 - 83 - 30% AMI
- ❖ Bond Issuance Amount
 - \$45,000,000

The Sorrento

2803 Fredericksburg



Fairfield

Experienced Owner Operator of Multifamily and Affordable Multifamily Developments

- Fairfield has been in business for 36 years with \$37.4 billion in assets developed and acquired since inception
- National experience in development, construction, renovation, and property management
- Affordable portfolio of 60 assets with 13,853 units
- Currently own and operate 7 LIHTC assets in TX with 1,394 units
- Majority owned by California State Teachers Retirement Fund (CalSTRS)
- Investment goal is to acquire and preserve affordable housing assets in high growth markets

QUESTIONS?

SAN ANTONIO HOUSING AUTHORITY

June 1, 2022

**BOARD OF COMMISSIONERS
Regular Board Meeting**

RESOLUTION 6250, AUTHORIZING THE PRESIDENT AND CEO TO RENEW OR PLACE INSURANCE POLICIES COVERING PROPERTY, LIABILITY, CYBER LIABILITY, EXCESS/UMBRELLA, DIRECTORS AND OFFICERS, EMPLOYMENT PRACTICES, WORKERS' COMPENSATION, AUTOMOBILE FLEET, FIDUCIARY, FIDELITY, FLOOD, AND BOILER AND MACHINERY FOR THE SAN ANTONIO HOUSING AUTHORITY AND ITS AFFILIATED ENTITIES, FOR FISCAL YEAR 2022-2023, FOR AN ESTIMATED AMOUNT OF \$5,044,271.00

DocuSigned by:

Ed Hinojosa Jr

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Ed Hinojosa, Jr.
President and CEO

DocuSigned by:

Diana Fiedler

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Diana Kollodziej Fiedler
Chief Financial Officer

REQUESTED ACTION:

Consideration and approval regarding Resolution 6250, authorizing the President and CEO to renew or place insurance policies covering property, liability, cyber liability, excess/umbrella, directors and officers, employment practices, workers' compensation, automobile fleet, fiduciary, fidelity, flood, and boiler and machinery for the San Antonio Housing Authority and its affiliated entities, for the Fiscal Year 2022-2023, for an estimated amount of \$5,044,271.00.

FINANCIAL IMPACT:

Insurance costs are funded through the FY 2022-2023 budget as well as any insurance escrow accounts.

SUMMARY:

The protection and preservation of SAHA's housing portfolio plays an important role in the stability and improvement of the quality of life of the residents that it serves.

The U.S. Department of Housing and Urban Development (HUD) requires Public Housing Authorities (PHAs) to maintain adequate insurance coverage on all properties. Similarly, lenders and additional parties have these requirements for Beacon and other SAHA affiliated interests.

On October 19, 2019, the Board of Commissioners approved awarding a contract to McGriff, Seibels, and Williams of Texas (MSW) as SAHA's Broker of Record (BOR). The BOR serves as a consultant for insurance products in the market and presents SAHA with the best options for consideration.

Annual efforts include cost and coverage comparisons in the market for SAHA's affordable housing portfolio and other insurance needs; selections are recommended based on the best cost and fit for SAHA. The FY 2021-2022 Board approved request was \$4,304,042.00 the total projected costs for FY 2022-2023 are estimated at \$5,044,271.00, which includes an additional fifteen percent for policy additions, premium increases, policy adjustments, coverage gaps, or to insure special events as they occur throughout the year. The policy period covered will be July 1, 2022, through June 30, 2023.

SAN ANTONIO HOUSING AUTHORITY**June 1, 2022**

Premium increases are typically attributable to variable market conditions, claims loss history, policy limits of liability adjustments, filling coverage gaps, and catastrophic events. What is still unknown is the full impact of COVID-19, inflation, and weather events on the insurance industry. The market for umbrella coverage continues to harden and has started to move toward tighter underwriting, greater restrictions, and higher pricing. The projections for umbrella coverage in this presentation are based on these new market conditions. Also, the requirements for obtaining cyber liability coverage continue to expand, but our IT department has been able to comply with these increasing mandates.

Historically, SAHA has been unable to obtain competitive pricing in the open market largely attributable to being classified in a high risk insured industry. Staff presents this item each May because per industry standards, the BOR is restricted from securing pricing until the May to June timeframe of each year. In order to secure the best possible products and pricing and ensure continuous coverage, SAHA staff seeks Board authorization to bind policies on or before June 30, 2022. Staff will provide the Board with an update including actual placement costs in July 2022.

Renewal Process - Industry standard and best practices:

March 2022	Review/complete renewal applications
April 2022	Gather and submit related data to BOR, review market trends and pricing, discuss placement, negotiation or alternative strategies
May 2022	Recommend and request Board of Commissioners authorization; Seek competitive premium indications in the open market and discuss recommendations with CFO
June 2022	Receive and review quotes on the entire portfolio, bind coverage
July 2022	Policies renewed or placed Provide update to Board of placement costs

STRATEGIC OUTCOMES:

- SAHA residents live in quality affordable housing
- SAHA residents feel safe

ATTACHMENTS:

Resolution 6250

Insurance Renewal Worksheet

**San Antonio Housing Authority
Resolution 6250**

RESOLUTION 6250, AUTHORIZING THE PRESIDENT AND CEO TO RENEW OR PLACE INSURANCE POLICIES COVERING PROPERTY, LIABILITY, CYBER LIABILITY, EXCESS/UMBRELLA, DIRECTORS AND OFFICERS, EMPLOYMENT PRACTICES, WORKERS' COMPENSATION, AUTOMOBILE FLEET, FIDUCIARY, FIDELITY, FLOOD, AND BOILER AND MACHINERY FOR THE SAN ANTONIO HOUSING AUTHORITY AND ITS AFFILIATED ENTITIES, FOR FISCAL YEAR 2022-2023, FOR AN ESTIMATED AMOUNT OF \$5,044,271.00

WHEREAS, the Housing Authority of the City of San Antonio, Texas, (SAHA) must maintain adequate insurance for its properties, its real estate assets, and the properties of its affiliates to protect itself, its residents, and its employees; and

WHEREAS, the renewal or placement of insurance is necessary to comply with U.S. Department of Housing and Urban Development (HUD) requirements, lenders and additional interests' requirements, and is necessary to protect SAHA's properties, residents, and staff; and

WHEREAS, SAHA's Broker of Record, McGriff, Seibels, and Williams of Texas, Inc., provides SAHA recommendations of the best available products and pricing; and

WHEREAS, staff recommends authorization to proceed with insurance policy renewals or placements in an amount estimated at \$5,044,271.00; and

WHEREAS, staff requests that the Board of Commissioners authorize the President and CEO's designee to execute all documents and transactions necessary to renew or place all insurance policies for the San Antonio Housing Authority and its affiliated entities.

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

- 1) Approves Resolution 6250, authorizing the President and CEO to renew or place insurance policies covering property, liability, cyber liability, excess/umbrella, directors and officers, employment practices, workers' compensation, automobile fleet, fiduciary, fidelity, flood, and boiler and machinery for the San Antonio Housing Authority and its affiliated entities, for Fiscal Year 2022-2023, for an estimated amount of \$5,044,271.00; and
- 2) Authorizes the President and CEO's designee to execute all documents, extensions, and annual premium remuneration necessary to renew or place all insurance policies for the San Antonio Housing Authority and its affiliated entities.

Passed and approved the 1st day of June 2022.

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

Attested and approved as to form:

Ed Hinojosa, Jr.
President and CEO

Fiscal Year 2022-2023 Insurance Renewals for SAHA and its Affiliates

Insurance Type or Insured Entity	2021-2022 Request to Board				2021-2022 Premiums				2022-2023 Request to Board			
	Property	Liability	Umbrella	Total	Property	Liability	Umbrella	Total	Property	Liability	Umbrella	Total
Automobile Fleet		\$64,758		\$64,758	\$0	\$59,111	\$0	\$59,111	\$0	\$65,022	\$0	\$65,022
Cyber Liability		\$27,466		\$27,466	\$0	\$32,727	\$0	\$32,727	\$0	\$40,909	\$0	\$40,909
Fiduciary, EPL, and D&O		\$70,293		\$70,293	\$0	\$70,169	\$0	\$70,169	\$0	\$87,711	\$0	\$87,711
Fidelity/Crime		\$8,839		\$8,839	\$0	\$8,839	\$0	\$8,839	\$0	\$11,049	\$0	\$11,049
Workers' Compensation		\$365,917		\$365,917	\$0	\$185,852	\$0	\$185,852	\$0	\$204,437	\$0	\$204,437
Flood	\$34,637			\$34,637	\$15,297	\$0	\$0	\$15,297	\$19,121	\$0	\$0	\$19,121
Property and Liability:									\$0	\$0	\$0	\$0
Converse Ranch I	\$36,022	\$6,683	\$14,516	\$57,220	\$35,872	\$6,873	\$3,375	\$46,120	\$44,840	\$8,591	\$4,219	\$57,650
Durango Midrise, LP	\$75,343	\$12,437	\$18,684	\$106,464	\$79,072	\$12,593	\$5,900	\$97,565	\$98,840	\$15,741	\$7,375	\$121,956
Las Varas Public Facility Corporation: Vacant land	\$0	\$3,223	\$12,120	\$15,343	\$0	\$4,467	\$3,000	\$7,467	\$0	\$5,584	\$3,750	\$9,334
Public Housing	\$1,041,622	\$312,736	\$0	\$1,354,358	\$1,179,044	\$304,520	\$0	\$1,483,564	\$1,473,806	\$380,650	\$0	\$1,854,456
SAHA Boiler & Machinery	\$27,821	\$0	\$0	\$27,821	\$31,498	\$0	\$0	\$31,498	\$39,373	\$0	\$0	\$39,373
San Antonio Housing Development Corporation	\$200,233	\$50,568	\$71,930	\$322,731	\$190,326	\$36,683	\$11,536	\$238,545	\$237,908	\$45,854	\$14,420	\$298,181
San Antonio Housing Facility Corporation	\$425,643	\$80,250	\$140,948	\$646,841	\$465,851	\$91,792	\$28,393	\$586,036	\$582,314	\$114,740	\$35,491	\$732,545
Springhill Courtland Hts Public Facility Corporation	\$140,943	\$26,214	\$37,480	\$204,637	\$160,477	\$27,370	\$8,219	\$196,066	\$200,596	\$34,213	\$10,274	\$245,083
Woodhill Public Facility Corporation	\$204,442	\$36,167	\$51,712	\$292,321	\$214,510	\$36,064	\$10,882	\$261,456	\$268,138	\$45,080	\$13,603	\$326,820
Beacon Housing Solutions, LLC	\$81,399	\$20,293	\$41,308	\$143,000	\$172,058	\$35,564	\$10,519	\$218,141	\$215,073	\$44,455	\$13,149	\$272,676
Total Request/Cost of Insurance	\$2,268,105	\$1,085,842	\$388,698	\$3,742,645	\$2,544,005	\$912,624	\$81,824	\$3,320,312	\$3,180,007	\$1,104,036	\$102,280	\$4,386,322
Approximately 15% for additions, increases, adjustments, or events				\$561,397				\$983,730				\$657,948
Total Request including additions				\$4,304,042				\$4,304,042				\$5,044,271
Increase/(Decrease) from 2021-2022 Premiums									\$636,001	\$191,412	\$20,456	\$740,229
									28.04%	17.63%	5.26%	17.2%

SAN ANTONIO HOUSING AUTHORITY

June 1, 2022

**BOARD OF COMMISSIONERS
Regular Board Meeting**

RESOLUTION 6241, AUTHORIZING THE SNOWDEN APARTMENTS TRANSACTION, INCLUDING: (I) THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; (II) ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; (III) THE CONVEYANCE OF THE LAND FOR THE TRANSACTION BY THE SAN ANTONIO HOUSING FINANCE CORPORATION (HFC) TO SAN ANTONIO HOUSING FACILITY CORPORATION (FAC); (IV) THE GROUND LEASING OF THE LAND FOR THE TRANSACTION BY SAN ANTONIO HOUSING FACILITY CORPORATION TO SNOWDEN APARTMENTS, LP; (V) THE ACQUISITION OF THE MEMBERSHIP INTEREST BY SAN ANTONIO HOUSING FACILITY CORPORATION IN SNOWDEN APARTMENTS GP, LLC; (VI) AUTHORIZING SAN ANTONIO HOUSING FACILITY CORPORATION TO SERVE AS THE DEVELOPER, GENERAL CONTRACTOR AND GUARANTOR FOR THE PROJECT; (VII) AUTHORIZING THE ADMISSION OF THE EQUITY INVESTORS INTO SNOWDEN APARTMENTS, LP; (VIII) AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND (IX) AUTHORIZING OTHER MATTERS IN CONNECTION THEREWITH

DocuSigned by:

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Ed Hinojosa, Jr.
 President and CEO

DocuSigned by:

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Timothy E. Alcott
 Chief Legal and Real Estate Officer

REQUESTED ACTION:

Consideration and approval regarding Resolution 6241, authorizing the Snowden Apartments transaction, including: (i) the execution of all documentation necessary to carry out the transaction; (ii) all filings and agreements with Texas Department of Housing and Community Affairs in connection with applications for low income housing tax credits; (iii) the conveyance of the land for the transaction by the San Antonio Housing Finance Corporation (HFC) to San Antonio Housing Facility Corporation (FAC); (iv) the ground leasing of the land for the transaction by San Antonio Housing Facility Corporation to Snowden Apartments, LP; (v) the acquisition of the membership interest by San Antonio Housing Facility Corporation in Snowden Apartments GP, LLC; (vi) authorizing San Antonio Housing Facility Corporation to serve as the developer, general contractor and the guarantor for the project; (vii) authorizing the admission of the equity investors into Snowden Apartments, LP; (viii) authorizing the financing for such transaction; and (ix) authorizing other matters in connection therewith.

FINANCIAL IMPACT:

The total project cost is expected to be approximately \$33,304,648.00 or \$246,701.00 per unit. The developer is the FAC. The FAC will give all required guarantees. After the end of the tax credit compliance period, the General Partner (a SAHA affiliate) will have an option to buy either the property for the greater of (i) fair market value of the project or (ii) the sum of all outstanding debt secured by mortgages on the project and any other obligations of the Partnership, including loans from any partner, plus \$1.00 and all debts, exit taxes, fees and obligations owed, if any, to the limited partners; or the limited partners' interests for a price equal to the sum of (a) the fair market value of the partnership interests; (b) exit taxes payable in connection with the sale of the interests, and (c) all debts, fee and obligations owed, if any, to the limited partners. The General

SAN ANTONIO HOUSING AUTHORITY**June 1, 2022**

Partner has a right of first refusal based upon any bona fide third-party purchase offer after the expiration of the Option Period. The FAC also has a Non-Profit Right of First Refusal to purchase the property at a minimum purchase price as defined in Section 42(i)(7)(B) of the Internal Revenue Code, plus all fees, debts, exit taxes and obligations, if any, owed to PNC Bank, National Association (PNC). Finally, there is a Limited Partner Put whereby the limited partners may, at their discretion, at any time put their partnership interests to the General Partner or its designee for a price equal to the sum of (1) \$1,000.00; (2) the Limited partners' costs and expenses incurred in the transfer of their partnership interests; and (3) all amounts due and owing to the limited partners including, but not limited to, any adjustment amounts, investor services fees, debts or other obligations.

The FAC will receive 100% of the distributions to the General Partner.

The total developer fee is approximately \$2,749,000.00 and will be payable 100% to the FAC.

SUMMARY:

The project will consist of 135 Housing Tax Credit units for seniors ages 62 and older, 14 of which will be for tenants whose incomes average 30% AMI or less, 54 of which will be for tenants whose incomes average 50% AMI or less, and 67 of which will be for tenants whose incomes average 60% AMI or less. Fifty-four units will be subsidized by an MTW local non-traditional affordable housing program that will look and act like Public Housing. The project will be located at 7223 Snowden Road, San Antonio, Texas, on land already owned by HFC, which will be conveyed to the FAC and then ground leased to the Partnership. Construction is projected to begin in Summer 2022, with completion in Fall of 2023. The Board is being asked to authorize all of the actions now understood to be necessary to finance and construct the project.

The land is currently owned by HFC, which will convey it to the FAC, and the FAC will lease it to Snowden Apartments, LP, who will pay the FAC an upfront lease payment of approximately \$1,224,630.00. The FAC will then lend these funds plus earned interest to the Partnership on a subordinate secured basis as a Sponsor Loan. Commercial construction financing will be provided by PNC Bank, National Association, in an amount estimated to be \$8,430,000.00, with a \$9,651,704.00 Bridge Loan. SAHA will provide a subordinated permanent loan of Moving to Work funding to the Partnership in the amount of up to \$8,500,000.00 plus earned interest. Equity contributions from an affiliate of PNC as an investor limited partner will be used to finance the construction and long-term operations. PNC has issued a commitment to purchase the project's tax credits at an equity price of 92.50 cents per credit dollar, for a total projected equity contribution of approximately \$13,873,613.00.

We are targeting a closing date of Summer, 2022.

STRATEGIC OUTCOMES:

SAHA residents have a sufficient supply of affordable housing options

ATTACHMENTS:

Resolution 6241

Resolution 22FAC-04-26

Resolution 22FIN-05-02

**San Antonio Housing Authority
Resolution 6241**

RESOLUTION 6241, AUTHORIZING THE SNOWDEN APARTMENTS TRANSACTION, INCLUDING: (I) THE EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; (II) ALL FILINGS AND AGREEMENTS WITH TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS IN CONNECTION WITH APPLICATIONS FOR LOW INCOME HOUSING TAX CREDITS; (III) THE CONVEYANCE OF THE LAND FOR THE TRANSACTION BY THE SAN ANTONIO HOUSING FINANCE CORPORATION (HFC) TO SAN ANTONIO HOUSING FACILITY CORPORATION (FAC); (IV) THE GROUND LEASING OF THE LAND FOR THE TRANSACTION BY SAN ANTONIO HOUSING FACILITY CORPORATION TO SNOWDEN APARTMENTS, LP; (V) THE ACQUISITION OF THE MEMBERSHIP INTEREST BY SAN ANTONIO HOUSING FACILITY CORPORATION IN SNOWDEN APARTMENTS GP, LLC; (VI) AUTHORIZING SAN ANTONIO HOUSING FACILITY CORPORATION TO SERVE AS THE DEVELOPER, GENERAL CONTRACTOR AND GUARANTOR FOR THE PROJECT; (VII) AUTHORIZING THE ADMISSION OF THE EQUITY INVESTORS INTO SNOWDEN APARTMENTS, LP; (VIII) AUTHORIZING THE FINANCING FOR SUCH TRANSACTION; AND (IX) AUTHORIZING OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of San Antonio, Texas, a municipal housing authority, organized under the laws of the State of Texas (Housing Authority), wishes to cause the construction of an approximately 135-unit multi-family housing apartment complex for Seniors ages 62 years and older to be located in San Antonio, Bexar County, Texas, constructed as housing for low-income persons and known as “Snowden Apartments” (Project) on land described on Exhibit A and owned by the San Antonio Housing Finance Corporation, a Texas public non-profit corporation (HFC); and

WHEREAS, HFC has sponsored the application for 9% Housing Tax Credits to the Project, and San Antonio Housing Facility Corporation (FAC) wishes to co-sponsor the Project by serving as: (i) the sole owner of Snowden Apartments GP, LLC (Company); (ii) the Developer of the Project; and (iii) the Guarantor of the Housing Tax Credits and the financing; and

WHEREAS, the Project has received an award of 9% Housing Tax Credits (Credits) and HFC now wishes to convey certain real property located at 7223 Snowden Road in San Antonio, Texas, (Project Site) to the FAC to facilitate closing on this transaction; and

WHEREAS, the Company shall serve as the general partner of Snowden Apartments, LP, a Texas limited partnership (Partnership), that has been formed to develop, own and operate the Project; and

WHEREAS, for the purpose of carrying out the Project, the Housing Authority intends to cause FAC to have the Partnership acquire a leasehold estate in the Project Site pursuant to a seventy-five

year ground lease (Ground Lease) by and between the FAC and the Partnership, so that the Project will qualify for a governmental ad valorem tax exemption through its public purpose; and

WHEREAS, it is desired that the FAC will execute a development agreement with the Partnership (Development Agreement) so that the FAC will serve as the developer for the Project, thereby earning a Development Fee to be paid by the Partnership; and

WHEREAS, it is desired that the FAC will execute a construction contract with the Partnership (Construction Contract) so that the FAC will serve as the general contractor for the construction of the Project, thereby qualifying for a sales tax exemption for the construction of the Project; and

WHEREAS, it is desired that the FAC shall cause the Partnership to execute a Letter of Intent with PNC Bank, National Association (PNC) for the purpose of admitting PNC and/or its affiliates into the Partnership as limited partners and accepting an equity investment in the Partnership in exchange for allocation of the Credits to the limited partners, with the FAC to serve as guarantor of the Company's obligations to the Partnership; and

WHEREAS, it is desired that the FAC shall cause the Partnership to execute a Letter of Intent with PNC for the purpose of obtaining a construction loan in the approximate amount of \$8,430,000.00 (Construction Loan) and a bridge loan in the approximate amount of \$9,651,704.00 (Bridge Loan) to the Partnership with the FAC to serve as guarantor of such loans; and

WHEREAS, it is desired that the FAC shall make a Sponsor loan to the Partnership in the approximate amount of \$1,224,630.00 plus earned interest (Sponsor Loan); and

WHEREAS, it is desired that the Housing Authority shall make a subordinate permanent loan of Moving to Work funding to the Partnership in an amount of up to \$8,500,000.00 plus earned interest (Subordinate Loan); and

WHEREAS, in connection with the financing and development of the Project, various project participants (Project Participants) shall require the Housing Authority or the FAC to execute and deliver certain documents, instruments, and agreements, including, without limitation, the Ground Lease, an amended and restated agreement of limited partnership, the Development Agreement, the Construction Contract, and one or more loan agreements, promissory notes, indentures, regulatory agreements and/or restrictive covenants affecting the Property, environmental indemnity agreements, replacement and/or other reserve agreements, subordination and/or intercreditor agreements, assignments, and any other documents evidencing or reasonably required by any of the Project participants in connection with the Ground Lease, the admission of PNC and/or its affiliates into the Partnership, the guaranties provided by the FAC, and the development and operation of the Project (collectively, the Project Documents); and

WHEREAS, this Board of Commissioners has reviewed the foregoing and determined that the action herein is in furtherance of the public purposes of the FAC and the Housing Authority.

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

- 1) Confirms that it supports the proposed Snowden Apartments to be located at 7223 Snowden Road, in the City of San Antonio, TX, and that this formal action has been taken to put on record the opinions expressed by the Housing Authority.
- 2) Approves San Antonio Housing Authority Resolution 6241.
- 3) Approves San Antonio Housing Facility Corporation Resolution 22FAC-04-26.
- 4) Approves San Antonio Housing Finance Corporation Resolution 22FIN-05-02.
- 5) Finds that the recitals contained in the preamble hereof are true and correct, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board of Commissioners.
- 6) Authorizes the following officers, or any one of them acting alone without the joinder of any other officer, to execute the Project Documents and all necessary documents and extensions related thereto on behalf of San Antonio Housing Facility Corporation or on behalf of the San Antonio Housing Finance Corporation:

<u>Name of Commissioner/Officer</u>	<u>Title</u>
Dr. Ana M. "Cha" Guzman	Chair and Commissioner
Olga Kauffman	Vice Chair and Commissioner
Gilbert Casillas	Commissioner
Dalia Flores Contreras	Commissioner
Loren Dantzler	Commissioner
Gabriel "Gabe" Lopez	Commissioner
Ignacio Perez	Commissioner
Ed Hinojosa, Jr.	President and CEO
Diana Fiedler	Chief Financial Officer
Timothy Alcott	Chief Legal and Real Estate Officer
Muriel Rhoder	Chief Administrative Officer
Brandee Perez	Chief Operating Officer
Michael Reyes	Public Affairs Officer

Richard Milk

Planning Officer

- 7) Authorizes that any and all acts heretofore taken by an authorized officer in connection with the matters authorized by the foregoing resolutions are hereby ratified, confirmed, and approved by the commissioners of the Housing Authority.

Passed and approved the 1st day of June 2022.

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

Attested and approved as to form:

Ed Hinojosa, Jr.
President and CEO

EXHIBIT A

PROPERTY DESCRIPTION

**Chapel Ridge
San Antonio, Texas**

**Lot Thirty-Four (34), Block B, New City Block 11609, CHAPEL RIDGE SUBDIVISION, UNIT 3,
City of San Antonio, Bexar County, Texas, according to plat thereof recorded in Volume 9513,
Page 15, Deed and Plat Records of Bexar County, Texas.**

**San Antonio Housing Facility Corporation
Resolution 22FAC-04-26**

RESOLUTION 22FAC-04-26, AUTHORIZING THE SNOWDEN APARTMENTS TRANSACTION, INCLUDING: (i) AUTHORIZING THE SAN ANTONIO HOUSING FACILITY CORPORATION (FAC) TO SPONSOR A TAX CREDIT APPLICATION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (TDHCA) FOR 9% HOUSING TAX CREDITS TO PROVIDE FINANCING FOR SNOWDEN APARTMENTS (PROJECT); (ii) AUTHORIZING THE FAC TO ACCEPT CONVEYANCE OF THE LAND CURRENTLY OWNED BY SAN ANTONIO HOUSING FINANCE CORPORATION (HFC) AT 7223 SNOWDEN ROAD, SAN ANTONIO, TEXAS (PROJECT SITE); (iii) AUTHORIZING EXECUTION OF A GROUND LEASE (LEASE) BETWEEN FAC AS "OWNER" AND "LANDLORD" AND SNOWDEN APARTMENTS, LP, A TEXAS LIMITED PARTNERSHIP CONTROLLED BY AN AFFILIATE OF THE FAC (PARTNERSHIP) AS "TENANT", COVERING THE PROJECT SITE, AND ALL OTHER DOCUMENTATION NECESSARY TO GROUND LEASE THE PROJECT SITE TO THE PARTNERSHIP FOR THE PURPOSE OF SUPPORTING AN AWARD FROM THE TDHCA FOR 9% HOUSING TAX CREDITS TO PROVIDE FINANCING FOR THE PROJECT DEVELOPMENT; (iv) AUTHORIZING THE CREATION OF SNOWDEN APARTMENTS GP, LLC, A TEXAS LIMITED LIABILITY COMPANY (COMPANY), AND THE PARTNERSHIP, FOR THE PURPOSE OF OWNING, DEVELOPING, CONSTRUCTING AND OPERATING THE PROJECT; (v) AUTHORIZING THE FAC TO SERVE AS THE PRIME CONTRACTOR FOR THE PROJECT; (vi) AUTHORIZING THE FAC TO SERVE AS DEVELOPER FOR THE PROJECT AND TO RECEIVE A DEVELOPMENT FEE FROM THE PARTNERSHIP; (vii) AUTHORIZING THE FAC TO CAUSE THE PARTNERSHIP TO ENTER INTO A LETTER OF INTENT WITH PNC BANK, NATIONAL ASSOCIATION (PNC) FOR ADMISSION OF PNC OR ITS AFFILIATES INTO THE PARTNERSHIP AND INVESTMENT OF EQUITY INTO THE PROJECT; (viii) AUTHORIZING THE FAC TO CAUSE THE PARTNERSHIP TO ENTER INTO A LETTER OF INTENT WITH PNC TO PROVIDE A CONSTRUCTION LOAN IN THE APPROXIMATE AMOUNT OF \$8,430,000.00 (CONSTRUCTION LOAN) AND A BRIDGE LOAN IN THE APPROXIMATE AMOUNT OF \$9,651,704.00 (BRIDGE LOAN) TO THE PARTNERSHIP WITH THE FAC TO SERVE AS GUARANTOR OF SUCH LOANS; (ix) AUTHORIZING THE FAC TO PROVIDE A PERMANENT SPONSORSHIP LOAN TO THE PARTNERSHIP IN THE APPROXIMATE AMOUNT OF \$1,322,600.00 (SPONSOR LOAN); (x) AUTHORIZING THE FAC TO CAUSE THE PARTNERSHIP TO ENTER INTO A PERMANENT SUBORDINATE LOAN OF MOVING TO WORK FUNDING FROM THE HOUSING AUTHORITY OF THE CITY OF SAN ANTONIO, TEXAS (HOUSING AUTHORITY) IN AN AMOUNT OF UP TO \$8,500,000.00, PLUS EARNED INTEREST (SUBORDINATE LOAN); AND (xi) AUTHORIZING OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, Snowden Apartments, LP, a Texas limited partnership (Partnership), whose sole General Partner is Snowden Apartments GP, LLC, a Texas limited liability company (Company), was formed to provide for the acquisition and construction of an approximately 135-unit

multi-family housing project for Seniors ages 62 years and older (Project) on land owned by the San Antonio Housing Finance Corporation (HFC) and described on Exhibit A (Project Site); and

WHEREAS, HFC has sponsored the application for 9% Housing Tax Credits to the Project, and San Antonio Housing Facility Corporation (FAC) wishes to co-sponsor the Project by serving as (i) the sole owner of Company; (ii) the Developer of the Project; and (iii) the Guarantor of the Housing Tax Credits and the financing; and

WHEREAS, the Project has received an award of 9% Housing Tax Credits (Credits) and HFC now wishes to convey certain real property located at 7223 Snowden Road in San Antonio, Texas, (Project Site) to the FAC to facilitate closing on this transaction; and

WHEREAS, for the purpose of carrying out the Project, the Housing Authority intends to cause FAC to have the Partnership acquire a leasehold estate in the Project Site pursuant to a seventy-five year ground lease (Ground Lease) by and between the FAC and the Partnership, so that the Project will qualify for a governmental ad valorem tax exemption through its public purpose; and

WHEREAS, it is desired that the FAC will execute a development agreement with the Partnership (Development Agreement) so that the FAC will serve as the developer for the Project, thereby earning a Development Fee to be paid by the Partnership; and

WHEREAS, it is desired that the FAC will execute a construction contract with the Partnership (Construction Contract) so that the FAC will serve as the general contractor for the construction of the Project, thereby qualifying for a sales tax exemption for the construction of the Project; and

WHEREAS, it is desired that the FAC shall cause the Partnership to execute a Letter of Intent with PNC Bank, National Association (PNC) for the purpose of admitting PNC and/or its affiliates into the Partnership as limited partners and accepting an equity investment in the Partnership in exchange for allocation of the Credits to the limited partners, with the FAC to serve as guarantor of the Company's obligations to the Partnership; and

WHEREAS, it is desired that the FAC shall cause the Partnership to execute a Letter of Intent with PNC for the purpose of obtaining a construction loan in the approximate amount of \$8,430,000.00 (Construction Loan) and a bridge loan in the approximate amount of \$9,651,704.00 (Bridge Loan) to the Partnership with the FAC to serve as guarantor of such loans; and

WHEREAS, it is desired that the FAC shall make a Sponsor loan to the Partnership in the approximate amount of \$1,322,600.00 (Sponsor Loan); and

WHEREAS, it is desired that the Housing Authority shall make a subordinate permanent loan of

Moving to Work funding to the Partnership in an amount of up to \$8,500,000.00 plus earned interest (Subordinate Loan); and

WHEREAS, in connection with the financing and development of the Project, various project participants (Project Participants) shall require the Housing Authority or the FAC to execute and deliver certain documents, instruments, and agreements, including, without limitation, the Ground Lease, an amended and restated agreement of limited partnership, the Development Agreement, the Construction Contract, and one or more loan agreements, promissory notes, indentures, regulatory agreements and/or restrictive covenants affecting the Property, environmental indemnity agreements, replacement and/or other reserve agreements, subordination and/or intercreditor agreements, assignments, and any other documents evidencing or reasonably required by any of the Project participants in connection with the Ground Lease, the admission of PNC and/or its affiliates into the Partnership, the guarantees provided by the FAC, and the development and operation of the Project (collectively, the Project Documents); and

WHEREAS, the members of the Board of Directors of the FAC and their respective offices are as follows:

<u>Name of Director/Officer</u>	<u>Position</u>
Dr. Ana M. "Cha" Guzmán	Chair and Director
Olga Kauffman	Vice Chair and Director
Ignacio Perez	Director
Dalia Flores Contreras	Director
Gilbert Casillas	Director
Gabriel "Gabe" Lopez	Director
Loren Dantzler	Director
Ed Hinojosa, Jr.	Secretary/Treasurer
Diana Fiedler	Asst. Secretary/Treasurer
Timothy E. Alcott	Asst. Secretary/Treasurer
Muriel Rhoder	Asst. Secretary/Treasurer
Brandee Perez	Asst. Secretary/Treasurer
Michael Reyes	Asst. Secretary/Treasurer
Richard Milk	Asst. Secretary/Treasurer

WHEREAS, the Board of Directors of the FAC has reviewed the foregoing and determined that the action herein authorized is in furtherance of the public purposes of the FAC, the General Partner and the Partnership.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the FAC hereby adopts the following resolution:

Section 1. The Project, the 9% Housing Tax Credit Application to the TDHCA, the proposed conveyance of the Project Site by HFC to the FAC and the execution of the Project Documents (collectively, the "Approved Activities") are hereby approved, and the President, Vice President, Secretary, or Treasurer of the FAC is hereby authorized to execute any and all documentation required for the Approved Activities and any and all other documentation required to be executed by FAC in order to effect such transactions.

Section 2. The President, Vice President, Secretary, or Treasurer, or any of them, and, if required by the form of the document, the Secretary and any Assistant Secretary, or any of them, of the FAC are authorized and directed to modify, execute and deliver any of the documents to be signed by or consented to by the FAC and any and all certificates and other instruments necessary to carry out the intent thereof and hereof. The President, Vice President, Secretary, or Treasurer of the FAC is authorized to negotiate and approve such changes in, or additions to, the terms any of the documents (prior to the execution and delivery thereof), and such amendments, renewals, and extensions, as such officers shall deem necessary or appropriate upon the advice of counsel to the FAC and approval of the terms of any of the documents by such officers and this Board shall be conclusively evidenced by the execution and delivery of such documents.

Section 3. The officers of the FAC, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof, and to the extent that any such action has already been taken by such officers, such action is hereby ratified and approved.

Section 4. If any section, paragraph, clause, or provision of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 5. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 6. All resolutions, or parts thereof which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 7. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 8. This Resolution shall be in force and effect from and after its passage on the date shown below.

Passed and approved the 1st day of June 2022.

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

Attested and approved as to form:

Ed Hinojosa, Jr.
Secretary/Treasurer

EXHIBIT A

PROPERTY DESCRIPTION

**Chapel Ridge
San Antonio, Texas**

**Lot Thirty-Four (34), Block B, New City Block 11609, CHAPEL RIDGE SUBDIVISION, UNIT 3,
City of San Antonio, Bexar County, Texas, according to plat thereof recorded in Volume 9513,
Page 15, Deed and Plat Records of Bexar County, Texas.**

**San Antonio Housing Finance Corporation
Resolution 22FIN-05-02**

RESOLUTION 22FIN-05-02, AUTHORIZING THE SNOWDEN APARTMENTS TRANSACTION, INCLUDING: (i) AUTHORIZING THE SAN ANTONIO HOUSING FINANCE CORPORATION (HFC) TO SPONSOR A TAX CREDIT APPLICATION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS (TDHCA) FOR 9% HOUSING TAX CREDITS TO PROVIDE FINANCING FOR SNOWDEN APARTMENTS (PROJECT); (ii) AUTHORIZING CONVEYANCE OF THE LAND CURRENTLY OWNED BY HFC AT 7223 SNOWDEN ROAD, SAN ANTONIO, TEXAS (PROJECT SITE), TO SAN ANTONIO HOUSING FACILITY CORPORATION (FAC); AND (iii) AUTHORIZING OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Snowden Apartments, LP, a Texas limited partnership (Partnership), whose sole General Partner is Snowden Apartments GP, LLC, a Texas limited liability company (General Partner), was formed to provide for the acquisition and construction of an approximately 135-unit multi-family housing project for Seniors ages 62 years and older (Project) on land owned by the San Antonio Housing Finance Corporation (HFC) and described on Exhibit A (Project Site); and

WHEREAS, HFC and San Antonio Housing Facility Corporation (FAC) are co-sponsoring the Partnership's application for 9% Housing Tax Credits from the Texas Department of Housing and Community Affairs (TDHCA) for the purpose of financing the Project in part; and

WHEREAS, the sole member of the General Partner will be FAC; and

WHEREAS, by conveying the Project Site to FAC, HFC may facilitate the Project by permitting the ownership structure of the Project Site to qualify for an ad valorem tax exemption for the Project through its public purpose; and

WHEREAS, the members of the Board of Directors of HFC (Board) and their respective offices are as follows:

<u>Name of Director/Officer</u>	<u>Position</u>
Dr. Ana M. "Cha" Guzmán	Chair and Director
Olga Kauffman	Vice Chair and Director
Ignacio Perez	Director
Dalia Flores Contreras	Director
Gilbert Casillas	Director
Gabriel "Gabe" Lopez	Director
Loren Dantzler	Director
Ed Hinojosa, Jr.	Secretary/Treasurer
Diana Fiedler	Asst. Secretary/Treasurer
Timothy E. Alcott	Asst. Secretary/Treasurer
Muriel Rhoder	Asst. Secretary/Treasurer
Brandee Perez	Asst. Secretary/Treasurer
Michael Reyes	Asst. Secretary/Treasurer

Richard Milk

Asst. Secretary/Treasurer

WHEREAS, the Board of Directors of HFC has reviewed the foregoing and determined that the action herein authorized is in furtherance of the public purposes of HFC, the General Partner and the Partnership.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of HFC hereby adopts the following resolution:

Section 1. The Project, the 9% Housing Tax Credit Application to the TDHCA, and HFC's proposed conveyance of the Project Site to the San Antonio Housing Facility Corporation (collectively, the "Approved Activities") are hereby approved, and the President, Vice President, Secretary, or Treasurer of the HFC is hereby authorized to execute any and all documentation required for the Approved Activities and any and all other documentation required to be executed by HFC in order to effect such transactions.

Section 2. The President, Vice President, Secretary, or Treasurer, or any of them, and, if required by the form of the document, the Secretary and any Assistant Secretary, or any of them, of the HFC are authorized and directed to modify, execute and deliver any of the documents to be signed by or consented to by the HFC and any and all certificates and other instruments necessary to carry out the intent thereof and hereof. The President, Vice President, Secretary, or Treasurer of the HFC is authorized to negotiate and approve such changes in, or additions to, the terms any of the documents (prior to the execution and delivery thereof), and such amendments, renewals, and extensions, as such officers shall deem necessary or appropriate upon the advice of counsel to HFC and approval of the terms of any of the documents by such officers and this Board shall be conclusively evidenced by the execution and delivery of such documents.

Section 3. The officers of the HFC, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof, and to the extent that any such action has already been taken by such officers, such action is hereby ratified and approved.

Section 4. If any section, paragraph, clause, or provision of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 5. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 6. All resolutions, or parts thereof which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 7. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 8. This Resolution shall be in force and effect from and after its passage on the date shown below.

Passed and approved the 1st day of June 2022.

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

Attested and approved as to form:

Ed Hinojosa, Jr.
Secretary/Treasurer

EXHIBIT A

PROPERTY DESCRIPTION

**Chapel Ridge
San Antonio, Texas**

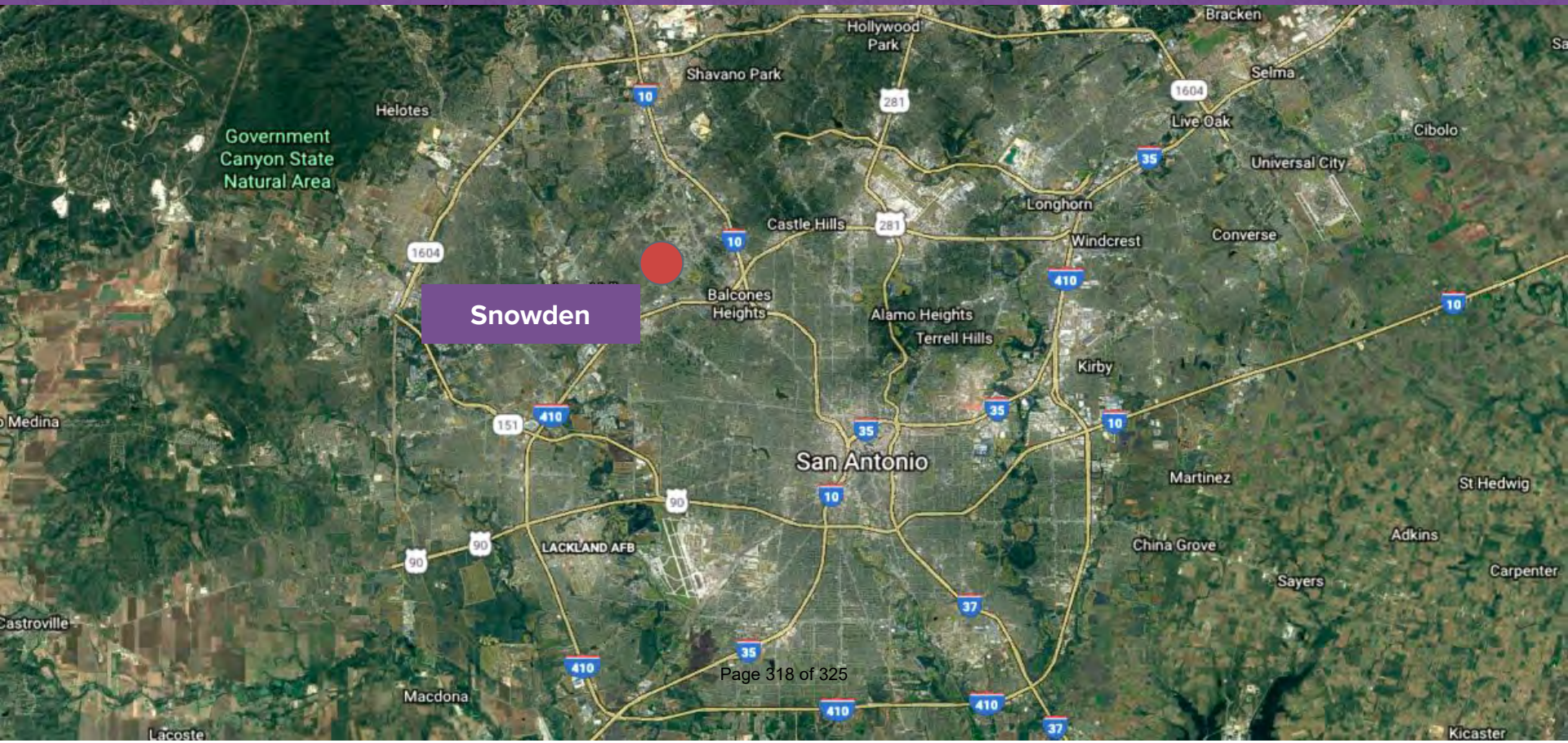
**Lot Thirty-Four (34), Block B, New City Block 11609, CHAPEL RIDGE SUBDIVISION, UNIT 3,
City of San Antonio, Bexar County, Texas, according to plat thereof recorded in Volume 9513,
Page 15, Deed and Plat Records of Bexar County, Texas.**



Snowden

Timothy Alcott, Chief Legal and Real Estate Officer
Lorraine Robles, Director of Development Services and Neighborhood
Revitalization

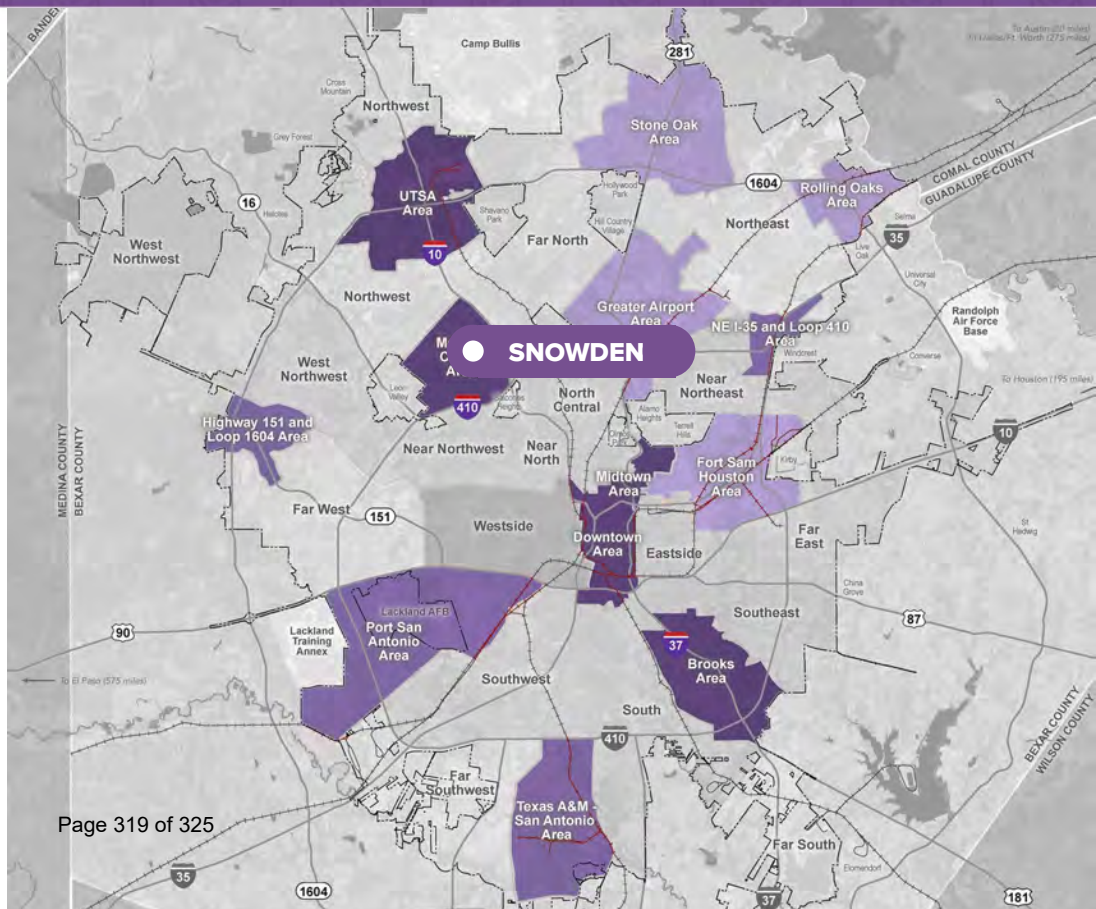
MAP



Downtown
Medical Center
UTSA
Midtown
Brooks

NE I-35 and Loop 410
Highway 151 and Loop 1604
Texas A&M — San Antonio
Port San Antonio

Greater Airport Area
Fort Sam Houston
Rolling Oaks
Stone Oak



SNOWDEN



SNOWDEN

- City Council District 7
- Northside ISD
- 135 Units
- 14 Units at 30% AMI
- 54 units at 50% AMI
- 67 units @ 60% AMI
- *Note: 40% (54) units are subsidized by an MTW local non-traditional rental program*
- 9% Tax Credits
- Total Development Cost: \$33,304,648.00

PROFORMA BREAKDOWN

Total Development Cost \$33,304,648	
Construction costs	\$23,875,706
A&E	\$1,086,641
Other soft costs, etc.	\$6,075,262
Per Unit cost	\$246,701
Rentable per Square Foot cost	\$333.95
Acquisition Costs	\$1,224,630
Construction Contingency	\$1,042,409

QUESTIONS?



PRESIDENT'S REPORT

JUNE 2022

PRESIDENT AND CEO INDUCTED TO TX NAHRO HALL OF FAME

SAHA President and CEO Ed Hinojosa, Jr. was inducted into the Texas chapter of the National Association of Housing and Redevelopment Officials (NAHRO) Hall of Fame on May 12, in Austin.

Hinojosa earned the distinction based on his exemplary and compassionate leadership in 2021, in which he led our organization's effort to help SAHA families navigate through a global pandemic.

Under his leadership, SAHA was one of first housing authorities in the country to introduce eviction protection in March 2020 and one of the few to continue the moratorium through 2022.





SAHA SAN ANTONIO
HOUSING AUTHORITY
Opportunity Lives Here

THE ARCADIAN OPENS WITH AFFORDABLE HOUSING

The NRP Group announced the grand opening of The Arcadian in East San Antonio on April 28 with Texas State Representative Elizabeth “Liz” Campos. The Arcadian features 324 units ranging in size from one to four bedrooms, which will be rented to residents earning 30 to 70% of the Area Median Income.

The apartment community, built in partnership with SAHA, is located at the intersection of Loop 1604 and I-10 East and will provide residents with a prime location to access major highways for short commutes to downtown San Antonio and the eastern rim of the city. The Arcadian is just minutes from Joint Base San Antonio-Randolph, as well as many manufacturing companies, industrial companies and distribution centers.



MOTHER'S DAY RECAP

After a two-year hiatus, SAHA's Annual Mother's Day Celebration was back, and the Central Office parking lot transformed on May 6 to honor hardworking resident women. Residents were serenaded by mariachis, received massages at the pampering station, had manicures, shopped gently-used clothing at a clothing boutique, won giveaways and strutted in a fashion show.



