



FINANCE COMMITTEE MEETING
MAY 15, 2024



A COMMUNITY OF POSSIBILITIES

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

BOARD OF COMMISSIONERS

Gabriel Lopez
Chair

Gilbert Casillas
Vice Chair

Dalia Contreras
Commissioner

Estrellita Garcia Diaz
Commissioner

Janet Garica
Commissioner

Leilah Powell
Commissioner

PRESIDENT & CEO

Ed Hinojosa, Jr.

**FINANCE COMMITTEE MEETING
*OR SPECIAL BOARD MEETING
1:00 p.m. | Wednesday | May 15, 2024**

If this meeting becomes a Special Board Meeting, at least four Commissioners will be physically present at this location and the Presiding Officer will also be present at this location.

MEETING CALLED TO ORDER

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

CITIZENS TO BE HEARD

2. **Citizens to be Heard** at approximately 1:00 p.m. (may be heard after this time) Citizens wishing to speak on any issues, including ones 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. Citizens will be given up to three minutes to speak. Each citizen will be permitted to speak only once. 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 Opportunity Home matters and policy and not include statements that may be considered defamatory of any individual. The Board encourages members of the public to direct specific concerns or problems to Opportunity Home staff for more prompt resolution. The Board will not discuss the comments of speakers or respond to speakers during the Citizens to be Heard portion of the agenda.

INDIVIDUAL ITEMS

3. Consideration and appropriate action regarding Resolution 6520, approving the Consolidated Operating and Related Capital Budgets for Opportunity Home San Antonio and its affiliated nonprofit entities for the fiscal year ending June 30, 2025 (Diana Kollodziej Fiedler, Chief Financial Officer)
4. Consideration and appropriate action regarding Resolution 6527, adopting the Opportunity Home San Antonio Internal Audit Plan for Fiscal Year 2024-2025 (Allison Schlegel, Director of Internal Audit)

DISCUSSION ITEM

5. Update and discussion regarding the Quarterly Financial Report (Aaron Sladek, Director of Finance and Accounting)

REPORT

- Quarterly Internal Audit Report

6. Adjournment

Posted on: 5/10/2024 1:00 PM

*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.

These committee meetings may become special board meetings if a quorum of the Board attends. No final action is contemplated at these meetings.

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

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

**BOARD OF COMMISSIONERS
Finance Committee Meeting**

RESOLUTION 6520, APPROVING THE CONSOLIDATED OPERATING AND RELATED CAPITAL BUDGETS FOR OPPORTUNITY HOME SAN ANTONIO AND ITS AFFILIATED NONPROFIT ENTITIES FOR THE FISCAL YEAR ENDING JUNE 30, 2025

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 appropriate action regarding Resolution 6520, approving the Consolidated Operating and Related Capital Budgets for Opportunity Home San Antonio and its affiliated nonprofit entities for the fiscal year ending June 30, 2025.

SUMMARY:

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

Employee Outcomes

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

Resident Outcomes

- Residents have meaningful housing choices
- Residents live in quality homes
- Residents feel safe
- Residents secure and maintain suitable employment
- Residents are able to age in place
- Residents are able to live at their desired level of independence
- Residents graduate from high school

Community Outcomes

- Community trust Opportunity Home and invest in our mission

Value Outcomes

- **Equity:** Residents' race/ethnicity does not determine housing assistance or support service outcomes
- **Compassion:** Residents experience compassionate housing assistance that relieves suffering and improves their quality of life

OPPORTUNITY HOME SAN ANTONIO**May 15, 2024**

- **Excellence:** Residents experience a high standard of housing assistance that improves continuously

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

- Budgets are based on the Organization's Strategic Plan Outcomes.
- Due to current economic conditions, budgets reflect expense increases due to inflation.
- Section 8 HAP is budgeted at an estimated 100% funding proration using a 6% inflation factor for the first half of the fiscal year and 2% for the second.
- An estimate of 91% proration was used for Section 8 Administration funding.
- Public Housing property budgets reflect estimated subsidy funding at a 96% proration with a target occupancy of 97%.
- The Beacon budget reflects a weighted average occupancy of 90%.

Staff has been working on the Fiscal Year 2024-2025 budget process since October 2023. While staff continued to monitor the federal funding information, budgets were prepared using estimates based on available information.

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

The staff has focused on making prudent departmental and budgetary decisions while considering the existing uncertain funding environment compounded by the impact of inflation. As operations continue to adjust in this environment, we will continue to balance the needs of our families with these financial possibilities. The organization will also continue identifying and implementing solutions to 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 12, 2024, meeting.

The proposed budget will be implemented for the Fiscal Year starting July 1, 2024, and ending June 30, 2025. The projected MTW Block Grant Funding for the fiscal year will be able to fund the Public Housing, Section 8, and Resident Services programs, as well as the budgeted shortfall for the Central Office Cost Center. Financial performance versus budget will be reported to the Finance Committee quarterly throughout the year.

STRATEGIC OUTCOMES:

Supports all strategic outcomes.

ATTACHMENTS:

Resolution 6520
HUD form 52574
Slides

**Opportunity Home San Antonio
Resolution 6520**

RESOLUTION 6520, APPROVING THE CONSOLIDATED OPERATING AND RELATED CAPITAL BUDGETS FOR OPPORTUNITY HOME SAN ANTONIO AND ITS AFFILIATED NONPROFIT ENTITIES FOR THE FISCAL YEAR ENDING JUNE 30, 2025

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

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

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

WHEREAS, Opportunity Home San Antonio has prepared the Consolidated Operating and Related Capital Budgets that maintain the long-term financial health of the agency and the ability to provide quality housing and services; and

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

Sources:

- MTW Funds- \$54 million

Uses:

- Section 8 funding shortfall - \$1 million
- Public Housing operating shortfall - \$11.3 million
- Resident Services (CDI) - \$2.5 million
- Central Office operating shortfall - \$1 million
- Alazan Phase I and Predevelopment costs - \$18 million
- Investment in Midcrowne and Ravello Properties - \$5 million
- Investment in MTW units at Tax Credit/Beacon properties - \$10.7 million
- Additional Investment in the 100 Labor Street Project - \$1.5 million
- Additional Costs Related to Public Housing Rent Collection Efforts - \$3 million

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

- 1) Reviewed the Consolidated Operating and Related Capital Budgets and has found that the final plan is reasonable in that it indicates a source of funding adequate to cover proposed expenditures; and
- 2) Approves Resolution 6520, approving the Consolidated Operating and Related Capital Budgets for Opportunity Home San Antonio and its affiliated nonprofit entities for the Fiscal Year Ending June 30, 2025, and the obligation of funds as described in this Resolution and included in the referenced Consolidated Operating and Related Capital Budgets; and
- 3) Authorizes the President and CEO to submit and sign the HUD forms related to the Operating Budget.

Passed and approved this 12th day of June 2024.

Gabriel Lopez

Chair, Board of Commissioners

Attested and approved as to form:

Ed Hinojosa, Jr.

President and CEO

PHA Board Resolution

Approving Operating Budget

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

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

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

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

PHA Name: San Antonio Housing Authority PHA Code: TX006

PHA Fiscal Year Beginning: 07/01/2024 Board Resolution Number: 6520

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: 06/12/2024
- 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: Gabriel Lopez	Signature:	Date: 06/12/2024
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Budget Workshop

Proposed Goals and Budget
Fiscal Year 2024 – 2025

Agenda

BACKGROUND

- Significant Accomplishments in FY 2023-2024
- Mission Statement and Strategic Plan Outcomes
- What We Do
- Who We Serve

FUNDING ENVIRONMENT

- Federal Funding Trend
- Federal Funding Update

OPPORTUNITY HOME FY 2024-2025 BUDGET

- FY 2024-2025 Consolidated Budget - Revenues and Expenses
- MTW Proposed Uses
- Staffing Count and Organizational Chart
- Agency Goals and Priorities

FY23-24 Opportunity Home and Partner Accomplishments

- Closed on two **9% Tax Credit Deals**; Fiesta Trails and Vista at Reed
- Awarded \$8.3M in **City Bond Funds** for Victoria Plaza, Ravello, Midcrowne, and WRI
- Received \$3.8M in **federal earmark funding** for Alazan Expansion, Cassiano, Towering Oaks, and Courtland Heights
- Completed update of 67% of the **outdoor lighting project** to improve security at the Public Housing Communities
- Substantial completion of construction at **Snowden**, the organization's first self-developed project
- Successfully transitioned the **Midcrowne Senior Community** to Beacon Management

Mission

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

Strategic Plan Outcomes

Employee Outcomes

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

Resident Outcomes

- Residents have meaningful housing choices
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The Need in San Antonio

1 in 13

San Antonians are on an Opportunity Home waiting list.

113,000

households as of March 1, 2024.

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

What We Do

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

66,000

San Antonians served

11%

of the local rental market

6,000

Public Housing Homes

5,000

Beacon Homes

7,500

enrolled in Community Development Initiatives core programs

8,000

Partnership Homes

12,000

Assisted Housing Vouchers

Source: Opportunity Home San Antonio Monitoring Dashboard, as of Fiscal Year 2023-2024 Quarter 2 (December 31, 2023)

Who We Serve

Public Housing and Voucher Programs serve **44,000 individuals**.



94%

with one head
of household

46%

with children

2.5

household size

\$11,000

Median income

52%

with fixed income
(SS, SSI, Pension)

33%

with earned
income
(Wages)

Source: Opportunity Home San Antonio Demographic Tracker,
as of Fiscal Year 2023-2024 Quarter 2 (December 31, 2023)

MTW StS Baseline Requirement

MTW Statute requires that MTW PHAs “[continue] to assist substantially the same “StS” total number of eligible low income families as would have been served had the amounts [of funding] not been combined”. To verify compliance with the Statutory Requirement, HUD compares the number of actual families served in an MTW PHA’s fiscal year to an adjusted “baseline” estimate of the number of families that would have been served absent the MTW designation. This ratio will result in an annual percentage that will show the extent to which the MTW PHA is meeting the Statutory Requirement.

18,244
MTW Baseline

104%
FY 2024-2025
Projected StS

5,827
Public Housing 12-
month Average Units
Leased

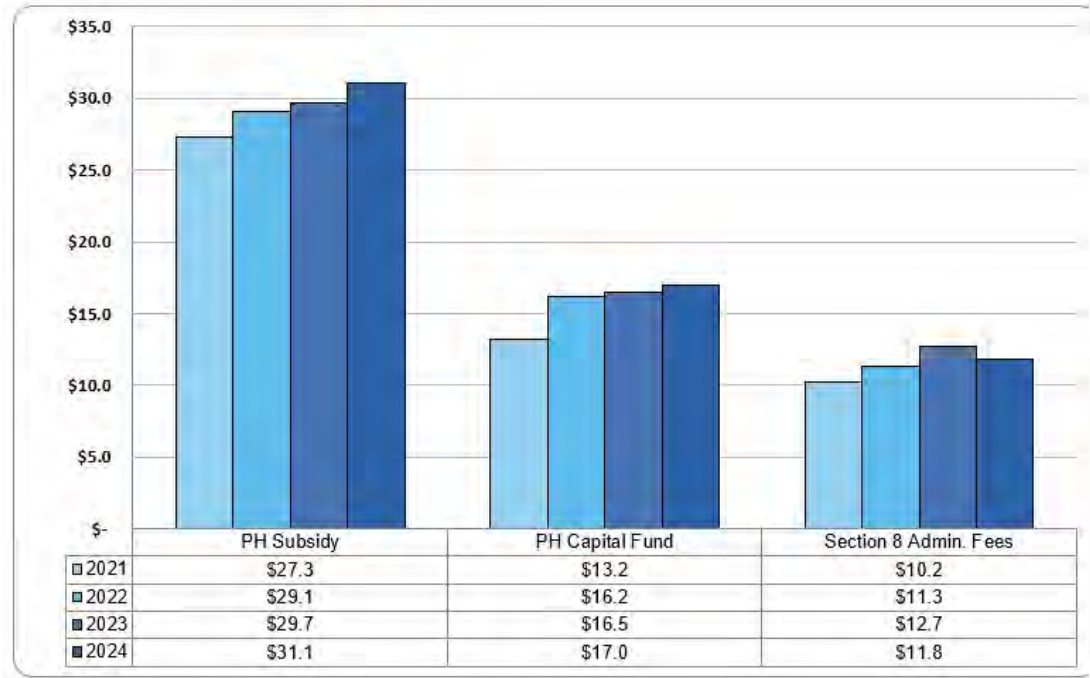
19,027
FY 2024-2025
Projected Households
Served

10,800
MTW Housing Choice
Vouchers (HCV)
12-month Average
Utilized

2,400
Local, Non-Traditional
(LNT): Property-Based
12-month Average Units
Leased

*Source: Opportunity Home San Antonio Proposed FY 2024-2025
MTW Plan | Section 11.B.i. Planned Number of Households Served
(Page 14)*

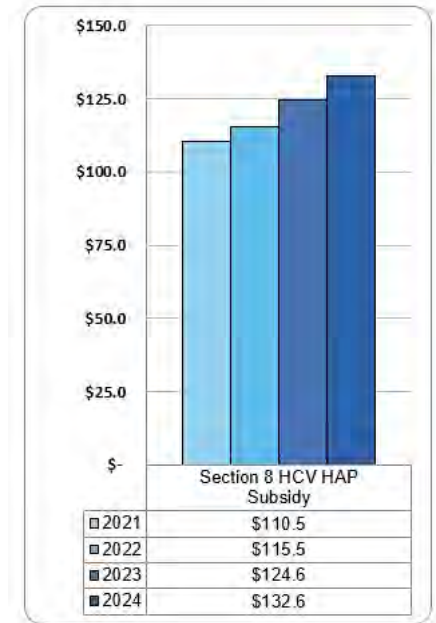
MTW Calendar Year Block Grant Funding



4.71%

3.03%

-7.09%



6.42%

Percentage Change
CY24 vs CY23

- Section 8 Housing Choice Voucher HAP information indicated above does not include any Section 8 special programs
- Section 8 Choice Voucher HAP proration was 100.29% in 2021, 100% in 2022, 100% in 2023 and is projected to be 100% in 2024
- Section 8 Admin Fee proration was 85.80% in 2021, 89.39% in 2022, 97.38% in 2023 and is projected to be 90% in 2024
- PH Operating Fund proration was 96.74% in 2021, 104.94% in 2022, 93.02% in 2023 and is projected to be 96% in 2024

Federal Funding Update

- On **March 8, 2024**, President Biden signed into law a \$469 billion minibus fiscal year (FY) 2024 spending bill, providing discretionary funding for federal agencies covered in six of the 12 annual spending bills, including the U.S. Department of Housing and Urban Development (HUD). In general, the bill's funding levels provide most HUD programs, especially rental assistance programs, with modest increases from last year. It proposes:
 - **\$3.2 billion for the Public Housing Capital Fund**, which is equal to the 2023 enacted level. **Actual 2024 funding will be \$17M.**
 - **\$32.4 billion for Tenant-based rental assistance**, a \$2.1 billion increase over the 2023 enacted level. Of this amount, \$28.5 billion is for Section 8 Housing Choice Voucher contract renewals, which is \$2.09 billion more from 2023 and should be sufficient to fund all renewals. Opportunity Home staff budgeted a 6% increase in CY2024 HCV HAP funding based on information recently provided from our HUD local field office. **Actual 2024 inflation increase was 8.55% with a 99.5% proration which provides additional funding of \$2.5M.**
 - **\$16.1 billion for Project-Based Rental Assistance**, an increase of \$1.10 billion over the 2023 enacted level, which should be sufficient to renew all expiring contracts. **Actual inflation for 2024 is 5.3%.**
 - **\$5.48 billion for Public Housing operating subsidies**, an increase of \$367 million over the 2023 enacted level. Since this funding is based on a HUD formula, our maximum funding for CY24 is \$32M; what is unknown at this point is the proration HUD will apply to the funding, which is currently 87.44%.

HAP Cost By Calendar Year

Calendar Year Ending	HAP Cost Per Unit at Year End	\$ Increase	% Increase	% Rent Increase in San Antonio	Actual Calendar Year HAP Cost	Annual Increase
2018	\$603.43					
2019	\$620.50	\$17.07	2.83%	3.34%		
2020	\$639.39	\$18.89	3.04%	2.23%		
2021	\$640.98	\$1.59	0.25%	8.17%		
2022	\$667.91	\$26.93	4.20%	10.58%	\$83,653,100	
2023	\$779.09	\$111.18	16.65%	1.75%	\$95,000,871	\$11,347,771
2024*	\$865.17	\$86.08	11.05%	-0.87%	\$110,994,078	\$15,993,207

* **Projected**

Budget Challenges

- Increase in Section 8 Payments to Landlords (HAP) Costs:
 - Increased payment standards
 - Increased number of HCV families served
- Increase in Public Housing Operating Costs:
 - High inflationary impact
 - Improved service levels
- Maintain current Resident Engagement service levels

Budget Options and Tradeoffs

- Decrease Public Housing costs:
 - Maintenance Staffing
 - Security Services
 - Pest Control
 - Garbage/Bulk Pick-up
 - Beautification Projects
 - Resident Events
 - Unit Make Ready Costs
 - Maintenance Supplies
- Increase Public Housing Rent Collections
- Reduce Resident Engagement service levels
- Reduce HAP payments to landlords by decreasing payment standards
- Reduce the number of HCV families served without compromising our MTW StS requirement
- Reduce funding for preservation and expansion projects
- Provide funding to Public Housing from real estate income

Budget Recommendations

- Decrease Public Housing costs:
 - Maintenance Staffing
 - Security Services
 - Unit Make Ready Costs
 - Maintenance Supplies
- Maintain Public Housing costs at current service levels:
 - Pest Control
 - Resident Events
 - Garbage/Bulk Pick-up
 - Beautification Projects
- Increase Public Housing Rent Collections
- Maintain current Resident Engagement service levels
- Adjustments to HCV number of families served
- Continue to set aside \$18M for phase I of the Alazan Redevelopment
- Funding for City Housing Bond match and year 15 tax credit property conversions
- Decrease in organizational staffing levels

Drivers

- MTW StS Requirement
- Resident Satisfaction
- Available Funding/Fiduciary Responsibility
- HUD Regulations
- Organizational Reputation
- Preservation and Expansion of Affordable Housing

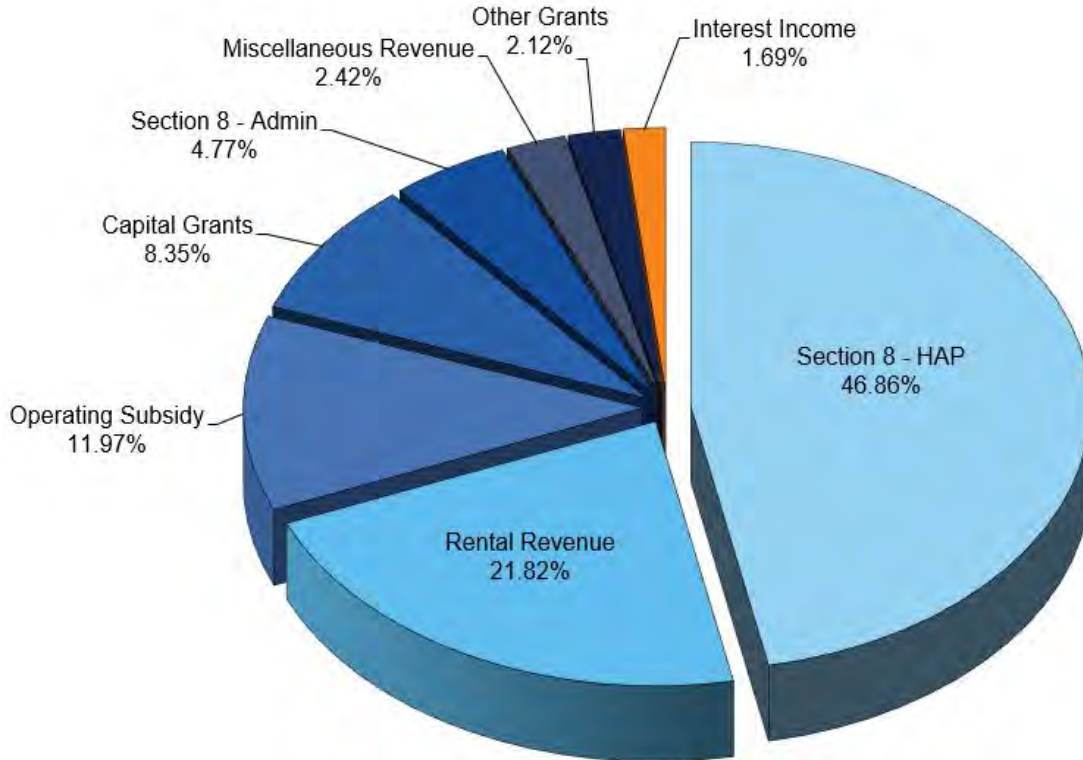
Operating Budget by Cost Center (Millions)

DESCRIPTION	PUBLIC HOUSING	SECTION 8	BEACON	CENTRAL OFFICE	RESIDENT ENGAGEMENT	SUBTOTAL OPERATIONS	REAL ESTATE	CAPITAL	ELIM	TOTAL
Operating Revenue	\$43.5	\$134.3	\$48.8	\$1.7	\$2.4	\$230.6	\$5.3	\$21.7	\$-2.1	\$255.5
Operating Expenses										
Salaries and Benefits	17.6	7.8	11.8	13.7	3.4	54.3	2.7	-	-	56.9
Repairs and Maintenance	17.1	-	9.6	0.4	-	27.1	0.1	-	-	27.2
Utilities	6.0	-	4.6	0.2	-	10.8	-	-	-	10.8
Protective Services	1.9	-	0.8	0.1	-	2.9	-	-	-	2.9
Insurance	2.3	0.2	2.7	0.1	-	5.3	0.1	-	-	5.4
HAP Expense	-	121.8	-	-	-	121.8	-	-	-	121.8
Other Expenses	4.1	2.5	3.3	2.7	1.3	13.9	1.7	1.8	-1.5	15.9
Management Fees	6.1	3.2	3.7	-14.5	-	-1.5	-	1.7	0.2	0.3
Total Operating Expenses	55.1	135.5	36.5	2.8	4.7	234.5	4.5	3.4	-1.4	241.2
Net Operating Income	-\$11.6	-\$1.2	\$12.3	-\$1.0	-\$2.3	-\$3.9	\$0.8	\$18.2	-\$0.7	\$14.3
Non-Operating Income (Expense)										
Interest Income	1.8	0.3	1.4	0.1	-	3.5	1.1	0.1	-0.3	4.4
Interest Expense	-0.2	-	-5.9	-	-	-6.0	-	-0.1	0.3	-5.8
Non-Operating ¹	-4.5	-	-2.5	-	-0.1	-7.1	-	-3.3	0.7	-9.7
Capital Grants Project Transfer	-	-	-	-	-	-	-	-14.9	-	-14.9
Total Non-Operating Income (Expense):	-3.0	0.3	-6.9	0.1	-0.1	-9.7	1.1	-18.2	0.7	-26.0
Surplus or (Deficit)²	-\$14.6	-\$1.0	\$5.3	-\$1.0	-\$2.5	-\$13.6	\$2.0	\$0.0	\$0.0	-\$11.7
MTW Block Grant Transfers	14.6	1.0	0.0	1.0	2.5	19.0	-	-	-	19.0
Net Surplus or (Deficit) after Transfer	\$0.0	\$0.0	\$5.3	\$0.0	\$0.0	\$5.4	\$2.0	\$0.0	\$0.0	\$7.3

* Items indicated in blue are fixed cost

FYE 2025 Consolidated Sources

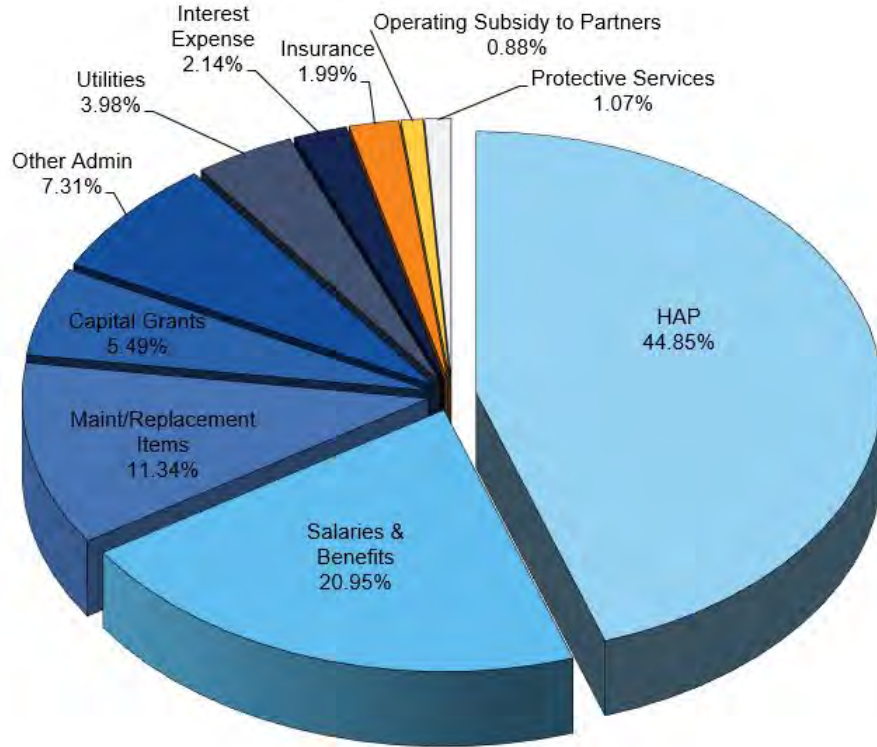
\$259.9 Million



BUDGET LINE ITEM	PROJECTED Revenue(MIL)
□ Section 8 - HAP	\$121.8
■ Rental Revenue	\$ 56.7
■ Operating Subsidy	\$ 31.1
■ Capital Grants	\$ 21.7
■ Section 8 - Admin	\$ 12.4
■ Miscellaneous Revenue	\$ 6.3
■ Other Grants	\$ 5.5
■ Interest Income	\$ 4.4

FYE 2025 Consolidated Uses

\$271.6 Million



BUDGET LINE ITEM	PROJECTED EXPENSES (MIL)
HAP	\$121.8
Salaries & Benefits	\$56.9
Maint/Replacement Items	\$30.8
Capital Grant Projects	\$14.9
Admin. & Other	\$19.9
Utilities	\$10.8
Interest Expense	\$5.8
Insurance	\$5.4
Operating Subsidy to Partners	\$2.4
Protective Services	\$2.9

Public Housing Five-Year Capital Plan

SOURCE OF FUNDS	ESTIMATED AMOUNTS				
	2024	2025	2026	2027	2028
Capital Fund Program (CFP) Grant Amount	\$16,000,000	\$16,000,000	\$16,000,000	\$16,000,000	\$16,000,000
Capital Fund Program (CFP) Housing Hazard / LBP Grants	\$9,280,865	\$0	\$0	\$0	\$0
Federal Earmark EDI Community Project Funding (CPF)	\$4,160,000	\$0	\$0	\$0	\$0
City of San Antonio Housing Bond Funding	\$2,500,000	\$0	\$0	\$0	\$0
Total	\$31,940,865	\$16,000,000	\$16,000,000	\$16,000,000	\$16,000,000

PLANNED PROJECT	ESTIMATED COSTS				
	2024	2025	2026	2027	2028
Public Housing Operating Support	\$3,200,000	\$3,200,000	\$3,200,000	\$3,200,000	\$3,200,000
Administration	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000
CFFP Loan Payment	\$1,365,000	\$0	\$0	\$0	\$0
CFP Project Manager-Inspector Salaries	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Fees and Costs: A/E; Permits; Studies; etc.	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Emergency/Unscheduled repairs	\$650,000	\$650,000	\$650,000	\$650,000	\$650,000
Priority items 5-6 from PNA / backlog capital needs	\$24,525,865	\$9,950,000	\$9,950,000	\$9,950,000	\$9,950,000
Total	\$31,940,865	\$16,000,000	\$16,000,000	\$16,000,000	\$16,000,000

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

Beacon Five-Year Capital Plan

SOURCE OF FUNDS	ESTIMATED AMOUNTS				
	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28	FY 28 - 29
City of San Antonio Housing Bond Funding	\$13,950,397	\$0	\$0	\$0	\$0
MTW Funds	\$5,000,000	\$0	\$0	\$0	\$0
Reserves	\$886,000	\$800,000	\$395,000	\$2,250,000	\$440,000
Unfunded	\$0	\$630,000	\$6,200,000	\$0	\$0
Total	\$19,836,397	\$1,430,000	\$6,595,000	\$2,250,000	\$440,000

PROJECT/FUNDING SOURCE	ESTIMATED COSTS				
	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28	FY 28 - 29
Replacement/Repairs/Upgrades - Housing Bond	\$13,950,397	\$0	\$0	\$0	\$0
Replacement/Repairs/Upgrades - MTW Funds	\$5,000,000	\$0	\$0	\$0	\$0
Replacement/Repairs/Upgrades - Reserves	\$886,000	\$800,000	\$395,000	\$2,250,000	\$440,000
Replacement/Repairs/Upgrades - Unfunded	\$0	\$630,000	\$6,200,000	\$0	\$0
Funded Subtotal	\$19,836,397	\$800,000	\$395,000	\$2,250,000	\$440,000
Unfunded Subtotal	\$0	\$630,000	\$6,200,000	\$0	\$0
Total	\$19,836,397	\$1,430,000	\$6,595,000	\$2,250,000	\$440,000

Capital Technology Needs

Proposed Uses	Amount
Google Workspace License Fees	\$180,640
DocuSign Digital Signature License Fees	\$165,000
RingCentral License Fee	\$205,000
Total Proposed Uses	\$550,640

The amount requested for capital software needs for the fiscal year is \$550,640. There are additional requests for capital software needs of \$1,450,000, which have been placed on hold for the next fiscal year. As required by GASB 96 (accounting for Subscription-Based Information Technology Arrangements (“SBITAs”)), we are required to capitalize subscriptions meeting the SBITA criteria and will no longer be part of operational expenses. As a result, the IT costs listed above are now a part of the new annual IT capital budget, which will require cash outlay as a capital cost.

Sources and Uses of MTW Funds

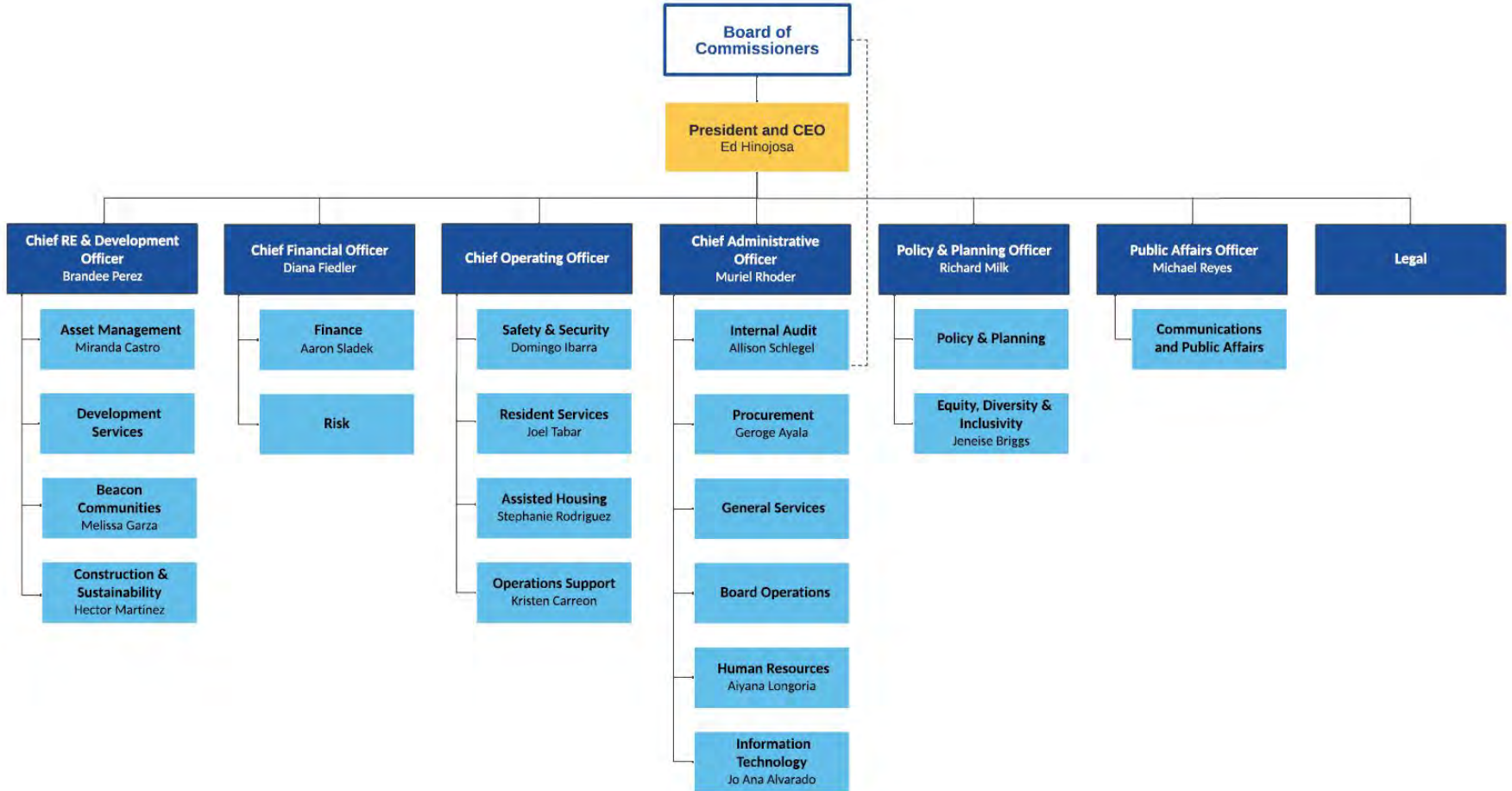
SOURCE OF FUNDS	AMOUNT (In Mil)
Total Sources	\$54.00
PROPOSED USES	AMOUNT (In Mil)
Section 8 - To enable Section 8 to continue to serve residents in spite of increased costs due to the effects of inflation	\$1.00
Public Housing - To enable the Public Housing Program to continue to serve residents in spite of increased costs due to the effects of inflation	\$11.30
Public Housing - Additional Costs Related to Rent Collection Efforts	\$3.00
Resident Services - To empowers and equip Opportunity Home residents to improve their quality of life and achieve economic stability by providing self-sufficiency service coordination, supportive services and resident engagement activities.	\$2.50
Central Office - To allow for continued support of our housing and resident support programs	\$1.00
Other Uses:	
Alazan Phase I and Predevelopment Costs (Excludes \$8 million in City of San Antonio Housing Bond Funding)	\$18.00
Investment in MTW units at Tax Credit/Beacon Properties	\$10.70
Investment in Midcrowne and Ravello Properties for City Bond matching funds	\$5.00
Additional Investment in the 100 Labor Street Project	\$1.50
Total Proposed Uses	\$54.00

Personnel Count

DEPARTMENT	2024 BUDGETED POSITIONS	2025 BUDGETED POSITIONS	INCREASE OR (DECREASE) IN POSITION COUNT	PERSONNEL DISTRIBUTION BY DEPARTMENT
Public Housing	227	223	(4)	33%
Assisted Housing Programs	70	71	1	10%
Resident Engagement	53	50 ¹	(3)	7%
Beacon	116	110	(6)	16%
Real Estate Services	9	9	-	1%
Operations Support	58	59	1	9%
Property Management	24	25	1	4%
Central Office	133	131	(2)	19%
Total	690	678	(12)²	100%

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

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

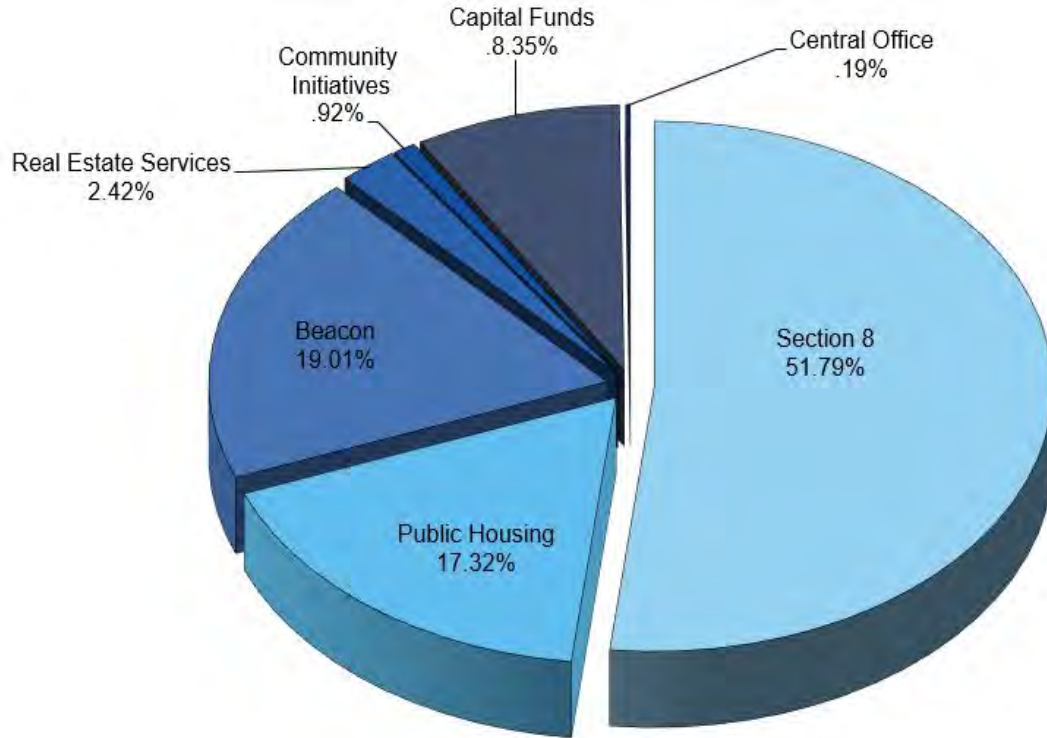


Questions?

Appendix

FYE 2025 Consolidated Sources

\$259.9 Million

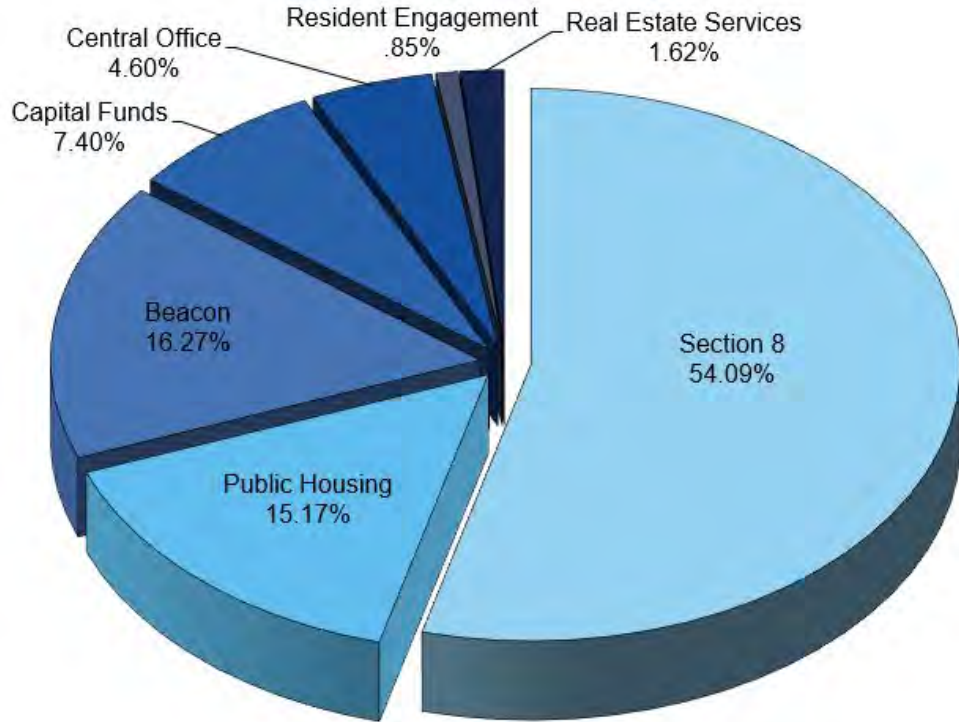


LINE OF BUSINESS	PROJECTED Revenue (MIL)
Section 8	\$134.6
Public Housing	\$ 45.0
Beacon	\$ 49.4
Real Estate Services	\$ 6.3
Resident Engagement	\$ 2.4
Capital Funds	\$21.7
Central Office	\$ 0.5

- Revenue above reflects Fiscal Year funding as opposed to Slide 9, which reflects HUD Calendar Year funding
- Section 8 Revenue includes all special programs
- Section 8, Capital Funds and Public Housing are MTW Block Grants

FYE 2025 Consolidated Uses

\$271.6 Million



LINE OF BUSINESS	PROJECTED EXPENSES (MIL)
Section 8	\$146.9
Public Housing	\$41.2
Beacon	\$44.2
Capital Funds	\$20.1
Central Office	\$ 12.5
Resident Engagement	\$2.3
Real Estate Services	\$4.4

FYE 2025 Consolidated Revenue Trend

Projected revenue in FYE 2025 will increase by \$1.9 Million

DESCRIPTION	FYE 6/30/23	FYE 6/30/23	FYE 6/30/24	FYE 6/30/25	VARIANCE 2025 BUDGET VS 2024 BUDGET INCREASE/ (DECREASE)
	ACTUAL	BUDGET	BUDGET	BUDGET	
Rental Revenue	\$38.7	\$46.3	\$55.0	\$56.7	\$1.7
Grant Revenue					
Section 8 - HAP	96.0	105.1	126.9	121.8	-5.1
Section 8 - Admin.	12.3	9.9	12.2	12.4	0.2
Operating Subsidy	29.6	27.9	31.6	31.1	-0.5
Capital Grants	12.3	16.5	20.1	21.7	1.6
Other Grants	6.4	5.5	5.3	5.5	0.2
Total Grant Revenue	\$156.6	\$164.9	\$196.1	\$192.5	(3.6)
Other Revenue*	28.5	9.4	6.9	10.7	3.8
Total Revenue	\$223.8	\$220.6	\$258.0	\$259.9	\$1.9

FYE 2025 Consolidated Expense Trend

Projected expenses in FYE 2025 will increase by \$18.5 Million

DESCRIPTION	FYE 6/30/23	FYE 6/30/23	FYE 6/30/24	FYE 6/30/25	VARIANCE 2025 BUDGET VS 2024 BUDGET INCREASE/ (DECREASE)
	ACTUAL	BUDGET	BUDGET	BUDGET	
HAP Expense	\$93.6	\$104.8	\$116.0	\$121.8	\$5.8
Salaries & Benefits	43.9	48.7	54.2	56.9	2.7
Admin and Other*	14.8	10.7	14.8	19.9	5.1
Utilities	9.7	9.6	11.0	10.8	-0.2
Maint/Replacement Items	33.2	20.2	25.7	30.8	5.1
Insurance	4.6	4.3	4.7	5.4	0.7
Protective Services	2.6	1.4	1.7	2.9	1.2
Interest Expense	6.4	5.3	6.3	5.8	-0.5
Operating Subsidy to Partners	2.4	3.2	2.8	2.4	-0.4
Capital Grants Transfer (PH)	7.8	13.2	15.9	14.9	-1.0
Total	\$219.0	\$221.4	\$253.1	\$271.6	\$18.5

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

Public Housing Communities

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

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

Public Housing Communities

(Continued)

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

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

Public Housing Communities

(Continued)

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

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

Beacon Communities

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

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

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

Partnership Interests

COMPLETION DATE	DEVELOPER	COMMUNITY	TOTAL UNITS	PH UNITS
2007	Franklin Development Corp	Artisan at Mission Creek	252	0
2008	Cascade Development	The Sorento	248	0
2008	Cascade Development	Rosemont @ University Park	240	0
2008	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
2010	Franklin Development Corp	Artisan at Creekside	252	0
2010	Franklin Development Corp	Sutton Oaks (Sutton I)	194	49
2011	NRP Group	The Mirabella	172	0

Partnership Interests

COMPLETION DATE	DEVELOPER	COMMUNITY	TOTAL UNITS	PH UNITS
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
2020	MBS	East Meadows II	119	42
2021	Franklin Development Corp	Artisan at Ruiz	102	0
2021	Hogan	Majestic Ranch	288	0

Partnership Interests

COMPLETION DATE	DEVELOPER	COMMUNITY	TOTAL UNITS	PH UNITS
2022	Lynd	Culebra Crossing	327	0
2022	NRP Group	Arcadian (1604 Lofts)	324	0
2022	Mission DG	Aspire at Tampico	200	0
2022	NRP Group	Elevate at Kitty Hawk	212	0
2022	NRP Group	Legacy at Alazan	88	40
2022	Hogan	Mira Vista Apartments	312	0
2022	NRP Group	Scott at Medio Creek (Trader Flats)	324	0
2023	NRP Group	Frontera (Watson Road)	348	0
2023	NRP Group	Seven07 Lofts (Copernicus)	318	0
2023	Atlantic Pacific	Vista at Everest	64	0
2023	Atlantic Pacific	Vista at Interpark	65	0
2024	Poppoon Development	Bristol at Somerset	348	0
2024	Integrated Realty Group	Horizon Pointe	312	0
TOTAL			7,678	467

Departmental Goals

Assisted Housing Programs Goals

Employees Thrive at Work

- Conduct a review for the redesign of the Assisted Housing Programs (AHP) department at Central Office to maximize the use of space and provide staff with a standardized workspace where they can meet with residents when necessary.

Residents Live in Quality Housing

- Develop staff, partner and landlord education of NSPIRE-V protocols to standardize housing quality standards for residents.
- AHP will reintroduce the option for in-person voucher briefings combined with the HCV Lease-Up Fair to provide residents with the tools necessary for a successful move and maximize residents' opportunity to lease up.

Public Housing Goals

Employees Thrive at Work

- Strengthen the onboarding process for new staff by implementing a comprehensive departmental onboarding for new hires to improve consistent practices across communities.

Residents Experience a High Standard of Housing Assistance that Improves Continuously

- Proactively address security concerns and further current security priorities. These goals include completing 100% outdoor lighting improvements across all communities and the expansion of crime prevention measures for vacant units at all properties.
- Implement a preventative maintenance program that is intended to mitigate building deterioration and increase the longevity of quality PH communities.

Beacon Communities Goals

Residents Have Meaningful Housing Choices

- Successfully transition MidCrown Senior Pavilion into the Beacon Portfolio, adding 196 units of affordable housing.
- Increase the number of Ready to Rent (R2R) units, reducing the number of days applicants are waiting to be housed.

Development Services Goals

Residents Have Meaningful Housing Choices

- Complete construction:
 - Vista at Reed (Feb 2025)
 - Snowden (Sept 2024)
 - 11 houses in Villa Fortuna/Palm Lake/Sunflower (June 2025)
- Close on real estate:
 - WRI: 11 houses in Villa Fortuna/Palm Lake/Sunflower (June 2025)
 - Victoria Commons: 98 townhome lots (Dec 2024)
- Close and begin construction on:
 - Alazan Expansion (July 2024)
 - Fields at Somerset (Dec 2024)
 - Phase I of Augustine @ Palo Alto (March 2025)
 - Financially close on North Pond (June 2025)

Construction Services and Sustainability Goals

Residents Live in Quality Housing

Rehab projects in pre-design or design

- Victoria Plaza Roof Replacement Bond Project: 185 Units
- Riverside, Springview, Olive Park, Village East, and Morris Beldon Building Envelope and Site Improvements Projects: 380 Units
- Fair Avenue, Parkview, Villa Tranchese, Pecan Hill Elevator Modernizations: 570 Units

Sustainability

- EPA Solar For All Grant Recipient: \$37 million

Residents Have Meaningful Housing Choices

New self-developed construction projects

- WRI Houses: 25 Single Family Houses
- Snowden Senior Apartments Last Units Complete by 5/30/2024: 135 Units

Residents Feel Safe

- Complete Design for Matt Garcia and Blanco Apartments Fire Protection: 155 Units
- Compliance with COSA 2016 Fire Protection Ordinance: 501 Units

Community Trusts Opportunity Home and Invests in our Mission

- Construction In Progress at Alazan Expansion First Phase: 88 Units

Resident Engagement Goals

Employees Manage Data Effectively and Ensure Quality and Security of Data

- Streamline various processes including data reporting and resident assessments. Improving and streamlining data collection and accuracy will assist in meeting grant reporting requirements more efficiently.
- Develop and implement one comprehensive resident assessment which would simplify the overall assessment process and reduce duplicated efforts.

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

- Conduct annual surveys to better understand resident needs and assess partnership effectiveness. This proactive approach is intended to ensure that resident input and community needs are considered in ongoing and future Resident Engagement initiatives.

Asset Management/Regulatory Oversight Goals

Community Trusts Opportunity Home and Invests in Our Mission

- Implement proactive and accountable management of our partnership partners to ensure that the properties are managed and maintained to the organization's standards. This will ensure that we provide the best possible quality housing for the residents of San Antonio.
- Continue investment in affordable housing
- Increase the availability and supply of affordable housing overseen by Opportunity Home

Residents Live in Quality Housing

- Decrease vacancy loss by 10% in Partnership Properties
- Increase occupancy of each asset to 89%
- Improve the ability of properties to cash flow and fund reserve accounts for future capital needs
- Compliance will continue to collaborate with internal departments to report on performance tracking for Partnerships

Procurement Goals

Employees Thrive at Work

- Conduct monthly procurement trainings for supervisors
- In collaboration with Innovative Technology and the Accounting departments, continue to adopt more streamlined, simplified internal purchasing processes with the expanded use of existing financial systems and redesigned purchasing processes
- Maintain 100% of Certificates of Insurances for all Solicitations and Contracts overseen by Procurement

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

- Partner with local organizations to develop and implement new Section 3 and SWMBO outreach opportunities

Innovative Technology Goals

Employees Manage Data Effectively and Ensure Quality and Security of Data

- Bring AI to the organization as part of our core values and the crucial advancement of how we work
- Support Data Access Management, implement the Principles of Least Privilege for all cloud apps

Employees Thrive at Work

- Successfully and fully implement the Learning Management system

Residents Feel Safe

- Successfully and fully implement the next 18 family properties with IP and camera systems

Customer service

- Successfully and fully implement the resident portal and mobile app
- Successfully and fully implement the CCaaS (Call Center as a Service)

Finance Goals

Employees Thrive at Work

- Continue to develop the skill set of departmental staff by offering cross-training opportunities in addition to encouraging staff to pursue educational opportunities and professional certifications.
- Attend training specifically on the topics of Equity, Diversity and Inclusion.
- Raise awareness of departmental objectives and capabilities while creating internal networks.

Residents Have Meaningful Housing Choices

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

Human Resources Goals

Employees Thrive at Work

- Recruitment
 - Increase networking opportunities; participate in quarterly job fairs
 - Launch additional partnerships with Alamo Community College for employment/training programs
- Retention
 - Continue evaluations of positions and market trends to ensure both internal equity and external comparability
 - Develop award/recognition program for employee development and contributions to the organization
- Training
 - Acquire a Learning Management System (LMS) and develop training and tracking of training
 - Develop advanced supervisor training to include soft skills training and leadership development
 - Develop a supervisor workshop
- Equity
 - Review annual performance evaluation process for equity; rating styles, consideration of events, staffing, and organizational priorities (Retention)

Internal Audit Goals

Residents Live in Quality Housing

- IA will continue the review of AHP files at 65 per month, 780 per year
- All FSS escrow packets valued over \$5,000 will be reviewed for compliance, estimating a minimum of 20 files will be processed
- The Risk Assessment for the Annual Audit Plan will update the key department processes to ensure that risks are clearly identified and evaluated for future audits; at least one audit per quarter (four per fiscal year) is expected be completed

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

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

Legal Goals

Employees Thrive at Work

- Continue to seek opportunities to develop knowledge and skills and to obtain additional professional certifications
- Staff will continue to attend trainings that coincide with the organization's strategic priorities
- Staff will continue to offer training opportunities to other departments and staff members to encourage compliance with changing rules and regulations which minimizes Opportunity Home's risk and legal exposure
- Staff will continue to work with other departments to collaborate and coordinate best practices to achieve more efficient and effective workflow

Residents Have Meaningful Housing Choices

- Staff will continue to collaborate with and assist Beacon to help facilitate smooth transitions of properties being brought back under Beacon Management
- Staff will continue to collaborate with and assist Development and Construction Services to help more new units to be delivered and available to Opportunity Home residents

Policy and Planning Goals

Employees Manage Data Effectively and Ensure Quality and Security of Data

- Overall Data Governance Maturity assessment score of **3** by end of FY25

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

Achieve average Level **3** Maturity Assessment across all strategy management processes

- Increase Outcome Achievement: 60% of outcomes on track to meet targets

Public Affairs Goals

Residents Have Meaningful Housing Choices

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

Community Trusts Opportunity Home and Invests in Our Mission

- Solicit input on the direction of the organization and ways in which they can partner with Opportunity home to deliver improved or new programs and services to residents
- Foster strong community connections and cultivate positive relationships among a diverse range of stakeholders
- Garner the interest of national housing thought leaders, trade associations, policymakers and other influential national entities, thereby positively shaping public sentiment

Security Goals

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

- **Social Cohesion** Trust, reciprocity and Organized Altruism
 - Trust is a key indicator for social cohesion - leads to reciprocity (individuals to help each other)
- **Centralized Data Management** Incidents, data collection, dashboards, Crime Index & analysis
- **Site Specific Assessments** Geographic Information System (GIS) interface (digital mapping) and a Critical Data Centers with three (3) buckets: Risk Library, Asset Library and Threat Library

Residents Feel Safe

- **Community Engagement** - Residents, Neighborhood Associations Institutionalized Partnerships, staff
- **Property Enhancements** - Lighting, security cameras, access control, safety socials, Rapid Response Team, resource allocation
- **CPTED (Crime Prevention Through Environmental Design)** - Reduce victimization, deter crime, build a sense of community, emphasize 'ownership' to support social control, encourage law-abiding behavior

Equity Diversity and Inclusion Goals

Residents' Race/Ethnicity Does not Determine Housing Assistance or Support Service Outcomes

- 70% of **residents** say that Opportunity Home advances equity
- 78% of **employees** say that Opportunity Home advances equity
- 71% of **community** say that Opportunity Home advances equity

General Services Goals

Employees Thrive at Work

- Remodel all bathrooms at the Central Office
- Install EV charging stations at the Central Office
- Remodel the AHP Lobby
- Continue to assess energy and cost savings products and methods to the benefit of the organization's overall cost to operate the buildings
- Continue to update the five-year facility improvement plan with the help of the physical needs assessment
- Eliminate all physical documents in storage at PH and Beacon properties in compliance with our Record Retention guidelines

Operations Support Goals

Employees Manage Data Effectively and Insure Quality and Security of Data

- Achieve four Data Quality priorities focused on standardizing data quality standards, data certification policies, and data cleansing procedures

Monitoring: Waitlist Management

- Reduce the waiting time for Public Housing applicants from an average of 2-7 years to an average of 1-3 years through clean-up of the preferred development waitlists with over 30,000 applicants

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

- Conduct an equity review on 1-2 minor / major policies or processes to identify recommendations for improvement

Questions?

**BOARD OF COMMISSIONERS
Finance Committee Meeting**

**RESOLUTION 6527, ADOPTING THE OPPORTUNITY HOME SAN ANTONIO INTERNAL
AUDIT PLAN FOR FISCAL YEAR 2024-2025**

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Ed Hinojosa Jr
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Ed Hinojosa, Jr.
President and CEO

DocuSigned by:
Allison Schlegel
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Allison Schlegel
Director of Internal Audit

REQUESTED ACTION:

Consideration and appropriate action regarding Resolution 6527, adopting the Opportunity Home San Antonio Internal Audit Plan for Fiscal Year 2024-2025.

SUMMARY:

The 2024-2025 Internal Audit Plan is a risk-based plan developed to determine that the priorities of the Internal Audit department are consistent with The Institute of Internal Auditors, Inc. (IIA) Definition of Internal Auditing, Code of Ethics, and International Standards for the Professional Practice of Internal Auditing (Standards), as well as, Opportunity Home San Antonio's (Opportunity Home) strategic goals. The IIA Standard 2020, "Communication and Approval" requires the chief audit executive (CAE), i.e., the Director of Internal Audit, to communicate the internal audit activity's plans and resource requirements to senior management and the Board for review and approval. Opportunity Home's Internal Audit Plan is defined in the Opportunity Home Internal Audit Charter and included as part of the comprehensive internal audit program established pursuant to the Opportunity Home's Internal Audit Policy. Internal Audit activities also align with Opportunity Home's strategic goal to transform core operations to be a high-performing and financially strong organization. Final approval of the Internal Audit Plan for 2024-2025, resides with the Board of Commissioners.

The IIA Standard 2010, "Planning," requires the internal audit plan to be based on a documented risk assessment, undertaken at least annually, with input from senior management and the Board. Opportunity Home's CAE issued risk assessment surveys to the members of the Board of Commissioners, the Board's attorney, and to each member of senior management and multiple operational personnel. The results of these assessments were tabulated to identify the significant risk areas, which were then included as proposed audits for the 2024-2025 Internal Audit Plan.

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

OPPORTUNITY HOME SAN ANTONIO

May 15, 2024

deviation from the approved internal audit plan to the Audit Committee, the CEO, and the Legal and Compliance Officer, or equivalent, through periodic activity reports. This update provides the required communication, as follows:

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

Management Corrective Action Plans resulting from internal audits are entered into a spreadsheet to allow for easier tracking of the status of open items. A copy of the spreadsheet is attached. Each of the action items are color-coded to indicate their status as follows: green indicates the action has a due date 30 days or more in the future; red indicates the action is behind schedule; and yellow indicates the action has a due date less than 30 days in the future.

STRATEGIC OUTCOMES:

Opportunity Home residents live in quality affordable housing
Opportunity Home staff thrive in career and professional work

ATTACHMENTS:

Resolution 6527
Presentation

**Opportunity Home San Antonio
Resolution 6527**

**RESOLUTION 6527, ADOPTING THE OPPORTUNITY HOME SAN ANTONIO INTERNAL
AUDIT PLAN FOR FISCAL YEAR 2024-2025**

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

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

WHEREAS, internal audit activities align with Opportunity Home's strategic goals: Opportunity Home residents live in quality affordable housing, and Opportunity Home staff thrive in career and professional work; and

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

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

Approves Resolution 6527, adopting the Opportunity Home San Antonio Internal Audit Plan for Fiscal Year 2024-2025, as attached to this Resolution.

Passed and approved on the 12th Day of June 2024.

Gabriel Lopez

Chair, Board of Commissioners

Attested and approved as to form:

Ed Hinojosa, Jr.

President and CEO

Internal Audit Plan 2024-2025

May 15, 2024

Objective and Background

OBJECTIVE

- Review and adoption of the proposed 2024-2025 Internal Audit Plan by the Board, to set the priorities of the internal audit function for the fiscal year.

BACKGROUND

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

Process for Developing the 2024-2025 Internal Audit Plan

Risk Assessment Survey Conducted

- **Key variables assessed:**
 - Public Disclosure Implications
 - Increased Senior Management and/or Commissioner Interest
 - Internal and/or External Compliance Requirements

Other Considerations

- **Oversight provided by external entities, including:**
 - Independent Financial and Compliance Audit
 - Regulatory Audits and Reviews
 - Other Third-Party Reviews
- **Time elapsed since last audit**

Process for Developing the 2024-2025 Internal Audit Plan

Risk Assessment Implementation

- Google Form with an option to interview participants
- Risk Assessment Methodology continued its emphasis on key variables, with the inclusion of a “no risk” option to streamline identification of processes associated with risk
- Risk Assessment Survey responses were received from the Board of Commissioners, Opportunity Home Executive Leadership and Opportunity Home staff
 - **82%** response rate
- Positive feedback on the format was received, and the Risk Assessment will be further enhanced based on the feedback received

Risk Assessment Survey Results

Topics of Highest Interest

- Assisted Housing Program (AHP): Voucher Utilization
- Beacon Communities
 - Repayment Agreements (carry over from FY 23-24)
 - Maintenance Expenditures and Oversight Process
- Construction and Sustainability: Oversight of New Development Construction
- Public Housing
 - Affordable Program Regulatory and Fair Housing Compliance
 - Eviction Process
- Resident Services: Grant Compliance and Financial Performance

Risk Assessment Survey Results

Topics of Next Highest Interest

- Equity, Diversity and Inclusion: Organizational Culture Reflects Equity (Internal and External) - Utilizing Data to Identify Vulnerabilities
- Development Services and Neighborhood Revitalization (DSNR): Creation of Local Non-Traditional (LNT) Funding Agreement
- Human Resources: Employee Relations - Investigations, Terminations, and Grievance Processes
- Procurement: Solicitation Process for Construction Related Projects
- Policy and Planning: Strategy Development and Review

Proposed Internal Audit Plan for FY 2024-2025

1st Qtr. (July - Sept.)	2nd Qtr. (Oct. - Dec.)	3rd Qtr. (Jan. - March)	4th Qtr. (April - June)
Internal Audits			
<ul style="list-style-type: none"> Beacon Communities: Repayment Agreements (carry over from FY 23-24) 	<ul style="list-style-type: none"> Construction and Sustainability: Oversight of New Development Construction 	<ul style="list-style-type: none"> Assisted Housing Program (AHP): Voucher Utilization 	<ul style="list-style-type: none"> Public Housing: Eviction Process
<ul style="list-style-type: none"> Resident Services: Grant Compliance and Financial Performance 	<ul style="list-style-type: none"> Public Housing: Affordable program regulatory and Fair Housing compliance 		<ul style="list-style-type: none"> Beacon Communities: Maintenance Expenditures and Oversight Process
Compliance Reviews			
<ul style="list-style-type: none"> Assisted Housing Program 	<ul style="list-style-type: none"> Assisted Housing Program 	<ul style="list-style-type: none"> Assisted Housing Program 	<ul style="list-style-type: none"> Assisted Housing Program
<ul style="list-style-type: none"> Beacon Communities / Mixed Income 	<ul style="list-style-type: none"> Beacon Communities / Mixed Income 	<ul style="list-style-type: none"> Beacon Communities / Mixed Income 	<ul style="list-style-type: none"> Beacon Communities / Mixed Income
<ul style="list-style-type: none"> Public Housing 	<ul style="list-style-type: none"> Public Housing 	<ul style="list-style-type: none"> Public Housing 	<ul style="list-style-type: none"> Public Housing
<ul style="list-style-type: none"> FSS Escrow Disbursement and TP/DPUY Funding 	<ul style="list-style-type: none"> FSS Escrow Disbursement and TP/DPUY Funding 	<ul style="list-style-type: none"> FSS Escrow Disbursement and TP/DPUY Funding 	<ul style="list-style-type: none"> FSS Escrow Disbursement and TP/DPUY Funding
Control Self-Assessments			
<ul style="list-style-type: none"> Asset Management: Financing and Refinancing of Real Estate Assets (carry over from FY 23-24) 	<ul style="list-style-type: none"> Asset Management: Financing and Refinancing of Real Estate Assets (carry over from FY 23-24) 	<ul style="list-style-type: none"> Asset Management: Financing and Refinancing of Real Estate Assets (carry over from FY 23-24) 	
<ul style="list-style-type: none"> Safety and Security: Triage High Severity Incidents (carry over from FY 23-24) 	<ul style="list-style-type: none"> Safety and Security: Triage High Severity Incidents (carry over from FY 23-24) 		
<p>Internal Audit also participates in various committees throughout the organization providing opinions on internal controls, and may conduct requested audits as needed.</p>			

Questions?



OPPORTUNITY HOME SAN ANTONIO**May 15, 2024****MEMORANDUM**

To: Finance Committee

From: Ed Hinojosa, Jr., President and CEO

Presented by: Aaron Sladek, Director of Finance and Accounting

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

**SUMMARY:****Financial Performance Highlights**

The Quarterly Financial Report for Opportunity Home San Antonio for the nine months ended March 31, 2024, is attached. The Financial Performance Report provides separate condensed statements of revenue and expenses, one for Opportunity Home's core business activities of housing, management, and resident engagement ("Operations") and another for the Capital Fund and Real Estate Services lines of business ("Capital"). The results for the nine months ended March 31, 2024, reflect a Surplus Before Non-Cash Items of \$0.1 million for Operations (\$0.5 million below budget) and a Surplus Before Non-Cash Items of \$23.1 million for Capital (\$8.7 million above budget). It is essential to emphasize that the surplus of \$0.1 million in Operations was mainly attributable to utilizing \$31.4 million HUD-Held MTW funds. The funds were allocated as follows: \$7.8 million was used to pay off Beacon debt, \$1.8 million covered operating expenses for the Beacon portfolio, \$11.5 million for Public Housing portfolio operating expenses, and \$1.4 million for Resident Engagement. The remaining balance of the HUD-Held MTW funds was utilized to support the development costs of the 100 Labor and Snowden projects.

Total Operating Revenue for the Operations segment was approximately \$11.6 million below budget. Tenant revenue was \$8.2 million below budget, mainly due to unfavorable variances in the Beacon and Public Housing sectors. The Beacon sector's unfavorable variance was caused by several properties, including Woodhill, 100 Labor, Costa Valencia, Cottage Creek, and Rosemont at Highland Park, experiencing lower-than-anticipated occupancy levels. The portfolio's annual average occupancy was 83%; however, the rate for the aforementioned struggling properties ranged between 67% and 80% (excluding 100 Labor). Grant revenue exceeded the budget by \$0.5 million, primarily driven by favorable variances in Section 8 administrative fees and project-based Housing Assistance Payment (HAP) subsidies. The overall favorable variance in Grant revenue was partially offset by an unfavorable variance in Public Housing operating subsidy of \$1.6 million. Miscellaneous Revenue ended the period with a favorable variance of \$0.3 million, primarily due to \$0.2 million in Family Self-Sufficiency Program escrow forfeitures.

Total Operating Expenses ended the period at \$5.0 million above the budget for Operations. Salaries and Benefits ended the period \$0.1 million below budget, attributed to a combined unfavorable variance of \$1.3 million in Public Housing and Section 8 versus a combined favorable variance of \$1.4 million in the Central Office, Resident Engagement, and Beacon segments. Ordinary Maintenance and Repairs ended the period \$9.9 million above budget,

OPPORTUNITY HOME SAN ANTONIO**May 15, 2024**

mainly due to unfavorable variances in Public Housing and Beacon. Public Housing expenses were adversely affected by unit make-ready and major repairs, while Beacon expenses increased by the above-mentioned items, materials, and other contract costs. Other Expenses ended the period \$0.4 million below budget, primarily driven by favorable variances in technology/licensing costs, Section 8 landlord incentives, and consulting fees.

Total Operating Revenue for the Capital segment exceeded the budget by around \$9.3 million. This surplus was mainly attributed to Miscellaneous Revenue, which surpassed expectations by \$8.9 million, largely driven by the sale of the leasehold interest in Culebra Commons.

Total Operating Expenses ended the period at \$0.8 million above the budget for the Capital segment. Salaries and Benefits were \$0.6 million below budget, mainly due to a favorable variance in the Real Estate Services sector. Other Expenses were \$0.9 million above budget due to an unfavorable variance in the Real Estate Services sector caused by higher consulting fees related to pre-development for the Alazan Courts Expansion and Snowden projects and the establishment of an allowance for an operating deficit loan to the Artisan at Salado partnership.

Total Assets and Deferred Outflows of Resources increased by \$57.7 million, or 10.64%. The \$5.6 million increase in Current Assets resulted largely from HUD pre-funding April 2024 HAP in the amount of \$9.9 million. Additionally, San Antonio Housing Facility Corporation received \$7.0 million for the sale of the Culebra Commons project. Multiple transactions offset the rise in Current Assets. Las Varas Public Facility Corporation lent \$4.0 million to the central bank account for payroll, vendor payments, and ongoing projects at Beacon and Public Housing properties. Also, Las Varas PFC transferred \$4.5 million and \$1.6 million to the Real Estate Services segment and San Juan Square partnership, respectively, to cover predevelopment costs for construction projects managed by Real Estate Services and settle intercompany balances. The \$37.4 million increase in Fixed Assets resulted primarily from an increase of \$57.9 million in land, buildings, and site improvements related to the acquisition of The Ravello Apartments and Midcrown Senior Pavillion in the Beacon portfolio, as well as the capitalization of projects in both the Beacon and Public Housing portfolios. Furthermore, there were three new ground leases executed for Silver Oaks, Vista at Reed, and Fiesta Trails, which added \$10.5 million in land additions, and a correction to the existing Potranco ground lease, which increased land by \$3.3 million. These amounts were offset by the routine recording of depreciation. Additionally, there was an increase of \$7.9 million in construction in progress related to ongoing modernization projects.

Total Liabilities and Deferred Inflows of Resources increased by \$10.9 million, or 5.20%. The decrease of \$2.3 million in Total Liabilities resulted from a significant paydown of debt partially offset by new debt additions. The Ravello acquisition resulted in \$11.6 million of new debt and construction draws related to 100 Labor added \$6.8 million of new debt. Debt reductions included a \$19.9 million debt payoff for 11 Beacon properties: Bella Claire, Churchill Estates, Homestead, Towering Oaks, Monterrey Park, La Providencia, Castle Point, Sendero, Claremont, Warren House, and Vera Cruz; and scheduled principal payments of \$4.4 million. Unearned revenue rose by \$9.1 million from pre-funding April 2024 HAP. Additionally, there was a \$5.2 million drop in unearned ground lease revenue due to reclassification to the Leased Assets section following GASB 87 implementation. Leased Assets, which include prepaid ground leases, increased by \$12.8 million due primarily to the San Antonio Housing Facility Corporation

OPPORTUNITY HOME SAN ANTONIO**May 15, 2024**

entering into five ground leases with the Silver Oaks, Fiesta Trails, Bristol at Somerset, Horizon Pointe, and Vista at Reed limited partnerships.

The Comparative Balance Sheet reflects an overall increase in Total Net Position of \$46.8 million from March 31, 2023, to March 31, 2024, as a result of the above mentioned changes.

Supplemental Information–Funding Environment

On March 8, 2024, President Biden signed into law a \$469 billion minibus fiscal year (FY) 2024 spending bill, providing discretionary funding for federal agencies covered in six of the 12 annual spending bills, including the U.S. Department of Housing and Urban Development (HUD). The bill's funding levels generally provide most HUD programs, especially rental assistance programs, with modest increases from last year. It proposes:

- \$32.4 billion for Tenant-based rental assistance, a \$2.1 billion increase over the 2023 enacted level. Of this amount, \$28.5 billion is for Section 8 Housing Choice Voucher contract renewals, which is \$2.09 billion more from FY 2023 and should be sufficient to fund all renewals. Opportunity Home staff is projecting a 6% increase in CY2024 HCV HAP funding based on information provided by our HUD local field office.
- \$3.2 billion for the Public Housing Capital Fund, equal to the 2023 enacted level.
- \$5.48 billion for Public Housing operating subsidies, an increase of \$367 million over the 2023 enacted level.
- \$16.1 billion for Project-Based Rental Assistance, an increase of \$1.10 billion over the 2023 enacted level, should be sufficient to renew all expiring contracts.
- \$75 million for the Choice Neighborhoods Initiative, a decrease of \$275 million compared to the 2023 enacted level.

PROPOSED ACTION:

None.

STRATEGIC OUTCOMES:

Supports all strategic outcomes.

ATTACHMENTS:

Financial Performance Report
Cash and Investment Summary
Grants Report
Slides

**Opportunity Home San Antonio
Financial Performance Report
Condensed Statement of Revenue and Expenses - Operations**
(For the Nine Months Ended 03/31/2024)
(Unaudited)

	OPERATIONS ACTUAL 3/31/2024	OPERATIONS BUDGET 3/31/2024	OPERATIONS Variance	%	Highlights Section
Operating Revenue					
Tenant Revenue	\$ 32,850,103	\$ 41,055,041	\$ (8,204,938)	-19.99%	I(a)(1)
Grants	37,364,619	36,834,224	530,395	1.44%	I(a)(2)
HAP Revenue	82,992,571	87,150,338	(4,157,768)	-4.77%	I(a)(3)
Miscellaneous Revenue	1,203,404	936,899	266,505	28.45%	I(a)(4)
Total Operating Revenue	\$ 154,410,696	\$ 165,976,502	\$ (11,565,805)	-6.97%	
Operating Expenses					
Salaries and Benefits	\$ 38,481,575	\$ 38,627,647	\$ (146,072)	-0.38%	I(b)(1)
Ordinary Maintenance and Repairs	26,443,056	16,511,491	9,931,565	60.15%	I(b)(2)
Utilities	7,999,334	8,242,419	(243,085)	-2.95%	
Other Expenses	14,245,738	14,693,501	(447,763)	-3.05%	I(b)(3)
HAP Expense	82,992,571	87,014,762	(4,022,192)	-4.62%	I(a)(3)
Management Fees	164,875	279,612	(114,737)	-41.03%	
Total Operating Expenses	\$ 170,327,149	\$ 165,369,432	\$ 4,957,717	3.00%	
Net Operating Income	\$ (15,916,452)	\$ 607,070	\$ (16,523,522)	-2721.85%	
Non-Operating Income (Expenses)					
Interest Expense	\$ (4,393,557)	\$ (4,553,256)	\$ 159,699	-3.51%	I(d)(1)
Interest Income	2,623,357	896,115	1,727,243	192.75%	I(d)(1)
Other Income (Expenses)	(13,138,598)	(4,430,868)	(8,707,731)	196.52%	I(c)(1)
HUD-Held Fund Draws	30,898,863	8,013,714	22,885,149	285.57%	I(c)(1)
Total Non-Operating Income (Expenses)	\$ 15,990,065	\$ (74,295)	\$ 16,064,360	-21622.46%	
Surplus (Deficit) Before Non-Cash Items	\$ 73,613	\$ 532,775	\$ (459,162)	-86.18%	
Non-Cash Items					
Depreciation and Amortization	\$ (11,295,715)	\$ (11,137,315)	\$ (158,400)	1.42%	
Non-Operating Income (Expense)	11,234,232	13,077,259	(1,843,027)	-14.09%	I(d)(1)
Total Non-Cash Items	\$ (61,483)	\$ 1,939,944	\$ (2,001,427)	-103.17%	
Change in Net Position	\$ 12,130	\$ 2,472,719	\$ (2,460,589)	-99.51%	I(d)(1)

**Opportunity Home San Antonio
Financial Performance Report
Condensed Statement of Revenue and Expenses - Capital Activities**
(For the Nine Months Ended 03/31/2024)
(Unaudited)

	CAPITAL ACTUAL 3/31/2024	CAPITAL BUDGET 3/31/2024	CAPITAL Variance	%	Highlights Section
Operating Revenue					
Grants	\$ 15,537,691	\$ 15,097,111	\$ 440,580	2.92%	II(a)(1)
Miscellaneous Revenue	11,875,956	2,973,121	8,902,835	299.44%	II(a)(2)
Total Operating Revenue	\$ 27,413,647	\$ 18,070,232	\$ 9,343,415	51.71%	
Operating Expenses					
Salaries and Benefits	\$ 1,622,809	\$ 2,192,601	\$ (569,792)	-25.99%	I(b)(1)
Ordinary Maintenance and Repairs	622,549	200,337	422,212	210.75%	I(b)(2)
Utilities	1,197	1,944	(747)	-38.42%	
Other Expenses	1,710,744	778,109	932,635	119.86%	I(b)(3)
Total Operating Expenses	\$ 3,957,299	\$ 3,172,991	\$ 784,308	24.72%	
Net Operating Income	\$ 23,456,348	\$ 14,897,242	\$ 8,559,107	57.45%	
Non-Operating Income (Expenses)					
Interest Expense	\$ (166,454)	\$ (166,454)	\$ -	0.00%	
Interest Income	1,397,964	141,211	1,256,753	889.98%	II(c)(1)
Other Income (Expenses)	(1,597,939)	(466,376)	(1,131,563)	242.63%	II(c)(1)
Total Non-Operating Income (Expenses)	\$ (366,430)	\$ (491,620)	\$ 125,190	-25.46%	
Surplus (Deficit) Before Non-Cash Items	\$ 23,089,919	\$ 14,405,622	\$ 8,684,297	60.28%	
Non-Cash Items					
Depreciation and Amortization	\$ (115,617)	\$ (113,215)	\$ (2,402)	2.12%	
Non-Operating Income (Expense)	(5,934,695)	(11,906,867)	5,972,173	-50.16%	II(c)(1)
Total Non-Cash Items	\$ (6,050,312)	\$ (12,020,082)	\$ 5,969,771	-49.66%	
Change in Net Position	\$ 17,039,607	\$ 2,385,540	\$ 14,654,067	614.29%	II(c)(1)

*Capital Fund column includes Capital Fund and Real Estate Services

**Opportunity Home San Antonio
Financial Performance Report
Comparative Balance Sheet
As of March 31, 2024
(Unaudited)**

	<u>3/31/2024</u>	<u>3/31/2023</u>	<u>Increase (Decrease)</u>	<u>%</u>	<u>Highlights Section</u>
Assets					
Current Assets	\$ 126,844,298	\$ 121,229,004	\$ 5,615,294	4.63%	
Fixed Assets	385,977,063	348,586,234	37,390,829	10.73%	
Other Non-Current Assets	86,682,310	72,007,036	14,675,274	20.38%	
Total Assets	<u>\$ 599,503,671</u>	<u>\$ 541,822,274</u>	<u>\$ 57,681,397</u>	<u>10.65%</u>	
Deferred Outflows of Resources					
Deferred Charges on Refunding	\$ 141,255	\$ 203,075	\$ (61,820)	-30.44%	
Deferred Swap Outflows	121,765	55,761	66,004	118.37%	
Total Deferred Outflows of Resources	<u>\$ 263,020</u>	<u>\$ 258,836</u>	<u>\$ 4,184</u>	<u>1.62%</u>	
Total Assets and Deferred Outflows of Resources	<u>\$ 599,766,691</u>	<u>\$ 542,081,110</u>	<u>\$ 57,685,581</u>	<u>10.64%</u>	III(a)
Liabilities					
Current Liabilities	\$ 26,050,156	\$ 26,186,846	\$ (136,690)	-0.52%	
Non-Current Liabilities	129,079,231	131,235,526	(2,156,295)	-1.64%	
Total Liabilities	<u>\$ 155,129,387</u>	<u>\$ 157,422,372</u>	<u>\$ (2,292,985)</u>	<u>-1.46%</u>	
Deferred Inflows of Resources					
Leased Assets	\$ 64,657,250	\$ 51,854,931	\$ 12,802,319	N/A	
Deferred Swap Inflows	563,802	186,451	377,351	N/A	
Total Deferred Inflows of Resources	<u>\$ 65,221,052</u>	<u>\$ 52,041,382</u>	<u>\$ 13,179,670</u>	<u>N/A</u>	
Total Liabilities and Deferred Inflows of Resources	<u>\$ 220,350,439</u>	<u>\$ 209,463,754</u>	<u>\$ 10,886,685</u>	<u>5.20%</u>	III(b)
Net Position					
Net Investment in Capital Assets	\$ 258,113,792	\$ 215,122,818	\$ 42,990,974	19.98%	
Restricted Net Position	56,687,930	48,976,233	7,711,697	15.75%	
Unrestricted Net Position	64,614,531	68,518,305	(3,903,774)	-5.70%	
Total Net Position	<u>\$ 379,416,253</u>	<u>\$ 332,617,356</u>	<u>\$ 46,798,897</u>	<u>14.07%</u>	III(c)
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 599,766,692</u>	<u>\$ 542,081,110</u>	<u>\$ 57,685,582</u>	<u>10.64%</u>	

**Opportunity Home San Antonio
Financial Performance Report
As of March 31, 2024
(Unaudited)**

HIGHLIGHTS

For the nine months ended March 31, 2024, the Operations segment generated a surplus before non-cash items of \$0.1 million, which was \$0.5 million below budget. Total Operating Revenue was below budget by \$11.6 million, or 6.97%, and Total Operating Expenses were above budget by \$5.0 million, or 3.00%.

For the nine months ended March 31, 2024, the Capital segment produced a surplus before non-cash items of \$23.1 million, which was \$8.7 million above budget. Total Operating Revenue was above budget by \$9.3 million, or 51.71%, and Total Operating Expenses were above budget by \$0.8 million, or 24.72%.

Total Assets and Deferred Outflows of Resources increased by \$57.7 million, or 10.64%. Total Liabilities and Deferred Inflows of Resources increased by \$10.9 million, or 5.20%. Presented below are explanations which summarize the results of operations (Operations and Capital segments) and the combined changes in financial condition.

I. Income Statement (Operations)

Total Operating Revenue was below budget by \$11.6 million and Total Operating Expenses were above budget by \$5.0 million.

(a) **Operating Revenue**

- (1) Tenant revenue was below budget by \$8.2 million due to unfavorable variances in the Beacon and Public Housing sectors of \$7.5 million and \$0.7 million, respectively. The primary properties contributing to the unfavorable variance for the Beacon sector were Woodhill, 100 Labor, Costa Valencia, Cottage Creek, and Rosemont at Highland Park. Occupancy remains an ongoing challenge with fiscal year-to-date occupancy for these properties ranging between 67% and 80% (excluding 100 Labor which we only began leasing up in October). Average occupancy for the overall Beacon portfolio was 83%.
- (2) Grant revenue was above budget by \$0.5 million primarily due to favorable variances of \$1.5 million in Section 8 and \$0.4 million in Beacon. The \$1.5 million favorable variance consisted of Section 8 administrative fees and the \$0.4 million favorable variance was the result of higher project-based Section 8 HAP subsidies reflecting contract rent increases. Additionally, \$0.4 million in unbudgeted revenue associated with the Economic Development Initiative Community Project Funding grant was recognized. Partially offsetting the overall favorable variance was an unfavorable variance in Public Housing operating subsidy of \$1.6 million. The budget for operating subsidy was estimated at 95.5% and the HUD published interim proration for CYTD 2024 as of March was 87.4%.
- (3) Section 8 Housing Assistance Payment (HAP) Revenue ended the period with an unfavorable variance of \$4.2 million. HAP Revenue was unfavorable primarily due to the Housing Choice Voucher (HCV) and Mainstream programs receiving \$4.4 million less

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Financial Performance Report
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than budgeted. HAP Expense was \$4.0 million lower than budgeted, driven mainly by lower HCV utilization.

- (4) Miscellaneous Revenue ended the period with a favorable variance of \$0.3 million and was primarily due to \$0.2 million in Family Self-Sufficiency Program escrow forfeitures.

(b) **Operating Expenses**

- (1) Salaries and Benefits ended the period \$0.1 million below budget. Staffing levels have increased in Public Housing and Section 8 resulting in a combined unfavorable variance of \$1.3 million. The Central Office, Resident Engagement and Beacon segments combined for a favorable variance of \$1.4 million. Most employees experienced a salary increase due to the recent classification and compensation study and we expect to see an unfavorable variance emerge in the remaining quarter of the fiscal year. It is worth noting that \$2.4 million was included as an approved use of MTW funds to defray the increase in salaries and benefits.
- (2) Ordinary Maintenance and Repairs ended the period \$9.9 million above budget primarily due to unfavorable variances of \$5.9 million and \$4.1 million in Public Housing and Beacon, respectively. For Public Housing, significant unfavorable expenses arose from unit make ready and major repairs. For Beacon, significant unfavorable expenses resulted from unit make ready, supplies and materials, and other contract costs.
- (3) Other Expenses ended the period \$0.4 million below budget primarily due to favorable variances of \$0.7 million in technology/licensing fees, \$0.4 million in Section 8 landlord incentives, and \$0.3 million in consulting fees. Court costs, advertising, and telephone/internet expenses also combined for a favorable variance of \$0.6 million. The favorable variances were significantly offset by an unfavorable variance in protective services of \$1.7 million which was primarily attributable to an increase in fire watch services.

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

- (1) Change in Net Position ended the period \$2.5 million below budget. Net Operating Income was below budget by \$16.5 million. Interest Income performed \$1.7 million better than budgeted due to a rise in interest rates. Other Income (Expenses) was unfavorable by \$8.7 million primarily due to MTW funding of various Snowden construction draws totaling \$7.4 million which were unbudgeted. Additionally, there was a \$0.8 million unfavorable variance in the Beacon Segment for appliance and flooring replacement. HUD-Held Fund Draws were \$22.9 million over budget and a listing of the MTW expenditures is provided in Section IV of the report.

**Opportunity Home San Antonio
Financial Performance Report
As of March 31, 2024
(Unaudited)**

II. Income Statement (Capital)

Total Operating Revenue was above budget by \$9.3 million and Total Operating Expenses were above budget by \$0.8 million.

(a) **Operating Revenue**

- (1) Grant revenue was above budget by \$0.4 million in the Capital Fund Program (CFP). Revenue related to CFP soft costs, specifically for operations, has historically been budgeted at 10% of the grant amount. HUD allows the use of 20% of CFP funds for Public Housing operating costs. To help cover a portion of the Public Housing operating loss, staff made draws of an additional 10% for the 2021, 2022, and 2023 CFP grants, which created a favorable variance of \$5.6 million. This was offset by a \$5.1 million unfavorable variance in CFP hard costs due to timing of CFP grant expenditures.
- (2) Miscellaneous Revenue was above budget by \$8.9 million due primarily to the sale of the leasehold interest in the Culebra Commons project in January 2024.

(b) **Operating Expenses**

- (1) Salaries and Benefits were below budget by \$0.6 million primarily due to a favorable variance in the Real Estate Services sector.
- (2) Other Expenses were above budget by \$0.9 million primarily due to an unfavorable variance in the Real Estate Services sector. An unfavorable variance of \$0.4 million in consulting fees arose related to pre-development for the Alazan Courts Expansion and Snowden projects. Additionally, \$0.6 million was recognized as bad debt expense to establish an allowance for an operating deficit loan to the Artisan at Salado partnership.

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

- (1) Change in Net Position ended the period with a \$14.6 million favorable variance. Net Operating Income was above budget by \$8.6 million. Interest Income was favorable by \$1.2 million due to the unexpected increase in interest earnings. The Other Income (Expenses) line item was \$1.1 million unfavorable due primarily to the funding of operating and disposition deficits of \$0.5 million and \$1.0 million, respectively, for the Costa Mirada partnership.

III. Balance Sheet

Total Assets and Deferred Outflows of Resources increased by \$57.7 million, Total Liabilities and Deferred Inflows of Resources increased by \$10.9 million, and Total Net Position increased by \$46.8 million.

**Opportunity Home San Antonio
Financial Performance Report
As of March 31, 2024
(Unaudited)**

- (a) Total Assets and Deferred Outflows of Resources increased by \$57.7 million, or 10.64%. Current Assets increased by \$5.6 million (4.63%), Fixed Assets increased by \$37.4 million (10.73%), and Other Non-Current Assets increased by \$14.7 million (20.38%). The \$5.6 million increase in Current Assets resulted largely from HUD prefunding April 2024 HAP in the amount of \$9.9 million. Additionally, San Antonio Housing Facility Corporation received \$7.0 million for the sale of the Culebra Commons project. Several transactions partially offset the overall increase in Current Assets. Las Varas Public Facility Corporation loaned \$4.0 million to the central bank account which was used to fund payroll, payments to vendors, and ongoing capital projects at various Beacon and Public Housing properties. Additionally, Las Varas PFC made operating transfers of \$4.5 million and \$1.6 million to the Real Estate Services segment and San Juan Square partnership, respectively. The transferred funds were utilized to pay down intercompany balances and to cover predevelopment costs for various construction projects overseen by Real Estate Services. The \$37.4 million increase in Fixed Assets resulted primarily from an increase of \$57.9 million in land, buildings, and site improvements, related to acquisition of The Ravello and Midcrown Senior Pavillion in the Beacon portfolio, as well as the capitalization of projects in both the Beacon and Public Housing portfolios. Furthermore, there were three new ground leases executed for Silver Oaks, Vista at Reed, and Fiesta Trails, which added \$10.5 million in land additions; and a correction to the existing Potranco ground lease which increased land by \$3.3 million. These amounts were offset by the routine recording of depreciation. Additionally, there was an increase of \$7.9 million in construction in progress related to ongoing modernization projects.
- (b) Total Liabilities and Deferred Inflows of Resources increased by \$10.9 million, or 5.20%. The decrease of \$2.3 million in Total Liabilities resulted from a significant paydown of debt. Debt reductions included \$19.9 million debt payoff for 11 Beacon properties: Bella Claire, Churchill Estates, Homestead, Towering Oaks, Monterrey Park, La Providencia, Castle Point, Sendero, Claremont, Warren House and Vera Cruz; and scheduled principal payments of \$4.4 million. The debt reductions were partially offset by new debt additions of \$11.6 million related to acquisition of The Ravello and \$6.8 million related to 100 Labor construction draws. Unearned revenue also increased by \$9.1 million due to the prefunding of April 2024 HAP. Additionally, there was a decrease of \$5.2 million in unearned ground lease revenue which involved a reclassification of the amount to the Leased Assets section per GASB 87 implementation. Leased Assets, which includes prepaid ground leases, increased by \$12.8 million due primarily to San Antonio Housing Facility Corporation entering into five ground leases with the Silver Oaks, Fiesta Trails, Bristol at Somerset, Horizon Pointe, and Vista at Reed limited partnerships.
- (c) Total Net Position increased by \$46.8 million, or 14.07%, as a result of the changes described above.

**Opportunity Home San Antonio
Financial Performance Report
As of March 31, 2024
(Unaudited)**

IV. MTW Expenditures

Projects	Cumulative Expenditure Balance as of 03/31/24
Resident Engagement	\$ 1,411,048
Public Housing Operating Shortfall	11,102,075
Preservation and Expansion of Affordable and Public Housing:	
Development of Labor Street Multifamily Property	587,131
Investment in MTW Units at Tax Credit/Beacon Properties:	
Costa Valencia and Rosemont at Highland Park Intercompany Paydown	1,808,495
Vera Cruz Loan Payoff	471,762
Snowden Development Funding	8,316,400
Legacy at Crown Meadows (Sendero) Bond Payoff	7,282,680
Additional Impact of Compensation Study	376,629
Total	\$ 31,356,220

Summary of Major Changes in Cash and Investment Balance

For the Quarterly Period Ended March 31, 2024

The overall cash and investment balance increased by \$13.2 million over the previous quarter primarily due to the prefunding of \$9.9 million of HAP for April 2024 and \$7.0 million received in connection with the sale of the leasehold interest in the Culebra Commons project, partially offset by payments to vendors related to operations at various Beacon and Public Housing properties.

Unrestricted Cash and Investments

- **Central Office Cost Center** - There was a net cash decrease of \$2.7 million over the previous quarter due to a loan of \$1.0 million to the central bank account, funding of \$0.3 million for capital projects, and settlement of intercompany balances due of \$3.4 million partially offset by internal fees collected of \$2.1 million.
- **Development Activities under SAHFC** - There was a net cash increase of \$7.2 million primarily due to the receipt of \$7.0 million for the sale of the Culebra Commons PFC project.
- **Development Activities - Las Varas** - There was a decrease of \$1.1 million due to the funding of Real Estate Services departmental operating costs of \$0.6 million and \$0.3 and \$0.2 million respectively to fund operating deficits at the San Juan Square and Artisan at Salado Falls properties.
- **Other Beacon Properties Cash** - There was a net cash decrease of \$2.9 million primarily due to the transfer of \$3.1 million from Sendero and Woodhill to various Beacon properties and a \$0.5 million operating transfer from Cottage Creek to Courtland Heights for the settlement of intercompany balances. This was offset by \$0.4 million in positive operations at The Ravello property, \$0.2 million collected in replacement reserve funds for Converse Ranch I, and \$0.1 million collected in Sendero bond funds.
- **Central Bank Account Cash** - There was a net cash increase of \$3.9 million due to both the collection of intercompany balances and a \$1.0 million loan from the Central Office Cost Center which were offset by cash disbursements to vendors and ordinary operating costs.

Restricted Cash and Investments

- **Public Housing** - There was a net cash decrease of \$0.3 million due to escrow adjustments.
- **Section 8** - There was a net cash increase of \$9.3 million largely due to HUD prefunding the HAP for April 2024 in the amount of \$9.9 million.

**Opportunity Home San Antonio
Cash and Investment Summary
March 31, 2024**

	Balance 12/31/2023	Deposits	Withdrawals	Balance 3/31/2024
Cash				
Unrestricted Cash:				
Central Office Cost Center (1)	3,885,008	3,245,560	5,898,776	1,231,792
Public Housing (1)	560,024	17,904,249	17,808,307	655,966
Section 8 (1)	7,865,115	3,641,592	3,802,231	7,704,476
Community Development Initiatives	425,766	10,741,741	11,008,015	159,492
Central Office- Health Insurance (2)	448,038	3,479,890	3,479,741	448,187
Homeownership	18,627	5,267	4,916	18,978
Project Based Properties (1)	5,063,729	2,940,252	2,720,842	5,283,139
Properties under SAHFC	3,415,616	4,198,084	4,269,403	3,344,297
Education Investment Foundation	(3,438)			(3,438)
Capital Fund Program (1)	-	2,121,934	2,121,934	-
Development Activities under SAHFC	4,642,741	8,021,895	870,496	11,794,140
Development Activities - Las Varas	2,475,021	89,427	1,217,785	1,346,663
Development Activities - Other Entities	9,707,828	793,519	610,938	9,890,409
Other Beacon Properties Cash	6,878,192	6,441,316	9,385,791	3,933,717
Central Office Bank Account	1,427,637	65,744,309	61,849,534	5,322,412
Sub-Total:	46,809,904	129,369,035	125,048,709	51,130,230
Restricted Cash:				
Central Office Cost Center	654,886	335,804	350,000	640,690
Public Housing	18,922,826	497,919	778,813	18,641,932
Section 8	2,278,955	52,231,028	42,957,128	11,552,855
Project Based Properties	1,698,831	91,572	80,210	1,710,193
Properties under SAHFC	8,708,126	1,890,314	1,831,301	8,767,139
Education Investment Foundation	3,824			3,824
Capital Fund Program	1,317,807	16,318		1,334,125
Development Activities under SAHFC	2,814,017	3,127	43,895	2,773,249
Development Activities - Refugio Street PFC	8,170,568	-	-	8,170,568
Non-Profit-Other Restricted	1,486,045	74,806	162,651	1,398,200
Other Restricted Cash	414,006	149,998	155,748	408,256
Endowment Trust	316,943	3,254	34,072	286,125
Sub-Total:	46,786,834	55,294,140	46,393,818	55,687,156
Total Unrestricted & Restricted Cash:	93,596,738	184,663,175	171,442,527	106,817,386
Investments				
Restricted Investments at Various Banks:				
Central Office Cost Center	76,390	226,393	226,301	76,482
Other Restricted Investments	914,512	724,602	714,824	924,290
Sub-Total:	990,902	950,995	941,125	1,000,772
Total Cash & Investments:	94,587,640	185,614,170	172,383,652	107,818,158

Footnotes:

(1) Cash and Investments related to federal programs

(2) Cash and Investments related to self insurance program

**Opportunity Home San Antonio
Cash Held for Tax Credit Partnerships
March 31, 2024**

	12/31/2023	Deposits	Withdrawals	3/31/2024
Cash from Tax-Credit Partnerships	2,479,553	4,801,309	4,673,028	2,607,834
Total Cash Held for Partnerships Managed by Beacon:	\$ 2,479,553	\$ 4,801,309	\$ 4,673,028	\$ 2,607,834

**Opportunity Home San Antonio
Collateralization
March 31, 2024**


	Total Deposits	Deposits Covered by FDIC	Deposits Covered by Collateral	Pledged Collateral
Frost National Bank	\$ 100,565,288	\$ 500,000	\$ 100,565,288	\$ 138,955,093
Lument Capital, LLC	\$ 2,889,498	\$ 1,145,150	\$ -	\$ -
US Bank	\$ 852,247	\$ -	\$ -	\$ -
Bank of New York - Sendero	\$ -	\$ -	\$ -	\$ -
Bank of New York - Converse Ranch II	\$ 185,397	\$ -	\$ -	\$ -
Wells Fargo - Rosemont at Highland Park	\$ 127,084	\$ -	\$ -	\$ -
Walker & Dunlop - Converse Ranch I	\$ 431,655	\$ 347,241	\$ -	\$ -
Walker & Dunlop - Bella Claire	\$ -	\$ -	\$ -	\$ -
Walker & Dunlop - SAHFC	\$ -	\$ -	\$ -	\$ -
Berkadia Commercial Mortgage, LLC	\$ 298,130	\$ 298,130	\$ -	\$ -
Total Collateralized deposits:	\$ 105,349,300	\$ 2,290,521	\$ 100,565,288	\$ 138,955,093

FDIC has made permanent the standard coverage - all funds in noninterest-bearing accounts are fully insured up to \$250,000. The accompanying Cash and Investment Summary Report has been prepared in accordance with the compliance requirements of the Texas Public Funds Investment Act, Chapter 2256. As the Investment Officer for the Opportunity Home San Antonio I certify that all investments in our portfolio comply with the investment strategy expressed in Opportunity Home's Investment Policy dated April 14, 2016 and with the relevant provisions of the State of Texas, Government Code, Chapter 2256, Public Funds Investment.

4/22/2024

Diana K. Fiedler, CPA, CGMA
Investment Officer, Chief Financial Officer

GRANTS REPORT AS OF March 31, 2024

CAPITAL GRANTS		CAPITAL GRANTS										
 <ul style="list-style-type: none"> <input type="checkbox"/> Unmet expenditure deadline approaching within 6 Months <input type="checkbox"/> Unmet obligation deadline approaching within 12 Months <input type="checkbox"/> Grant expenditure is not progressing as planned 		Grant Number	Obligation End Date	Expenditure End Date	Amount to be Obligated by End Date	LOCCS Authorized	Cumulative PHA Obligated	Unobligated Amount	Obligation Percentage	Cumulative GL PHA Expended	Expended Percentage	LOCCS Disbursement
Capital Fund Program (CFP)												
Capital Projects at various PH Properties												
	TX59P006501-10	07/14/12	07/14/14	\$ 8,770,114.80	\$ 9,744,572.00	\$ 9,744,572.00	\$ -	100%	\$ 9,744,572.00	100%	\$ 9,744,572.00 (1)	
	*Major Project: Marie McGuire											
	TX59P006501-11	08/02/13	08/02/15	\$ 7,336,199.70	\$ 8,151,333.00	\$ 8,151,333.00	\$ -	100%	\$ 8,151,333.00	100%	\$ 8,151,333.00 (1)	
	*Major Projects: Blanco, Marie McGuire, Westway											
	TX59P006501-12	03/11/14	03/11/16	\$ 6,669,297.00	\$ 7,410,330.00	\$ 7,410,330.00	\$ -	100%	\$ 7,410,330.00	100%	\$ 7,410,330.00 (1)	
	*Major Projects: Fair Avenue, South San, Sun Park											
	TX59P006501-13	09/08/15	09/08/17	\$ 6,472,918.80	\$ 7,192,132.00	\$ 7,192,132.00	\$ -	100%	\$ 7,192,132.00	100%	\$ 7,192,132.00 (1)	
	*Major Projects: Lewis Chatham, Jewett Circle, Westway											
	TX59P006501-14	05/12/16	05/12/18	\$ 6,564,698.10	\$ 7,294,109.00	\$ 7,294,109.00	\$ -	100%	\$ 7,294,109.00	100%	\$ 7,294,109.00 (1)	
	*Major Projects: Westway, Charles Andrews, Cassiano Homes											
	TX59P006501-15	04/12/17	04/12/19	\$ 6,785,826.30	\$ 7,539,807.00	\$ 7,539,807.00	\$ -	100%	\$ 7,539,807.00	100%	\$ 7,539,807.00 (1)	
	*Major Projects: Charles Andrews, HB Gonzalez											
	TX59E006501-11	03/04/13	3/4/14	\$ 225,000.00	\$ 250,000.00	\$ 250,000.00	\$ -	100%	\$ 250,000.00	100%	\$ 250,000.00 (1)	
	*Safety and Security Grant at Lincoln Heights											
	TX59P006501-16	04/12/18	04/12/20	\$ 7,024,842.00	\$ 7,805,380.00	\$ 7,805,380.00	\$ -	100%	\$ 7,805,380.00	100%	\$ 7,805,380.00 (1)	
	*Major Projects: Westway, WC White											
	TX59P006501-17	08/15/19	08/15/21	\$ 7,176,040.20	\$ 7,973,378.00	\$ 7,973,378.00	\$ -	100%	\$ 7,973,378.00	100%	\$ 7,973,378.00 (1)	
	*Major Projects: Victoria Plaza, Villa Tranchese											
	TX59P006501-18	05/28/21	05/28/23	\$ 11,098,890.00	\$ 12,332,100.00	\$ 12,332,100.00	\$ -	100%	\$ 12,332,100.00	100%	\$ 12,332,100.00 (1)	
	*Major Projects: Victoria Plaza, Fair Avenue											
	TX59P006501-19	10/15/22	10/15/24	\$ 11,636,649.90	\$ 12,929,611.00	\$ 12,929,611.00	\$ -	100%	\$ 12,929,611.00	100%	\$ 12,929,611.00 (1)	
	*Major Projects: Victoria Plaza, Fair Avenue											
	TX59P006501-20	03/25/24	03/25/26	\$ 11,827,386.00	\$ 13,141,540.00	\$ 13,141,540.00	\$ -	100%	\$ 11,337,478.73	86%	\$ 11,250,288.86	
	*Major Projects: Madonna, L.C. Rutledge											
	TX59P006501-21	02/22/23	02/22/25	\$ 11,919,903.30	\$ 13,244,337.00	\$ 13,244,337.00	\$ -	100%	\$ 13,184,301.00	99%	\$ 13,103,222.72	
	*Major Projects: Mirasol, Francis Furey											
	TX59P006501-22	05/11/24	05/11/26	\$ 14,590,927.80	\$ 16,212,142.00	\$ 16,212,142.00	\$ -	100%	\$ 11,855,967.66	73%	\$ 11,094,155.59	
	*Major Projects: Villa Veramendi, Riverside											
	TX59P006501-23	02/16/25	02/16/27	\$ 14,882,453.10	\$ 16,536,059.00	\$ 7,143,089.02	\$ 9,392,969.98	43%	\$ 5,133,159.56	31%	\$ 4,950,438.70	
	*Major Projects: Fair Avenue, Villa Hermosa											
	TX59E006501-18	08/12/21	08/12/22	\$ 225,000.00	\$ 250,000.00	\$ 250,000.00	\$ -	100%	\$ 250,000.00	100%	\$ 250,000.00 (1)	
	*Safety and Security Grant at Riverside, Villa Veramendi											
	TX59E006501-22	09/25/23	09/25/24	\$ 225,000.00	\$ 250,000.00	\$ 250,000.00	\$ -	100%	\$ 162,377.05	65%	\$ 161,007.90 (2)	
	*Safety and Security Grant at Springview, Villa Tranchese											
	TX59L006501-20	05/10/23	05/10/25	\$ 4,374,949.50	\$ 4,861,055.00	\$ 148,050.00	\$ 4,713,005.00	3%	\$ 131,550.00	3%	\$ 31,760.00 (3)	
	*Lead Based Paint Grant at Lincoln Heights, Mission Park, Riverside											
	TX59L006501-22	09/07/25	09/07/27	\$ 4,288,198.50	\$ 4,764,665.00	\$ -	\$ 4,764,665.00	0%	\$ -	0%	\$ -	
	*Lead Based Paint Grant at Cassiano											
	TX59H006501-22	09/07/25	09/07/27	\$ 4,064,580.00	\$ 4,516,200.00	\$ -	\$ 4,516,200.00	0%	\$ -	0%	\$ -	
	*Housing-Related Hazards Grant at Blanco, Matt Garcia											
Urban Revitalization Program (Hope 6) (URP)												
Choice Neighborhood Grant												
	TX6J006CNG112	09/30/19	09/30/19		\$ 29,652,649.09	\$ 29,652,649.09	\$ -	100%	\$ 29,652,649.09	100%	\$ 29,652,649.09 (1)(4)	
	*Implementation grant for Wheatley Neighborhood											

(1) These grants are expended and disbursed at 100% however, HUD still requests monthly updates in eLOCCS.
 (2) Grant expenditures are approximately \$88K short of the grant amount.
 (3) A request to extend the obligation requirement was submitted to HUD. A portion of the grant totaling \$3,715,939 will not be used and will be recaptured by HUD.
 (4) Grant close out is pending HUD approval of the planned program income budget.

Grant Number	HUD - PROGRAM GRANTS		LOCCS Authorized	Cumulative Expended	PROGRAM GRANTS			LOCCS Disbursement
	Effective Date	Expenditure End Date			Expended Percentage	Remaining to Expend	Grant expenditure is not progressing as planned	
Resident Opportunities & Self Sufficiency (ROSS) Funding for Family Self Sufficiency (FSS) Coordinators								
ROSS221724-01-00 *2021 ROSS Service Coordinators	06/01/22	05/31/25	\$ 621,050.50	\$ 347,657.28	56%	\$ 273,393.22	\$ 332,709.48	(5)
FSS23TX5042 *PH & HCV Combined FSS 2022	01/01/23	12/31/23	\$ 1,166,035.00	\$ 1,022,692.00	88%	\$ 143,343.00	\$ 1,022,692.00	(6)
FSS23TX5042-01-01 *PH & HCV Combined FSS 2023	01/01/24	12/31/24	\$ 1,166,035.00	\$ 295,035.56	25%	\$ 870,999.44	\$ -	
Jobs Plus Funding for PHAs to develop locally-based approaches to increase earnings and advance employment outcomes for Public Housing residents								
TX006FJP6JPH20 *Jobs Plus - Lincoln Heights	05/14/21	09/30/28	\$ 2,300,000.00	\$ 710,809.01	31%	\$ 1,589,190.99	\$ 667,066.35	(7)
EDI CPF Economic Development Initiative/Community Project Funding grants provide investment in a wide variety of projects such as housing, homelessness prevention, workforce training, public facilities, parks, resilience planning and other critical infrastructure and services								
B-22-CP-TX-0861 EDI CPF - Resident Internet Service	09/30/22	08/30/30	\$ 1,000,000.00	\$ 872,297.60	87%	\$ 127,702.40	\$ 833,333.00	

Grant Number	NON-HUD - PROGRAM GRANTS		Award Amount	Cumulative Expended	Expended Percentage	Remaining to Expend	Reimbursement Received	
	Performance Date							
VIA Metropolitan Transit Authority Capital Assistance Program For Elderly Persons and Persons With Disabilities								
TX-2021-010-00 *VIA Grant 2021	09/25/2020 - 09/30/2024		\$ 79,110.00	\$ 61,475.36	78%	\$ 17,634.64	\$ 60,738.00	(8)
Federal Communications Commission Opportunity Home Affordable Connectivity Outreach Grant Program								
ACOGP2340031-00 *ACOGP Grant 2023	06/15/2023 - 04/30/2024		\$ 125,000.00	\$ 34,470.65	28%	\$ 90,529.35	\$ 33,328.22	(9)

- (5) Grant expenditures are approximately \$31K short of the projected average cumulative expended amount or expected percentage of 61.1%
- (6) PH & HCV Combined FSS 2022 grant ended on 12/31/23 and \$143,343 will remain unexpended.
- (7) Grant expenditures are approximately \$194K short of the projected average cumulative expended amount or expended percentage of 39.3%.
- (8) Grant expenditures are approximately \$8K short of the projected average cumulative expended amount or expended percentage of 87.5%.
- (9) The grant end date was changed to 04/30/2024 with limited eligible costs allowed due to lack of congressional funding. A total of \$90,529.35 will remain unexpended.

LIST OF GRANT APPLICATIONS

Grant Name	Description	Award Amount	Match Amount	Date Submitted	Application Status
FY23 Capital Fund At-Risk Program	HUD Capital Fund At-Risk Grant	\$2,607,982	N/A	08/15/23	Not Awarded
FY23 Community Project Funding	Community Project Funding Economic Development Initiative Grant	\$2,160,000	N/A	01/12/23	Awarded 3/1/23
FY24 AARP Community Challenge	AARP Community Challenge Grant	\$11,281	N/A	03/06/24	Pending
FY24 Emergency Safety & Security	HUD Safety & Security Grant	\$117,256	N/A	03/22/24	Pending
FY24 Texas Cavaliers Charitable Foundation	Texas Cavaliers Charitable Foundation Grant	\$7,176	N/A	03/25/24	Pending

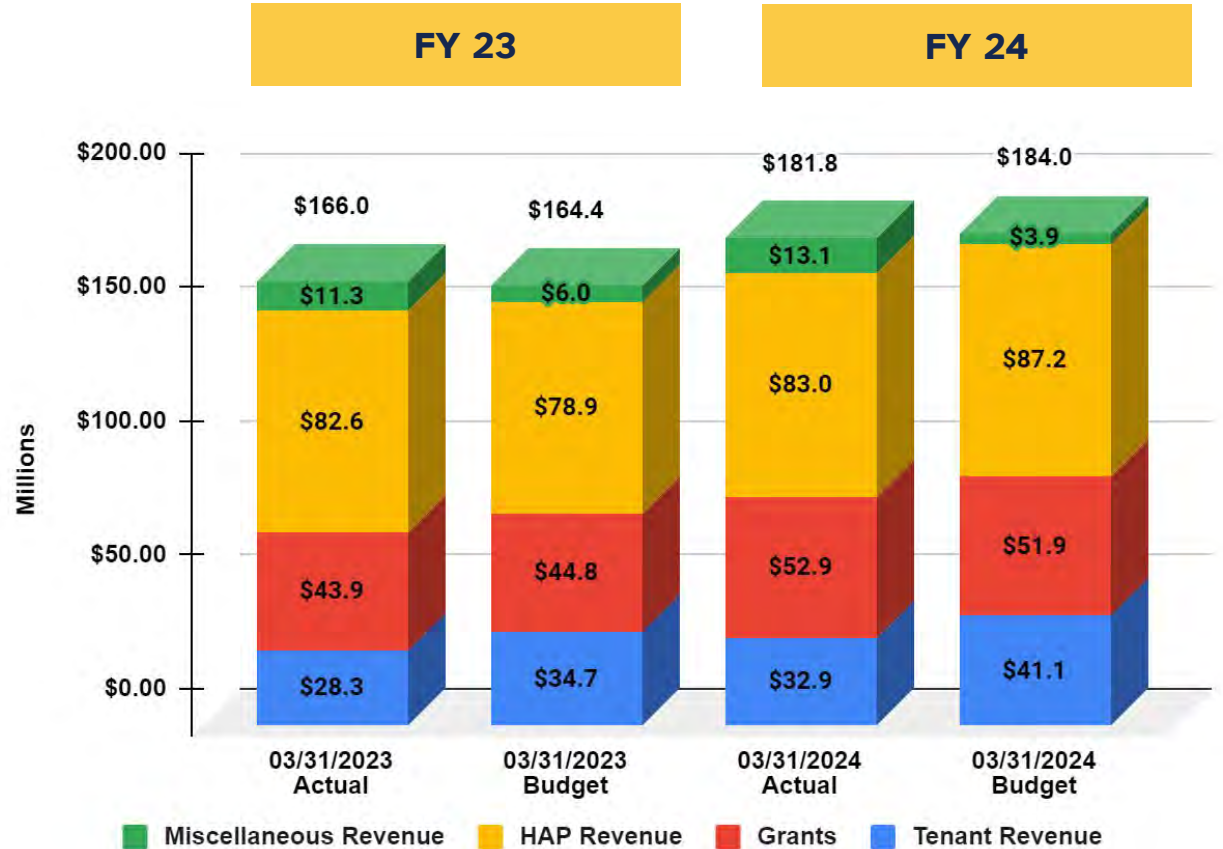
Financial Performance Report

For the Nine Months Ended March 31, 2024

Fiscal Year Comparison

Consolidated Operating Revenue

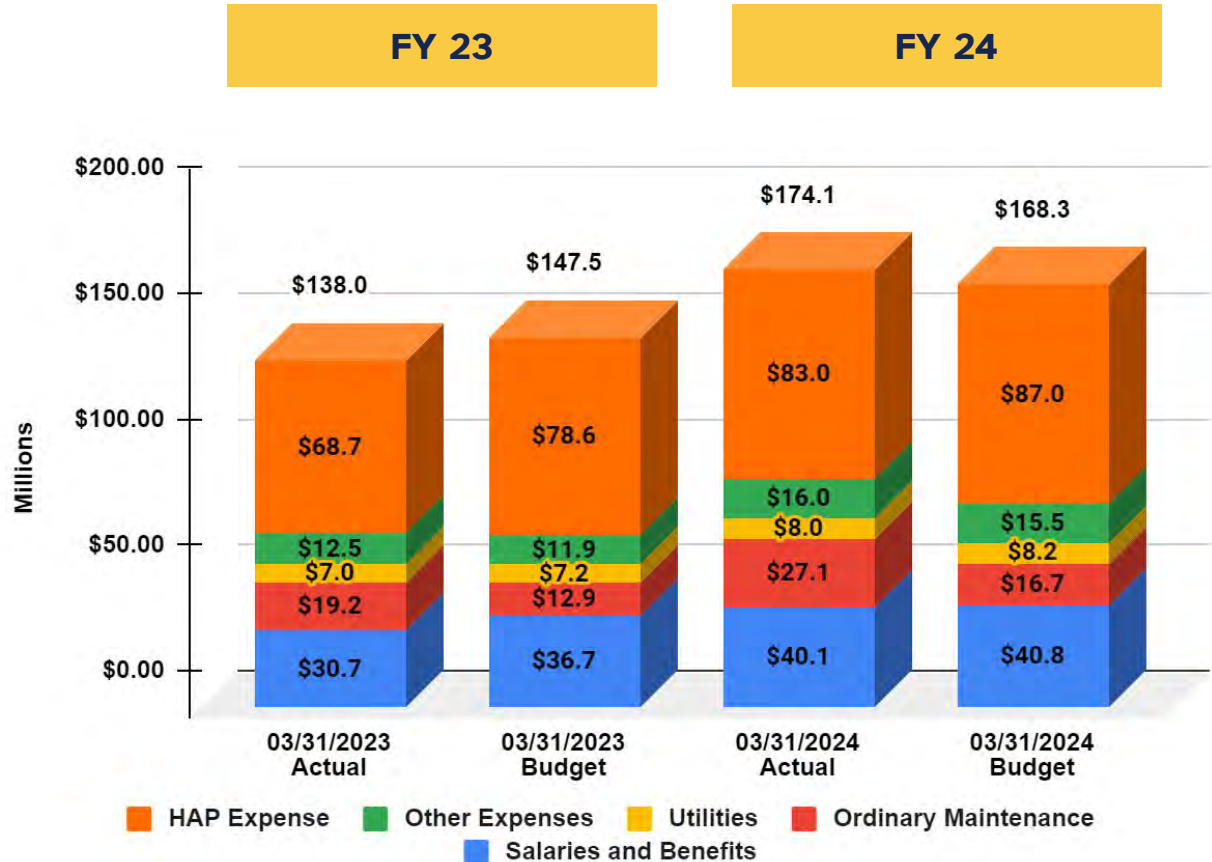
Operating Revenue was approximately **10%** higher compared to the previous year primarily due to an increase in Grants Revenue.



Fiscal Year Comparison

Consolidated Operating Expenses

Operating Expenses increased by **26%** compared to the previous year. All categories experienced significant increases.

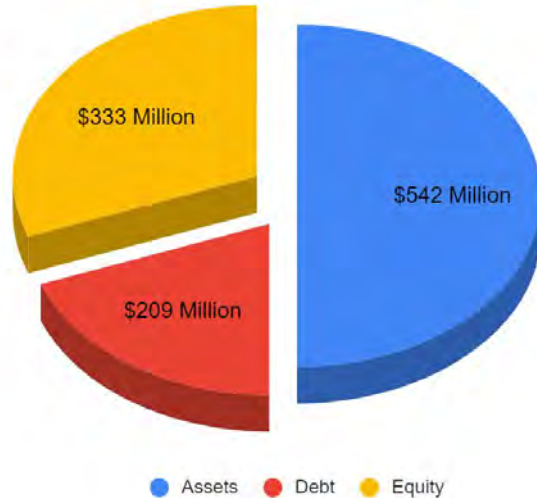


Financial Ratios

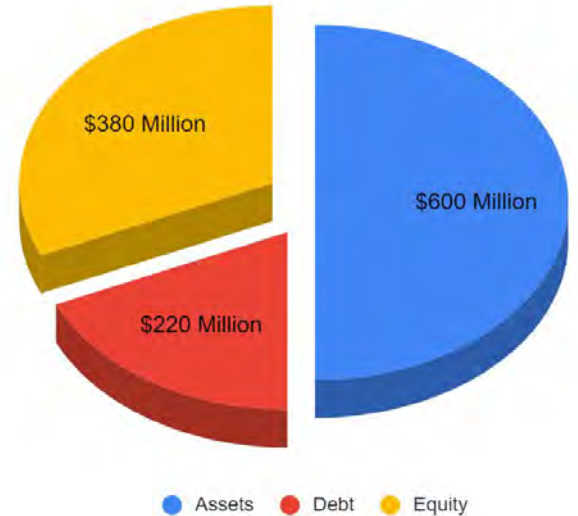
Financial Strength

The debt-to-equity ratio decreased from **.45 to .38** and signifies a strong solvency position.

March 31, 2023



March 31, 2024

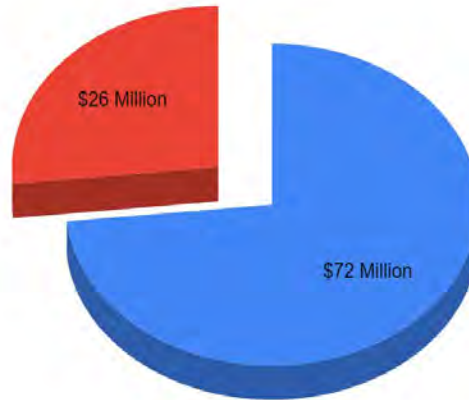


Financial Ratios

Financial Liquidity

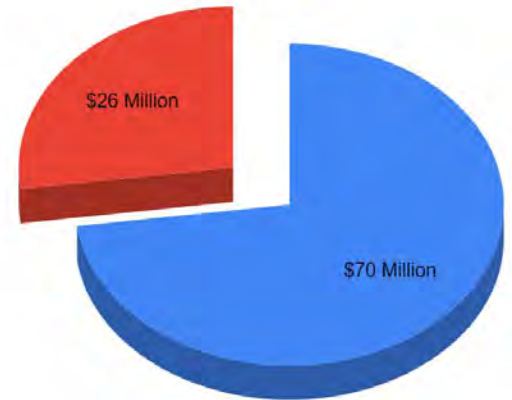
The current ratio decreased from **2.77** to **2.69** and remains an indicator of Opportunity Home's strong capacity to meet its short-term financial commitments.

March 31, 2023



● Current Assets ● Current Liabilities

March 31, 2024



● Current Assets ● Current Liabilities

Moving to Work Uses

Moving to Work Uses
as of 03/31/24

Project

Resident Engagement	\$1,411,048
Public Housing Operating Shortfall	\$11,102,075
Preservation and Expansion of Affordable and Public Housing:	
Development of Labor Street Multifamily Property	\$587,131
Investment in MTW Units at Tax Credit/Beacon Properties:	
Costa Valencia and Rosemont at Highland Park Intercompany Paydown	\$1,808,495
Vera Cruz Loan Payoff	\$471,762
Snowden Development Funding	\$8,316,400
Legacy at Crown Meadows (Sendero) Bond Payoff	\$7,282,680
Additional Impact of Compensation Study	\$376,629

Total

\$31,356,220

Questions?

Internal Audit Update

May 15, 2024

Internal Audit Quarter 4 Activities

Support Strategic Outcomes

Internal Audit activities that support all strategic outcomes

- Continuing to work with CDI Family Self-Sufficiency (FSS) program on escrow review process and streamlining review to meet the changes in the FSS program direction
 - 5 escrows over \$5,000 were reviewed and approved for graduation in FY 2023-2024
 - A total of \$51,761.70
 - Average escrow: \$10,352.34
- Audit of Public Housing Waitlist, Eligibility, and Admissions Process
- Audit of Procurement: Oversight of Vendor Compliance for Section 3 and Small Minority and Women Owned Business Enterprises (SWMBE)
- Audit of Human Resources: Recruitment Process
- Control Self-Assessment of Asset Management: Financing and Refinancing of Real Estate Assets
- Control Self-Assessment of Safety and Security: Triage High Severity Incidents
- Audit of Beacon Communities: Affordable Program Regulatory and Fair Housing Compliance
- Standard Operations Compliance Audits of Public Housing, Assisted Housing Programs, Beacon Communities and Partnership Properties

Status

2022-2023 Audit Plan

Audit of the Public Housing Waitlist, Eligibility and Admissions Process

- Audit kick-off was held on April 5, 2023, and the audit has been completed. The final report was distributed to the Finance Committee on April 12, 2024.
 - As a result of this audit, eight "Findings" and four "Observations" were identified.
 - The Corrective Action Item plans provided by management align with the recommendations from IA and should mitigate the risk of similar findings occurring in the future.

Audit of the Public Housing Waitlist, Eligibility and Admissions Process

Findings and Observations

Significant Deficiencies

- **Finding One:** Incorrect unit bedroom size was offered to the family.
 - **Recommendation:** Management should provide additional training to property staff to ensure they understand the guidelines or policies for bedroom size determination.
 - **Management's Response and Corrective Action Plan (Unified Application Center):** UAC staff implemented a QC process on February 1, 2024. A follow up directive was sent on March 28, 2024, to UAC staff and PH Management detailing the Opportunity Home policy for determining unit size.
 - **Expected Date of Completion:** Completed.
- **Finding Two:** Inaccurate computation of income.
 - **Recommendation:** Management should provide additional training to staff to ensure they understand the guidelines and/or policies for calculating semi-monthly check/pay stubs.
 - **Management's Response and Corrective Action Plan (Unified Application Center):** An email was sent to UAC staff and PH management as a directive on March 28, 2024, with reminders to ensure calculations are completed according to various rates of pay. UAC staff have reviewed and discussed calculating income during monthly meetings and are being regularly QC'd.
 - **Expected Date of Completion:** Completed.

Audit of the Public Housing Waitlist, Eligibility and Admissions Process

Findings and Observations

Significant Deficiencies

- **Finding Three:** Missing disability status verification to determine eligibility for housing and disability-related deductions.
 - **Recommendation:** Management should update the PH Eligibility SOP to include the requirement of using the Disability Verification Form in order to verify the disability status of applicants who have claimed to be disabled during the pre-application process, but who do not receive SSA Disability Benefits. Management should also reinforce the importance of this type of verification with staff.
 - **Management's Response and Corrective Action Plan (Unified Application Center):** An email was sent to staff on April 2, 2024, with detailed reminders of HUD-defined disability verification requirements and information about the Disability Verification form and when/how to use it.
 - **Expected Date of Completion:** Completed.

Other Internal Control Deficiencies

- **Finding One:** Missing the Social Security Number (SSN) of the applicant in the HUD-9886 Form.
 - **Recommendation:** Management should consider creating an "Instructions" page for applicants filling out the HUD-9886 form. These instructions should specify what information is required when completing the form.
 - **Management's Response and Corrective Action Plan (Unified Application Center and Operation Support):** An email was sent to UAC staff and PH management as a directive on March 28, 2024, with reminders to issue a RAD-10 when documentation is missing required information, such as an incomplete HUD-9886-a form.
 - **Expected Date of Completion:** Completed.

Audit of the Public Housing Waitlist, Eligibility and Admissions Process

Findings and Observations

Other Internal Control Deficiencies

- **Finding Two:** Failed to immediately dispose of confidential information.
 - **Recommendation:** Management should reinforce to staff the importance of immediately disposing of confidential information. Management should consider adding steps in the ACOP, or a related SOP, on how to properly dispose of confidential information.
 - **Management's Response and Corrective Action Plan (Unified Application Center and Operation Support):** An email was sent to UAC staff and PH management as a directive on March 28, 2024, with reminders to ensure confidential medical information is disposed of properly.
 - **Expected Date of Completion:** Completed.
- **Finding Three:** Missing Criminal History Record (CHR), Registered Sex Offender Status (RSO), and Enterprise Income Verification (EIV) on the existing and former tenant search.
 - **Recommendation:** Management should reemphasize the requirements of the SOP for screening applicants and new adult household members.
 - **Management's Response and Corrective Action Plan (Unified Application Center and Operation Support):** UAC will update and release the following forms on March 1, 2024:
 - *Waiting List Pre-Eligibility Application; PH-1222*
 - *Public Housing Application; PH-1221*
 - *Waiting List Pre-Eligibility Application; AHP-1222*
 - *HCV Application; AHP 1221*
 - *Income and Expense Verification Form; FHP-2521*
 - **Expected Date of Completion:** Completed.

Audit of the Public Housing Waitlist, Eligibility and Admissions Process

Findings and Observations

Other Internal Control Deficiencies

- **Finding Four:** Account statuses were not updated, deactivated, or withdrawn from the waiting lists in Elite.
 - **Recommendation:** Management should provide additional training to reinforce the guidance provided in the SOPs and ACOP emphasizing the correct procedures to change the application statuses.
 - **Management's Response and Corrective Action Plan (Unified Application Center and Operation Support):** Update SOP to include withdrawal steps.
 - **Expected Date of Completion:** June 1, 2024
- **Finding Five:** Request for Additional Documentation Form (RAD-10) not included with Change of Family Composition-Remove Packet.
 - **Recommendation:** Management should remind staff about the importance of issuing a RAD-10 when applicants are missing required documents.
 - **Management's Response and Corrective Action Plan (Unified Application Center and Operation Support):** An email was sent to staff on March 28, 2024, with reminders to issue a RAD-10 when documentation is missing required information, such as an incomplete HUD-9886-a form.
 - **Expected Date of Completion:** Completed.

Audit of the Public Housing Waitlist, Eligibility and Admissions Process

Findings and Observations

Observations

- **Observation One:** Incomplete and/or inaccurate data was recorded on the EIV screening form, and Unit Offer form.
 - **Recommendation:** Management should remind staff of the importance of verifying the accuracy of the information entered on the forms and the significance of ensuring applicant information conforms with program requirements.
 - **Management's Response and Corrective Action Plan (Unified Application Center and Operation Support):** An email was sent on April 2, 2024, instructing UAC and PH staff to leave out the unit addresses on the unit offer forms. In addition, an email will be sent to PH management as a directive reiterating the importance of applicant signatures on Unit Offer forms in May 2024. This is being combined with a reminder to regularly review audit files and ensure lease information is up to date.
 - **Expected Date of Completion:** Completed.
- **Observation Two:** Absence of required forms or documents.
 - **Recommendation:** Management should reiterate with staff the importance of ensuring all necessary documents are included in the residents' files.
 - **Management's Response and Corrective Action Plan (Unified Application Center and Operation Support):** An email will be sent in April 2024 to remind staff to put the unit offer form and other necessary documents in the resident's files.
 - **Expected Date of Completion:** Completed. The email was sent to staff on April 29, 2024.

Audit of the Public Housing Waitlist, Eligibility and Admissions Process

Findings and Observations

Observations

- **Observation Three:** Files are missing copies of important notices.
 - **Recommendation:** Management should consider adding the Notice of Public Housing Eligibility and the Notice to Deny to the physical File Checklist and the digital File Checklist respectively and reiterate to staff the importance of using the provided checklist to ensure all notices are included in the residents'/applicants' files.
 - **Management's Response and Corrective Action Plan (Unified Application Center and Operation Support):** An email was sent to staff on March 28, 2024, with reminders to include copies of important notices. UAC CSS must add to the digital file a copy of the Notice of PH Housing Eligibility. In addition, the UAC CSS will add to the digital file a copy of the Notice of Intent to Deny.
 - **Expected Date of Completion:** Completed.
- **Observation Four:** There is no established process in place for handling cases where a response is not received from an applicant within three business days after a unit is offered.
 - **Recommendation:** Management should consider adding a procedure, either in the ACOP or the PH Eligibility SOP, for addressing a situation in which an applicant neither accepts or refuses a unit offer within three business days.
 - **Management's Response and Corrective Action Plan (Unified Application Center and Operation Support):** An update to the existing PH Eligibility SOP will be prepared to include a process to withdraw an applicant from the waitlist if the PHA does not receive a response within three business days of the unit offer.
 - **Expected Date of Completion:** June 1, 2024

Status

2023–2024 Audit Plan

Audit of Procurement: Oversight of Vendor Compliance for Section 3 and Small Minority and Women Owned Business Enterprises (SWMBE)

- Audit kick-off was held on April 5, 2023, and the audit has been completed. The final report was distributed to the Finance Committee on April 12, 2024.
 - As a result of this audit, eight "Findings" and four "Observations" were identified.
 - The Corrective Action Item plans provided by management align with the recommendations from IA and should mitigate the risk of similar findings occurring in the future.

Audit of Procurement - Oversight of Vendor Compliance for Section 3 and Small Minority and Women Owned Business Enterprises (SWMBE)

Findings and Observations

Significant Deficiencies

- **Finding One:** Unable to determine if the Section 3 and Targeted Section 3 workers reporting goals meet the 25% or 5% or more of the total number of labor hours worked, respectively, by all workers employed with public housing financial assistance in Opportunity Home San Antonio's fiscal year.
 - **Recommendation:** Internal Audit recommends the creation of a Standard Operating Procedure to include the required steps and information necessary to complete accurate labor hour calculations. Management should also reiterate the reporting requirements as outlined by HUD to staff.
 - **Management's Response and Corrective Action Plan:** Procurement will implement a new process that consists of developing a new Google form to collect information and ensure that the total number of labor hours worked by all workers of the PHA is accurately reported and tracked. Procurement will also ensure that the total number of labor hours worked by Section 3 workers and Targeted Section 3 workers is reported in a timely manner as dictated by HUD. Procurement will work closely with Human Resources and Payroll to obtain the information required.
 - **Expected Date of Completion:** Implementation of the new process has been rescheduled from May 1, 2024 to June 1, 2024.

Audit of Procurement - Oversight of Vendor Compliance for Section 3 and Small Minority and Women Owned Business Enterprises (SWMBE)

Findings and Observations

Significant Deficiencies

- **Finding Two:** Solicitations contained outdated Section 3 Program Utilization Plan Criteria and contradictory wording between the Section 3 Program Utilization Plan Criteria and the Section 3 Program Contractor Compliance Guide.
 - **Recommendation:** Management should ensure all solicitations contain updated regulations, guidelines, and policies.
 - **Management's Response and Corrective Action Plan:** Procurement will review and update the Section 3 Program Utilization Plan Criteria to ensure they are consistent with current federal regulations and guidance. Procurement will also ensure that the policies and procedures are updated to reflect any changes to federal regulations and guidance related to Section 3 program requirements. Procurement will work closely with the Section 3 coordinator to provide training and guidance in developing and implementing Section 3 program requirements to ensure the organization is current with all federal regulations and guidance, and understands the importance of complying with Section 3 program requirements.
 - **Expected Date of Completion:** Implementation of the new process has been rescheduled from May 1, 2024 to June 1, 2024.

Audit of Procurement - Oversight of Vendor Compliance for Section 3 and Small Minority and Women Owned Business Enterprises (SWMBE)

Findings and Observations

Significant Deficiencies

- **Finding Three:** Section 3 criteria was intentionally deleted from contracts.
 - **Recommendation:** Management should take steps to ensure that all contracts include the required clauses/statements as indicated by HUD and Opportunity Home San Antonio's policies and procedures. Management should also review all contracts to ensure accuracy.
 - **Management's Response and Corrective Action Plan:** Procurement will implement a new process to ensure that Section 3 criteria are included in all contracts as required by federal regulations. Procurement will work closely with the Contract Manager to provide training and guidance to staff members responsible for developing and implementing contracts to ensure that they are aware of complying with Section 3 program requirements. Procurement staff will conduct a review of all existing contracts to ensure they comply with Section 3 program requirements. Any contracts found to be non-compliant will be amended to include the required Section 3 criteria.
 - **Expected Date of Completion:** Implementation of the new process has been rescheduled from May 1, 2024 to June 1, 2024.
- **Finding Four:** The Section 3 criteria outlined in the contracts contained outdated employment goals.
 - **Recommendation:** Management should take steps to ensure that all contracts include updated information, as regulated by HUD and Opportunity Home San Antonio.
 - **Management's Response and Corrective Action Plan:** Procurement will review and update the employment goals in the Section 3 criteria outlined in contract to ensure they are consistent with current federal regulations and guidance. Procurement will work with the Section 3 coordinator to provide training and guidance to staff members responsible for developing and implementing contracts to ensure staff is aware of the current federal regulations and guidance related to Section 3 program requirements.
 - **Expected Date of Completion:** Completed.

Audit of Procurement - Oversight of Vendor Compliance for Section 3 and Small Minority and Women Owned Business Enterprises (SWMBE)

Findings and Observations

Other Internal Control Deficiencies

- **Finding One:** Unreported Section 3 Labor Hours from Vendors.
 - **Recommendation:** Management should reemphasize to staff the importance of adhering to the guidelines outlined in the SAHA [Opportunity Home San Antonio] Section 3 Policy and Procedures.
 - **Management's Response and Corrective Action Plan:** Procurement will implement a new process to monitor and verify all vendors are reporting their Section 3 labor hours in accordance with federal regulations. Procurement will work with the Section 3 coordinator to provide training and guidance to vendors on the reporting requirements for Section 3 labor hours. Procurement will establish a system for tracking and verifying the accuracy of the Section 3 labor hours submitted by vendors. Procurement will also review existing contracts, and modify as necessary, to include provisions that require vendors to report their Section 3 labor hours in a timely and accurate manner. Procurement will also include provisions for penalties for vendors who fail to comply with these reporting requirements.
 - **Expected Date of Completion:** Implementation of the new process has been rescheduled from May 1, 2024 to December 31, 2024.
- **Finding Two:** Inaccurate Section 3 Program Utilization points scored.
 - **Recommendation:** Management should reemphasize the requirements of the policy and procedure for applying preference on bids or proposals.
 - **Management's Response and Corrective Action Plan:** Procurement will conduct a thorough review of all Section 3 program utilization points scored in our procurement processes to identify and correct any inaccuracies.
 - **Expected Date of Completion:** May 1, 2024

Audit of Procurement - Oversight of Vendor Compliance for Section 3 and Small Minority and Women Owned Business Enterprises (SWMBE)

Findings and Observations

Other Internal Control Deficiencies

- **Finding Three:** Outdated Section 3 Criteria included in solicitations.
 - **Recommendation:** Management should ensure all solicitations contain updated information and conform to HUD and Opportunity Home San Antonio guidelines.
 - **Management's Response and Corrective Action Plan:** Procurement will review and update the employment goals in the Section 3 criteria outlined in our contracts to ensure that they are consistent with current federal regulations and guidance. Procurement will work closely with our Section 3 Coordinator to provide training and guidance to staff members responsible for developing and implementing contracts to ensure that they are aware of the current federal regulations and guidance related to Section 3 program requirements.
 - **Expected Date of Completion:** The updates to the employment goals in the Section 3 criteria have been rescheduled from May 1, 2024 to December 31, 2024.
- **Finding Four:** Outdated Section 3 Program Policy and Procedures.
 - **Recommendation:** Management should immediately update the Section 3 Program Policy and Procedures, and ensure staff is aware of the annual review requirement outlined in the policy and procedures.
 - **Management's Response and Corrective Action Plan:** Procurement will be providing training to our staff members involved in drafting solicitations to ensure that they are aware of the current Section 3 requirements and are following the correct procedures. We will also be conducting regular reviews of our solicitations to ensure ongoing compliance with Section 3 requirements. We will be reviewing and updating all policies and procedures in our Section 3 documents.
 - **Expected Date of Completion:** May 1, 2024.

Audit of Procurement - Oversight of Vendor Compliance for Section 3 and Small Minority and Women Owned Business Enterprises (SWMBE)

Findings and Observations

Observations

- **Observation One:** Inaccurate labor hours were reported in Procurement Activity Reports presented to the Board.
 - **Recommendation:** Internal Audit recommends the creation of a Standard Operating Procedure to include the required steps and information necessary to complete accurate reporting. Management should also remind staff of the HUD guidelines when reporting labor hours.
 - **Management's Response and Corrective Action Plan:** Reports presented to the Board were never intended to match those reports that were submitted to HUD, but they were derived from Board member requests. To avoid confusion we will standardize those reports to match the information required by HUD.
 - **Expected Date of Completion:** May 1, 2024.
- **Observation Two:** Outdated Procurement Policy and Procedures.
 - **Recommendation:** Management should immediately update the San Antonio Housing Authority [Opportunity Home San Antonio] Procurement Policy and Procedures to ensure all policies and procedures meet all current Federal, state, and local regulations, rules, and laws.
 - **Management's Response and Corrective Action Plan:** To address the issue of outdated policies and procedures, Procurement has conducted a comprehensive review of our procurement processes and identified areas in need of revision. We will update our procurement policies and procedures to reflect current regulations and best practices and will provide training to our staff to ensure that they understand and follow the revised policies and procedures. In addition, we will implement a regular review process to ensure that our procurement policies and procedures remain up-to-date and effective.
 - **Expected Date of Completion:** May 1, 2024.

Audit of Procurement - Oversight of Vendor Compliance for Section 3 and Small Minority and Women Owned Business Enterprises (SWMBE)

Findings and Observations

Observations

- **Observation Three:** The Evaluation Group, consisting of Opportunity Home San Antonio staff, who were scoring the solicitations, inconsistently applied Preference Points for the SWMBE Utilization Statements on two of the ten solicitations reviewed by Internal Audit.
 - **Recommendation:** Internal Audit recommends that a standard operating procedure be created to include a process on how to consistently and accurately apply preference points for SWMBE utilization statements provided by a contractor and/or vendor.
 - **Management's Response and Corrective Action Plan:** We have corrected this observation by centralizing the Section 3 and SWMBE scoring with the Section 3/SWMBE coordinator position. An SOP has already been created and implemented, specifying the point value for each criteria met.
 - **Expected Date of Completion:** Completed.
- **Observation Four:** Internal Audit was not provided, or was unable to locate, a Standard Operating Procedure for scoring a vendor during the RFP process.
 - **Recommendation:** Internal Audit recommends a Standard Operating Procedure be created to include the required steps to accurately and consistently score a vendor during the RFP process.
 - **Management's Response and Corrective Action Plan:** Although guidance was provided, Procurement will create an SOP to formalize the process.
 - **Expected Date of Completion:** Completed.

Audit of Procurement - Oversight of Vendor Compliance for Section 3 and Small Minority and Women Owned Business Enterprises (SWMBE)

Findings and Observations

Observations

- **Observation Five:** It appears that no Section 3 and SWMBE vendor follow-up has been conducted.
 - **Recommendation:** Internal Audit recommends a Standard Operating Procedure to be created to include steps on how to review vendor compliance regarding Section 3 and SWMBE good faith efforts.
 - **Management's Response and Corrective Action Plan:** Our Section 3 coordinator has been given a specific timeline for reaching out to vendors on specific dates each month to follow up with reporting and program compliance. An SOP for this timeline has already been created and implemented.
 - **Expected Date of Completion:** Completed.

Status

2023–2024 Audit Plan

Audit of Human Resources: Recruitment Process

- Audit kick-off was held on February 5, 2024, and fieldwork is underway.
 - Internal Audit is reviewing the Marketing, Interviewing, Selection Documentation, and Background Check processes and procedures through a sample selected from Jan. 1, 2023 through Dec. 31, 2023.

Status

2023–2024 Audit Plan

Control Self-Assessment - Asset Management: Financing and Refinancing of Real Estate Assets

- The Board-approved Internal Audit Plan for FY 2023-2024 included the audit of Asset Management - Financing and Refinancing of Real Estate Assets; however, due to management changes, in the Asset Management department, it was deemed necessary to first conduct an Asset Management Control Self-Assessment (CSA) for the Financing and Refinancing of Assets prior to conducting the audit.
 - The CSA will facilitate the creation of Standard Operating Procedures that include internal control processes related to financing and refinancing of assets.
- The CSA will include a series of workshops, which began on February 27, 2024.
- The Internal Audit department will revisit the completion of an audit at a later date.

Status

2023–2024 Audit Plan

Control Self-Assessment of Safety and Security: Triage High Severity Incidents

- The Board-approved Internal Audit Plan for FY 2023-2024 included the audit of Safety and Security: Triage High Severity Incidents; however, in light of recent activities, updates to the organization's approach, and ensuring policies align with being a Trauma Informed Care (TIC) organization, it was recommended to conduct a Control Self-Assessment prior to conducting the audit.
 - The CSA will evaluate the current Standard Operating Procedures (SOPs) and workflows. The CSA aims to facilitate the updates to the SOPs and workflows, and ensure internal control processes related to the triage of high-severity incidents are included.
- The CSA will include a series of workshops, which began on March 18, 2024.
- The Internal Audit department will revisit the completion of an audit at a later date.

Status

2023–2024 Audit Plan

Audit of Beacon Communities: Affordable Program Regulatory and Fair Housing Compliance

- Audit kick-off was held on April 4, 2024, and fieldwork is underway.
 - Internal Audit is reviewing the policies and procedures regarding affordable program regulations and fair housing compliance to ensure Opportunity Home San Antonio and Beacon Communities are in compliance with Federal and State Laws and the Fair Housing Act, and any relevant state or local government requirements are met.
 - Fieldwork is currently underway.

Status

2023–2024 Audit Plan

Compliance Audits | Focus is on permanent documents, rent determination and calculation

Assisted Housing Program (*Ongoing*)

- Files reviewed were all digital
- Completed a total of 650 file reviews from July 1, 2023 - April 30, 2024

Public Housing (*Ongoing*)

- 10% of occupied units with no less than 5 files reviewed per community
- All files are physical, follow-up of corrections is digitally reviewed
- Completed 32 PH and Mixed Income Communities (457 files)

Beacon Communities and Partnership Properties (*Ongoing*)

- 10% of occupied units with no less than 5 files reviewed per community
- Completed 7 Beacon Communities (420 files)
- Completed 5 Partnership Properties (100 files)

Action Items

Status of Corrective Action Items resulting from Internal Audits

Currently, there are twelve (12) open action items.

- Two action items are pending an SOP
 - One is pending the establishment of a Relocation SOP for future redevelopment and modernization projects. The completion date has been rescheduled to July 1, 2024, to allow Operations Support the ability to focus on HUD mandates being implemented as early as June 2023.
 - One is pending the creation of a Repayment Agreement (RPA) SOP. The completion date had been rescheduled for July 1, 2024, in accordance with the SOP priority list set by the PH department.
- Four action items are pending the update to current policies and procedures
 - One is pending an update to the existing PH Eligibility SOP to include withdrawal steps. This update is scheduled for June 1, 2024.
 - One is pending an update to the existing PH Eligibility SOP to include a process to withdraw an applicant from the waitlist, if the PHA does not receive a response within three business days of the unit offer. This update is scheduled for June 1, 2024.
 - Two are pending an update to existing Procurement policies and procedures to reflect current regulations and to ensure a regular review process is developed to ensure all policies and procedures remain up-to-date and effective. These updates are scheduled to be completed on May 1, 2024.

Action Items

Status of Corrective Action Items Resulting from Internal Audits

Three are pending the implementation of a new Procurement process:

- One is pending the development a new Google Form to collect information and ensure the total number of labor hours worked by all workers of the PHA is accurately reported and tracked. Procurement will also ensure this new process includes the total number of labor hours worked by Section 3 workers and Targeted Section 3 workers, and the total hours are reported in a timely manner as dictated by HUD. This implementation has been rescheduled for June 1, 2024.
- One process will be implemented to ensure that Section 3 criteria are included in all contracts as required by federal regulations. The new process will also include a review of all existing contracts to ensure they are in compliance with Section 3 program requirements. Any contracts found to be non-compliant will be amended to include the required Section 3 criteria. This implementation has also been rescheduled for June 1, 2024.
- One process will monitor and verify all vendors to ensure they are reporting their Section 3 labor hours in accordance with federal regulations. This completion of this item has been rescheduled to December 31, 2024, to allow for review of contracts at renewal.

Action Items

Status of Corrective Action Items resulting from Internal Audits

- Two are pending the review and updates to existing processes:
 - One is pending the review and update to the Section 3 Program Utilization Plan Criteria to ensure they are consistent with current federal regulations and guidance. This update was rescheduled for June 1, 2024.
 - One is pending the review and update to the employment goals in the Section 3 criteria outlined in contracts to ensure they are consistent with current federal regulations and guidance. This update was rescheduled for December 31, 2024.
- One is pending the training of staff on how to correctly use the RPA calculation sheet. This training has been rescheduled for August 31, 2024, and is dependent on the development of the RPA SOP.

Status of Third Party Audits

Financial Audit Report

The Financial Statement Audit was conducted by **CohnReznick** and concluded on March 30, 2024.

Three sets of standards were audited:

- Auditing standards Generally Accepted in the United States of America (GAAS)
 - The outcome was an unmodified (clean) opinion.
- Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States (GAGAS or Yellow Book)
 - There were no deficiencies found in internal control over financial reporting or noncompliance requiring reporting.
- Auditing Standards required by Uniform Guidance (UG)
 - The result was an unmodified (clean) opinion regarding compliance.

Status of Third Party Audits

Comprehensive Compliance Review

- HUD will be on-site from May 13 to 17, 2024, to conduct the 2024 Opportunity Home San Antonio Comprehensive Compliance Review.
- The review will include:
 - PHA operations
 - Management
 - Financial Condition
 - Physical Condition
 - Governance
- These procedures do not constitute an audit for expressing an opinion on a financial statements or financial statement reporting.
- The goal of the review is to facilitate a supportive on-site visit where HUD staff evaluate the PHA's program performance to ensure compliance with HUD requirements and regulations, setting monitoring priorities for both on-site and remote reviews.

Status of Third Party Audits

Emergency Housing Voucher Program (EHV) Financial and Program Review

- The Quality Assurance Division of HUD will kick off the audit on **June 4, 2024**.
 - HUD will be on-site beginning June 4, 2024, and will conclude the audit on June 7, 2024.
 - Opportunity Home will be required to provide financial and program data related to the operation of the EHV program.

Questions?