San Antonio Housing Trust Entities

Annual Report

FY 2019

October 1, 2018 - September 30, 2019

Salado at Red Berry

A Year in Reflection

EXECUTIVE SUMMARY

As my tenure began at the San Antonio Housing Trust on September 1, 2019, it is easy to see why my predecessor, John Kenny, loved coming to work each and every day until his retirement this past May. The work we do at the San Antonio Housing Trust, Foundation, Public Facility Corporation, and Finance Corporation, known collectively as the *trust entities*, impacts the lives of everyday San Antonians. We create affordable housing partnerships, as well as fund affordable housing related initiatives designed to further the City's coordinated housing system.

Fiscal Year 2019 has been one of self reflection for the Trust board members, our staff, and our City partners. The City of San Antonio, through a recommendation from the Mayor's Housing Task Force with the support of the trust entities, engaged the National Association for Latino Community Asset Builders (NALCAB) to undertake an assessment of the Trust Entities which, included both a *benchmark review* of other municipal housing trusts and an extensive internal organizational review.

As Interim Executive Director of the trust entities, the recommendations provided by the assessment were invaluable in readying the organization to meet the never-ending demand of providing dignified affordable housing to the people of San Antonio. I am pleased to say as we look forward to our new collective efforts, we will build upon the recommendations set forth by the assessment to ensure a more transparent and efficient housing trust. We will seek to be proactive within our affordable housing community by providing fresh ideas based on policy and collaboration to fulfill the ultimate goal of serving our most vulnerable populations.

The trust entities will be in an excellent position to continue its core mission as the board seeks a new permanent Executive Director in the new year.

Sincerely,

Pedro A. Alanis

Pedro A. Alanis
Interim Executive Director

FY 2019 Trust & Foundation Board

Laura Martinez	District 5, *President*
Randy K. Rice	District 7, *Vice President*
Estrella Garcia-Diaz	District 3, *Treasurer*
Celina Peña	Mayoral
Paul DeManche	District 1
John Harris	District 2
Vacant	District 4
Vacant	District 6
Frankie Gonzales-Wolfe	District 8
Marco Flores	District 9
John Whitsett	District 10

FY 2019 Public Facility Corporation & Finance Corporation Board

Rebecca J. Viagran	CW District 3, *President*
Shirley Gonzales	CM District 5, *Vice President*
Roberto C. Treviño	CW District 1, *Treasurer/Secretary*
Dr. Adriana Rocha Garcia	CW District 4
John Courage	CM District 9

Thank you for your service!

About the Trust Entities

What We Do

A collection of 4 legal entities, the Trust provides opportunities to support affordable housing projects, programs, and initiatives in the form of loans, grants, and partnerships. Our aim is to align with community needs identified by the City of San Antonio and community based housing organizations.

1 Trust (Est. 1988)

The Trust is a fund established with a $10 million corpus by the City of San Antonio governed by an 11 member Board of Trustees appointed by the San Antonio City Council. The Board of Trustees reviews and recommends to City Council the Housing Trust Fund awards.

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2 Foundation (Est. 1991)

Provides for administrative support for all the Trust entities. Staff provides recommendations for grants and low interest loans to projects and initiatives designed to support the City of San Antonio's efforts to produce, preserve, and protect affordable housing. Today, the Foundation sources revenues from interest accrued from the Trust, loan proceeds from prior funding round awards, and 25% of revenues generated from the Finance Corporation and Public Facility Corporation.

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3 Finance Corporation (Est. 1997)

An entity formed by the Trust for the sole purpose of issuing private activity bonds to support the development or preservation of affordable housing projects. The Texas Low Income Housing Tax Credit Program requires applicants to have a reservation induced by bond inducing entities. Today, the primary source of revenue for the Finance Corporation is a 1% bond issuance fee at closing.

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4 Public Facility Corporation (Est. 2009)

A tool utilized by the Trust to create new affordable housing opportunities through partnerships with the development community. The partnership allow Tax Exemptions which reduces operating expenses and building costs. In exchange the community receives both affordable units with a financial return to support other affordable housing initiatives.

What We Did in FY 2019

"San Antonio is the most affordable, vibrant big city in America to raise a family and pursue your future, but that economic edge depends on everyone having a place to call home." *(San Antonio Mayor Ron Nirenberg, September 6, 2018)*

$89M Multi-Family Bonds Issued

The **Finance Corporation** issues multi-family tax-exempt bonds to finance projects that fulfill affordable housing needs in our community. In FY 2019, the Finance Corporation issued $89.5 million to support the Alsbury Park Apartments, Culebra Creek Apartments, and Mesa West Apartments which totals to 832 units of affordable housing at or below 60% AMI.

2,058 Multi-Family Units Financially Closed

In FY 2019, the **Public Facility Corporation** and its partners closed on 7 new affordable multi-family housing developments: Alsbury Park Apartments, Broadway Jones Apartments, Culebra Creek Apartments, Mesa West Apartments, West Cevallos Apartments, Lookout Apartments, and the Red Berry at Salado. When complete, will provide a total of 2,058 new housing units including 862 units for residents at incomes of less than 60% AMI, 584 units for residents at incomes of less than 80% AMI, and 612 Market Rate Units.

784 Multi-Family Units Opened

In FY 2019, the **Public Facility Corporation** and its partners opened the Baldwin at St. Paul's Square, Oak Valley, and the Viridian Apartments which which put into production 192 units for residents at incomes of less than 60% AMI, 297 units for residents at incomes of less than 80% AMI, and 295 Market Rate Units.

625 Public Housing Units Improved

In collaboration with the City of San Antonio and the San Antonio Housing Authority, the **Foundation** approved expending $200,000 for the purchase and installation of 625 window air-condition units just in time for the record 2019 Summer Heat improving the quality of life of public housing residents.

173 Home Buyer Closings Assisted

The **Foundation** floated $1,966,593 in cash to ensure 173 single family home buyers were able to close on their homes. This float was in cooperation with two City Home buyer Incentive Programs serving residents under the 120% AMI and 80% AMI thresholds. The float was completed by Foundation Staff at no cost to the City or to the home buyer. The Foundation was reimbursed floated funds by the City. Staff anticipate a larger need in FY 2020 based on a steady home buyer market and increased allocations by the City.

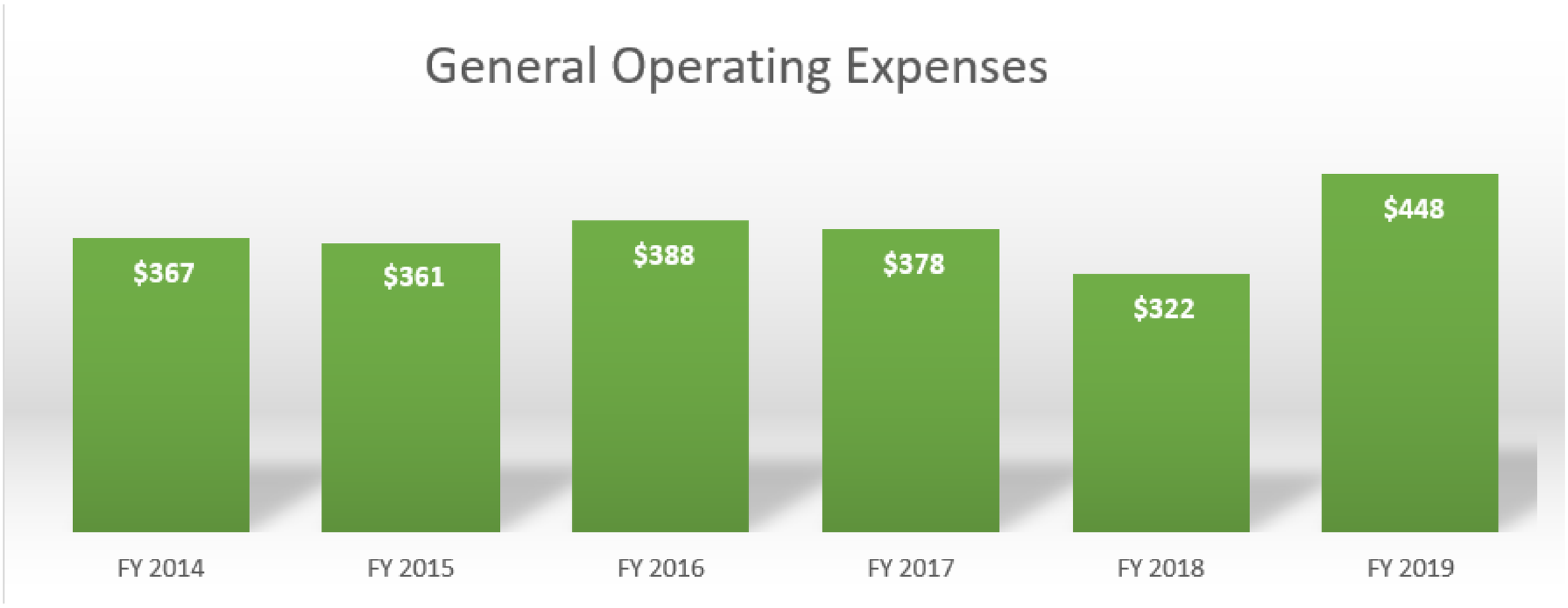
170 Roofs Replaced for Under One Roof Program

In FY 2019, the **Public Facility Corporation** awarded $2 million to City of San Antonio to fully replace worn and damaged roofs with new, energy-efficient asphalt roofs for homeowners earning less than 80% of the Area Median Income, seniors, and veterans. The program was designed to reduce the temperature of the home, reducing energy costs by an average of $2,000 per year. In FY 2019, the program was able to expend approximately $1.6M in awarded PFC funds to impact 170 homes.

15 Residential Loans Serviced

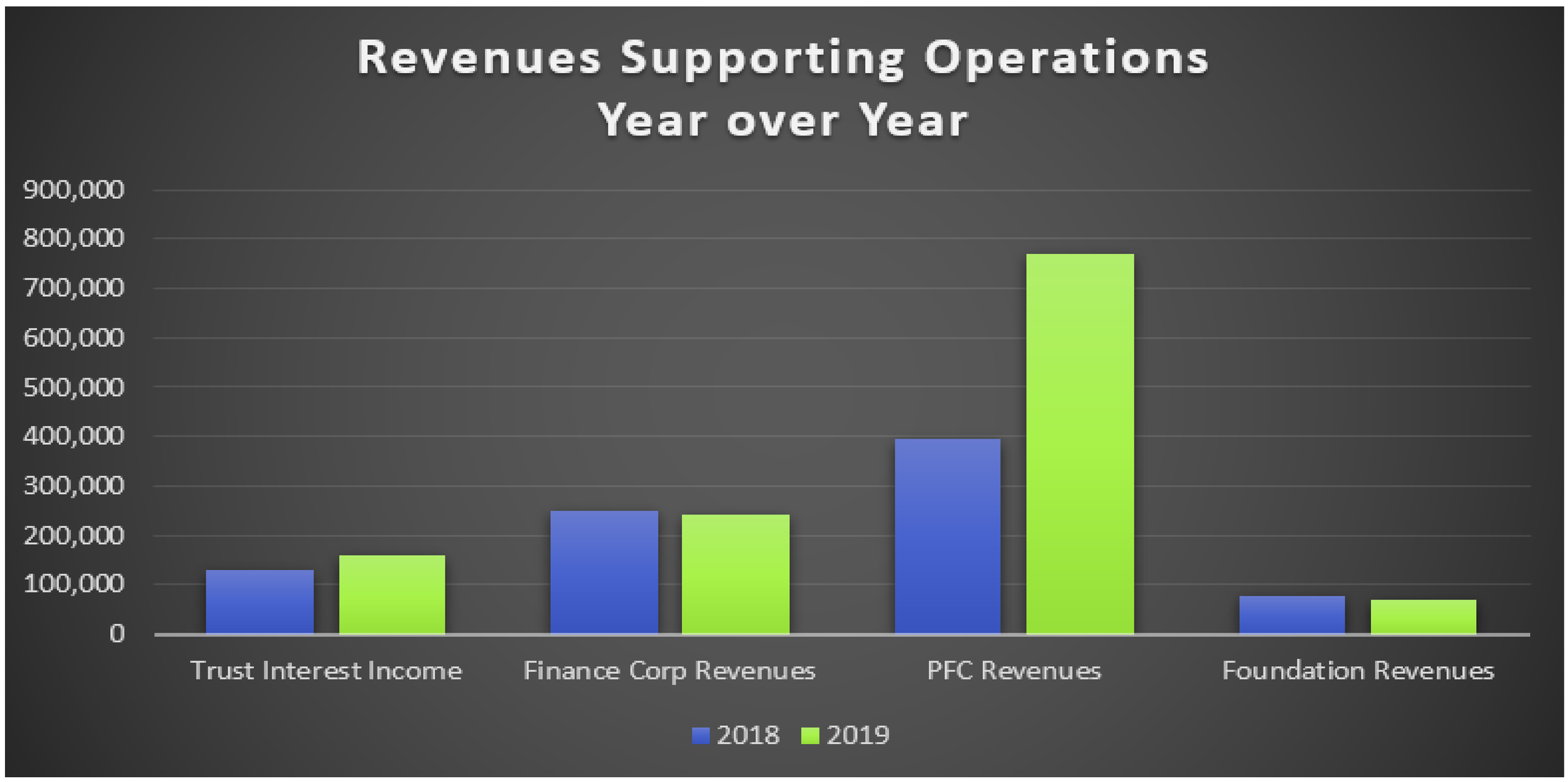
In FY 2019, the **Foundation** continued servicing 15 single-family homebuyers for residents at incomes of less than 60% AMI. Loans were derived from former non-profit agencies who were unable to continue loan servicing.

Operating Expenses and Revenues



In FY 2019, the San Antonio Housing Trust Foundation spent $447,661 in General Operating funds to support the four trust entities. This is a $126k increase from the prior fiscal year, which was at a five year low.

The year over year cost increase was due to several factors, including the hiring of temporary staff to manage the increased transactions, hiring of an executive search firm, and unexpected headquarter building improvements costs.



The Foundation relies upon four sources of funds to support general operations. In 2019, the total amount available to fund operations was $1,238,187, which resulted in a surplus of unrestricted cash available to the Foundation. Revenues were up from $848,841 in 2018, which also resulted in unrestricted cash being available to the Foundation. Both the availability of surplus funds and the increase in revenues being available to support operations is directly related to increased partnership activity by the Public Facility Coporation and Finance Corporation.

Audited Financials

2019 Assets, Revenues, and Expenses by Fund

For the fiscal year ending September 30, 2019, financial statements for the Foundation, Public Facility Corporation, and Finance Corporation were audited by Clark A. Crutchfield of Gregory and Crutchfield LLC, Certified Public Accountants. The audits were conducted in accordance with generally accepted and government auditing standards. The independent auditors issued an unqualified report, and there were no reportable conditions, audit findings or management letter comments.

1 Foundation

Assets	$6,883,605
Liabilities	$335,066
Net Assets	$6,548,539
Changes in Net Assets	*$795,769*

2 Public Facility Corporation

Assets	$46,888,339
Liabilities	$41,835,090
Net Assets	$5,053,249
Changes in Net Assets	$1,568,907

3 Finance Corporation

Assets	$3,225,814
Liabilities	$909,446
Net Assets	$2,316,368
Changes in Net Assets	*$734,443*

4 Trust Fund*

Beginning Fund Balance	$11,011,035
Investment/Interest Revenues	$229,562
Expenditures	($162,532)
End Fund Balance	$11,078,065
YOY Change	*$67,030*

* The City of San Antonio's Finance Department provides investment support, fund management, and audit support related to the Trust Fund.

THANK YOU TO OUR TEAM

NICOLE COLLAZO
ASSISTANT DIRECTOR

JOHN HERNANDEZ
ASSET MANAGER

MARIA BRADLEY
RESIDENTIAL CASE MANAGER

LORAINE RODRIGUEZ
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