

THE HOUSING AUTHORITY OF THE CITY OF AUSTIN



BOARD OF COMMISSIONERS

Chairperson - Carl S. Richie, Jr.

Charles Bailey

Mary Apostolou

Tyra Duncan-Hall

Edwina Carrington

Michael G. Gerber, President & CEO

BOARD OF COMMISSIONERS Regular Meeting

Thursday, November 21, 2019

12:00 PM

The Bridge at Asher Apartments Club Room

10505 S. IH 35

Austin, TX

**PUBLIC NOTICE OF A MEETING
TAKE NOTICE OF A BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
OF THE HOUSING AUTHORITY OF THE CITY OF AUSTIN**

**TO BE HELD AT
The Bridge at Asher Apartments Club Room
10505 S. IH 35
Austin, TX
(512.477.4488)**

**Thursday, November 21, 2019
12:00 PM**

The Program Review Committee will meet from 10:30 am - 12:00 noon

CALL TO ORDER, ROLL CALL

CERTIFICATION OF QUORUM

Program Review Committee - HACA's Program Review Committee will meet from 10:30 AM - 12 Noon. This Committee's objective is to provide the Board with an opportunity to receive written and oral reports from staff, to review program operations and outcomes, to review agency budgets, and to ensure that programs are meeting HACA's strategic goals. The Program Committee consists of all members of HACA's Board of Commissioners. No votes on any matter shall be taken during Program Review Committee Meetings.

Tour of The Asher Apartments

Presentation and Committee training by Berman, Hopkins, Wright, and LatHam Independent Auditors

Public Hearing (Note: There will be a three-minute time limit) To accept public comment on:

Public hearing for the proposed Estates at Norwood development

Public hearing for the proposed Bridge at Loyola Lofts development

Citizens Communication (Note: There will be a three-minute time limitation)

Presentation of Property

Citywide Advisory Board Update

CONSENT ITEMS

1. Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on October 17, 2019
2. Presentation, Discussion, and Possible Action regarding Resolution No. 02621: Approval of the Board of Commissioners Meeting Schedule for 2020

ACTION ITEMS

3. Presentation, Discussion, and Acceptance of the Independent Auditor's Report for Fiscal Year Ending March 31, 2019
4. Presentation, Discussion and Possible Action regarding Resolution No. 02622: Approval of the adoption of the revised Housing Choice Voucher Program's Payment Standards
5. Update on HACA's Rental Assistance Demonstration Program
6. Presentation, Discussion, and Possible Action regarding Resolution No. 02624 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") approving resolution of Austin Affordable PFC, Inc. providing for the issuance of its Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments), Series 2019A and its Taxable Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments), Series 2019B (collectively, the "Bonds") and to take such other actions necessary or convenient to facilitate the development of the Bridge at Canyon View Apartments
7. Presentation, Discussion, and Possible Action regarding Resolution No. 02625 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") approving resolution of Austin Affordable PFC, Inc. providing for the issuance of its Multifamily Housing Governmental Note (Estates at Norwood), Series 2019 (the "Note") and to take such other actions necessary or convenient to facilitate the development of the Estates at Norwood
8. Presentation, Discussion, and Possible Action regarding Resolution No. 02623: Operating Budget Revision for fiscal year April 2019 to March 2020

EXECUTIVE SESSION

The Board may go into Executive Session (close its meeting to the public) Pursuant to:

- a. 551.071, Texas Gov't Code, consultations with Attorney regarding legal advice, pending or contemplated litigation; or a settlement offer;
- b. 551.072, Texas Gov't Code, discussion about the purchase, exchange, lease or value of real property;
- c. 551.074, Texas Gov't Code, discuss the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.
- d. 551.087, Texas Gov't Code, discuss certain economic development negotiations.

OPEN SESSION

If there is an Executive Session, the Board will return to Open Session for discussion, consideration and possible action of matters discussed in Executive Session.

REPORTS

The Board accepts the following reports:

- President's Report
- Other Staff Reports
- Commissioners' Reports/Questions to the Department Staff

ADJOURNMENT

"Pursuant to 30.06, Penal Code, (trespass by holder of license 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 of license 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."

"En virtud del 30.06, Código Penal, (traspaso titular de licencia con una pistola), una persona bajo el subcapítulo H, capítulo 411, código de gobierno (Ley de licencia de arma o pistola), no se permiten en esta reunión con una arma o pistola.

"En virtud de 30.07, Código Penal (prevaricación por titular de la licencia con un arma o pistola abiertamente llevado), una persona bajo el subcapítulo H, capítulo 411, código de gobierno (Ley de licencia de arma o pistola), no se permiten en esta reunión con un arma o pistola que lleva abiertamente.

*The Housing Authority of the City of Austin (HACA) Board of Commissioners reserves the right to discuss and consider items out of order on the agenda on an as needed basis.

The Housing Authority of the City of Austin is committed to compliance with the Americans with Disability Act. Reasonable modifications and equal access to the communications will be provided upon request. Meeting locations are planned with wheelchair access. If requiring Sign Language Interpreters or alternative formats, please give notice at least 2 days (48 hours) before the meeting date. Please call Nidia Hiroms at HACA at 512.477.4488, for additional information; TTY users route through Relay Texas at 711. For more information on HACA, please contact Nidia Hiroms at 512.477.4488 x2104.

HOUSING AUTHORITY OF THE CITY OF AUSTIN
BOARD ACTION REQUEST
FINANCE
ITEM NO. 1.

MEETING DATE: November 21, 2019

STAFF CONTACT: Martha Ross, Vice President & Chief Financial Officer

ITEM TITLE: Presentation and Committee training by Berman, Hopkins, Wright, and LatHam
Independent Auditors

BUDGETED ITEM: N/A

TOTAL COST: N/A

HOUSING AUTHORITY OF THE CITY OF AUSTIN
REPORT
AUSTIN AFFORDABLE HOUSING CORPORATION
ITEM NO.

MEETING DATE: November 21, 2019

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Public hearing for the proposed Estates at Norwood development

BUDGETED ITEM: N/A

TOTAL COST: N/A

HOUSING AUTHORITY OF THE CITY OF AUSTIN
REPORT
AUSTIN AFFORDABLE HOUSING CORPORATION
ITEM NO.

MEETING DATE: November 21, 2019

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Public hearing for the proposed Bridge at Loyola Lofts development

BUDGETED ITEM: N/A

TOTAL COST: N/A

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

EXECUTIVE

ITEM NO. 1.

MEETING DATE: November 21, 2019

STAFF CONTACT: Michael Gerber, President & CEO

ITEM TITLE: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on October 17, 2019

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to review and approve the Board Minutes Summary for the Board Meeting held on October 17, 2019.

ATTACHMENTS:

- ▣ **20191017 HACA Minutes Summary**

HOUSING AUTHORITY OF THE CITY OF AUSTIN PROGRAM REVIEW COMMITTEE AND BOARD OF COMMISSIONERS REGULAR BOARD MEETING

OCTOBER 17, 2019

SUMMARY OF MINUTES

THE HOUSING AUTHORITY OF THE CITY OF AUSTIN (HACA) BOARD OF COMMISSIONERS PROGRAM REVIEW COMMITTEE WAS POSTED FOR 10:30 A.M. AND THE REGULAR PUBLIC MEETING NOTICE WAS POSTED FOR 12:00 P.M. ON THURSDAY, OCTOBER 17, 2019, AND WERE HELD AT THE PATHWAYS AT CHALMERS COURTS SOUTH, 1638 E. 2ND STREET, AUSTIN, TX

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

The Board of Commissioners Program Review Committee of the Housing Authority of the City of Austin, of October 17, 2019, was called to order by Tyra Duncan-Hall, HACA 2nd Vice-Chairperson, at 10:45 a.m. The meeting was held at the Pathways at Chalmers Courts South, 1638 E. 2nd Street, Austin, TX.

PROGRAM REVIEW COMMITTEE

Roll call certified a quorum was present.

MEMBERS PRESENT:

Dr. Tyra Duncan-Hall, Chairperson
Mary Apostolou, Vice-Chairperson
Edwina Carrington, 2nd Vice-Chairperson
Carl S. Richie, Jr., Commissioner (arrived at 11:22 a.m.)

MEMBER(S) ABSENT:

Charles Bailey, Commissioner

The Board of Commissioners Program Review Committee toured Pathways at Chalmers Courts South and were introduced to the staff of Carleton Residential.

Ron Kowal, Vice President of Austin Affordable Housing Corporation (AAHC) provided an update to the Committee regarding progress with AAHC's acquisition and development programs.

The meeting adjourned at 12:02 p.m.

REGULAR BOARD MEETING

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

The Board of Commissioners Regular Board Meeting of the Housing Authority of the City of Austin, of October 17, 2019, was called to order by Carl S. Richie, Jr., HACA Chairperson, at 12:29 p.m. The meeting was held at the Pathways at Chalmers Courts South, 1638 E. 2nd Street, Austin, TX.

Roll call certified a quorum was present.

MEMBERS PRESENT:

Carl S. Richie, Jr., Chairperson
Charles Bailey, Vice-Chairperson
Dr. Tyra Duncan-Hall, 2nd Vice-Chairperson
Edwina Carrington, Commissioner
Mary Apostolou, Commissioner

MEMBER(S) ABSENT:

ALSO IN ATTENDANCE:

Bill Walter, Coats Rose
Wilson Stoker, Cokinos, Bosien & Young

STAFF PRESENT:

Andrea Galloway, Ann Gass, Daniel Ruiz, Kelly Crawford, Ken Bodden, Leilani Lim-Villegas, Lisa Garcia, Martha Ross, Michael Gerber, Michael Roth, Nidia Hiroms, Nora Morales, Pilar Sanchez, Ron Kowal, Suzanne Schwertner, Sylvia Blanco, and Tiffany Middleton

CITIZENS COMMUNICATION – Mary Aleshire, Gaston Place resident, thanked the Commissioners for work done through RAD at her property and at others. She requested that the staff look into automatic rent payment/withdrawal systems, and to also look into the fire alarm system at Gaston to ensure it is working effectively for residents. Ms. Aleshire requested that the HACA calendar be updated with HACA and CWAB meeting dates and locations.

PUBLIC HEARING ON VENTURA AT PARMER LANE

A Public Hearing to solicit commentary on Parmer Lane was held.

Mr. Alex Dutterstein asked where the location of the project was located. Ron Kowal, Vice President of Austin Affordable Housing Corporation and Suzanne Schwertner, will be getting with Mr. Dutterstein after the meeting. This item will be coming back to the Board in December.

The Public Hearing closed at 12:42 p.m.

CITYWIDE ADVISORY BOARD (CWAB) –•**Felicia Vargas**, CWAB President, reported that the September CWAB Meeting was held on October 8, 2019 at Meadowbrook. •**Domonica Foster**, Austin Area Urban League (AAUL), reported that they will start the Pathways to Careers on Monday, October 14th at AAUL. •**Pilar Sanchez**, HACA VP of Community Development provided RAD updates. •**Michael Gerber**, HACA President & CEO, mentioned the following HACA staffing changes: **Pilar Sanchez** will serve as the acting Vice President of Community Development and **Sylvia Blanco** will continue to serve as HACA Chief Operating Officer, as well as oversee Housing Operations. •**Mr. Gerber** invited residents to the Chalmers South Grand Opening on November 7th. •**Tracey Yetter**, HACA Program Coordinator, provided digital inclusion updates. •**Leilani Lim-Villegas**, HACA Director of Community Affairs, mentioned the updated Standards of Procedure for the Turkey distribution. •**Leilani** congratulated the resident councils for a well-organized National Night Out on October 1st across all properties. •**Murphy Roland**, HACA Workforce Development Manager, shared Workforce Development, IDADS, and Jobs Plus updates. •**Evelyn Holman**, HACA Community Development Specialist, provided potential locations for the 2020 CWAB Calendar. •**Felicia Vargas** appointed **Lupe Garcia**, resident as the new CWAB Secretary. •AROW reports were given by **Thelma Pannell** from North Loop, **Floyd** from Northgate, **Anna Davis** from Bouldin Oaks, and **Jesse** from Gaston Place.

ITEMS WERE TAKEN OUT OF ORDER.

Presentation and Discussion of Proposed Revisions to Housing Choice Voucher Administrative Plan

Lisa Garcia, HACA Vice-President of Assisted Housing, presented proposed revisions to the Housing Choice Voucher (HCV) Administrative Plan. No formal vote was required of the Board at this time. The Board was asked to review the proposed revisions and provide feedback. The Plan will be presented to the Board for final consideration at the December 2019 Board Meeting. The purpose of the Administrative Plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local goals and objectives contained in HACA's agency plan. The Administrative Plan is a supporting document to HACA's agency plan, and is available for public review as required by CFR 24 Part 903.

Presentation of Property

Will Henderson, Carlton Construction welcomed everyone to Chalmers South and thanked HACA staff for the assistance during this project transition. Also in attendance were **Ron McCarty**, Carlton Regional Manager and **Steve Sivells**, Carlton Construction. **DeMarlon Nixon**, Chalmers South Property Manager welcomed everyone to Chalmers South and reported that the Chalmers South transition has run smoothly. The property is currently 73% occupied. The Chalmers South property staff were introduced, **Carol Martinez**, Assistant Property Manager (Carlton Management), and the Maintenance staff.

Presentation and Discussion of the Draft 2020 Public Housing Authority (PHA) Annual Plan and 2020-2024 Five-Year Plan

Kelly Crawford, HACA Director of Compliance Oversight provided a Draft of the 2020 Public Housing Authority (PHA) Annual Plan and 2020-2024 Five-Year Plan which will be out for public comment for 45 days beginning Friday, October 18, 2019. No formal vote was required of the Board at this time. The Board was asked to review the Plans, approve staff taking the documents out for a 45-day public comment period, and returning the Plan to the Board for final consideration at the December 2019 Board Meeting.

CONSENT AGENDA

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:

ITEM 1: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on September 19, 2019

2nd Vice-Chairperson Duncan-Hall moved to Amend the September 19, 2019 HACA Board Minutes Summary, Item 2: Presentation, Discussion, and Possible Action regarding Resolution No. 02611: Approval to Renew In-Schools Case Management and Property-Based Tutoring Services, to include HACA and CIS will work collaboratively and have a 3rd party review and evaluation of the CIS program effectiveness for HACA students. **Commissioner Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

Commissioner Apostolou moved to Approve the Amended Board Minutes Summary for the Board Meeting held on September 19, 2019. **Commissioner Carrington** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ACTION ITEMS

APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS

This item was pulled off the Consent Agenda for further discussion.

ITEM 2: Presentation, Discussion, and Possible Action regarding Resolution No. 02613 Approving Write-off of the

October 17, 2019

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Uncollectible Accounts of Vacated Tenants

The regulations of the U.S. Department of Housing and Urban Development require the Commissioners of the Housing Authority of the City of Austin to approve the write-off of the uncollectible accounts of vacated tenants. The amount of \$92,392 is due by tenants who moved from the developments, and covers the six-month period ending August 31, 2019.

Reasonable effort has been made to collect the balance due to the Housing Authority by notifying the former tenants by certified mail of the amounts due and informing them that they will be reported to the credit bureau.

Chairperson Richie requested that a less descriptive identifier be used when listing former tenants on the Uncollectible Accounts of Vacated Tenants list. It was decided that the tenant's number will be used in the future to identify the former tenants.

2nd Vice-Chairperson Duncan-Hall moved to Approve Resolution No. 02613 Approving Write-off of the Uncollectible Accounts of Vacated Tenants in the amount of \$92,392. **Commissioner Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 3: Presentation, Discussion and Possible Action regarding Resolution No. 02614 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") approving resolution of Austin Affordable PFC, Inc. providing for the issuance of its Multifamily Housing Revenue Bonds (Bridge at Granada Apartments), Series 2019 (the "Bonds") and to take such other actions necessary or convenient to facilitate the development of the Bridge at Granada Apartments

Austin Affordable Housing Corporation was presented an opportunity to partner with JCI Residential LLC on a tract of land located at 500 E Wonsley Dr., Austin, Texas 78753. The project (Bridge at Granada) will consist of 258 family apartment units; two hundred thirty-three (233) serving tenants at or below 60% of median family income and twenty-five (25) market rate units. The Board has seen this project three times before: November 2018 for the Bond Inducement Resolution, March 2019 for the Tax Credit Application Resolution and August 2019 for the Public Hearing. The two closest current projects in AAHC's current portfolio are Pathways at Georgian Manor to the northwest and Bridge at Cameron to the Northeast.

The development will use a mix of 4% tax credits and bonds to finance the development with a total project cost of approximately \$37,000,000. The planned development will consist of 39 efficiency units, 180 one bedroom and one bath units, 36 two bedroom and two bath units and 3 three bedroom and two bath units. All units will be marketed to HACA's Housing Choice Voucher families.

HACA, through its Public Facility Corporation, will issue tax-exempt bonds in an amount not to exceed \$26,000,000.

In the January 30, 2019 HACA Board Work Session, the Board set out affordability goals for future acquisitions and development s for AAHC. By serving families with incomes at 60% and below Area Family Median Income, the Bridge at Granada meets these targeted affordability goals.

Unit Breakdown: 39 0-bedroom/1-bath units 510 sq ft
180 1-bedroom/1-bath units 600 sq ft
36 2-bedroom/2-bath units 900 sq ft
3 3-bedroom/2-bath units 1,085 sq ft

Board approval authorizes the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Bridge at Granada Apartments).

Commissioner Apostolou moved to Approve Resolution No. 02614 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") approving resolution of Austin Affordable PFC, Inc. providing for the issuance of its Multifamily Housing Revenue Bonds (Bridge at Granada Apartments), Series 2019 (the "Bonds") and to take such other actions necessary or convenient to facilitate the development of the Bridge at Granada Apartments in an amount not to exceed \$26,000,000. **Commissioner Carrington** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 4: Presentation, Discussion, and Possible Action regarding Resolution No. 02615 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") approving resolution of Austin Affordable PFC, Inc. providing for the issuance of its Multifamily Housing Revenue Bonds (Fannie Mae MBS Collateralized Pass-Through - Oaks on North Plaza), Series 2019 (the "Bonds") and to take such other actions necessary or convenient to facilitate the development of the Oaks on North Plaza

Austin Affordable Housing Corporation was presented with an opportunity to partner with The Related Affordable Companies (RA) on a purchase and rehab to extend the affordability of a 62 unit development located at 9125 North Plaza, Austin, Texas 78753 in Northeast Austin. The project (North Plaza Apartments) consists of 16 one bedroom/one bath units; 40 two bedroom/two bath units; and 6 three bedroom/two bath units contained in 23 buildings spread out across 5 acres. A Section 8 HAP contract covers all 62 units and was renewed in April of 2015 for a period of 20 years. The nearest property in AAHC's current portfolio is Bridge at Cameron located at 9201 Cameron Road, Austin, TX 78754 (to the Southeast and under project for the first time in the May 2019 for the Tax Credit Application Resolution and then again in June 2019 for the Bond Inducement Resolution.

The development will use a mixture of 4% tax credits and bonds to finance the redevelopment with a total project cost of approximately \$24,000,000. The redevelopment will include energy and water efficiency upgrades, improvements to resident amenities and quality of life and replacement of aging systems currently on the site. Painting, flooring, energy efficient lighting, electrical panel upgrades and new doors and windows are among a few of the items being addressed. All units will be marketed to HACA's Housing Choice Voucher residents. HACA, through its Public Facility Corporation will issue tax-exempt bonds in an amount not to exceed \$15,000,000.

Board approval allows the issuance, sale and delivery of Multifamily Housing Revenue Bonds (Fannie Mae MBS Collateralized Pass-Through - Oaks on North Plaza).

Commissioner Carrington moved to Approve Resolution No. 02615 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") approving resolution of Austin Affordable PFC, Inc. providing for the issuance of its Multifamily Housing Revenue Bonds (Fannie Mae MBS Collateralized Pass-Through - Oaks on North Plaza), Series 2019 (the "Bonds") and to take such other actions necessary or convenient to facilitate the development of the Oaks on North Plaza in an amount not to exceed \$15,000,000. **Commissioner Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 6: Presentation, Discussion, and Possible Action on Resolution No. 02616 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") to take such actions necessary or convenient to facilitate the refinancing of the Pathways at Thurmond Heights

The Rental Assistance Demonstration (RAD) Program was authorized by the Consolidated and Further Continuing Appropriations Act of 2012 that enables Public Housing Authorities to convert public housing subsidies into long-term, Section 8 rental assistance subsidy. This is beneficial to PHAs because historically public housing subsidies and funding for capital projects have been unpredictable and fluctuate annually due to federal budget cuts. The project based rental assistance program provides a much more stable and predictable annual subsidy, benefiting PHAs and their residents.

Throughout the first phase of HACA's RAD rehab work, Thurmond Heights units have been utilized as relocation "hotel" units in order to minimize the impact on HACA families and keep relocation costs down. These "hotel" units remained in vacant status over an extended period to allow for the rotation of numerous temporarily relocated families from other properties. As a result, Pathways at Thurmond Heights, LLC. was unable to secure financing through Fannie Mae due to the number of units showing as vacant for underwriting purposes.

In order to facilitate the closing and conversion of Thurmond Heights Apartments to the Rental Assistance Demonstration Program (RAD), on September 20th, 2018, the Board of Directors of the Austin Affordable Housing Corporation (AAHC) approved a loan from Plains Capital Bank in an amount not to exceed \$5,000,000. These funds were then loaned Pathways at Thurmond Heights, LLC. to cover the closing costs and initial replacement reserves required by the U.S. Department of Housing and Urban Development.

Thurmond Heights is now stable and able to meet the loan qualifications to achieve a Fannie Mae loan and AAHC will be able to pay off the existing loan with Plains Capital Bank. The new loan, in an amount not to exceed \$6,300,000.00, will result in a much lower interest rate and will also allow the current secured property to this loan, Eastland Plaza, to be paid in full with any remaining debt being held by Thurmond Heights, as is appropriate.

Board approval allows AAHC to execute any and all documents, or take any other action, that is necessary or desirable to: (i) facilitate the refinancing of the Pathways at Thurmond Heights.

2nd Vice-Chairperson Duncan-Hall moved to Approve Resolution No. 02616 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") to take such actions necessary or convenient to facilitate the refinancing of the Pathways at Thurmond Heights in an amount not to exceed \$5,000,000. **Commissioner Carrington** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 7: Presentation, Discussion, and Possible Action on Resolution No. 02617 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") to take such actions necessary or convenient to facilitate the development and rehabilitation of the Bridge at Bent Tree

Austin Affordable Housing Corporation purchased Bent Tree Apartments located at 8405 Bent Tree Road, Austin, 78759 in August 2004. The project consists of 126 apartment units. The property has 70-one bedroom/one bath units, 40-two bedroom/one bath units, and 16-two bedroom/two bath units. Even though the property was one of AAHC market rate acquisitions, the current household income breakdown is: 7% less than 30% AMI (\$28,770), 4% less than 40% AMI (\$38,360), 13% less than 50% AMI (\$47,950), 26% less than 60% AMI (\$57,540), 26% less than 80% AMI (\$76,620) and 24% Greater than 80% AMI (\$76,621). The nearest property in AAHC's current portfolio is Bridge at Terracina just south of the property.

AAHC is seeking to refinance in an amount not to exceed \$4,000,000 the current balance of the loan, set up a capital reserve account and do some rehabilitation work to the property. Included in this scope of work would be replacing windows, roofs, gutters, 4-5 patios, sealcoat and restripe the parking lot and update handicapped access to common areas.

Bent Tree Apartments is the last property owned outright by AAHC. The refinancing would change the ownership structure to a

single purpose entity, where HACA would take ownership of the land and lease it back to the single purpose entity. This would be in line with the structure on all of AAHC's acquisition properties and would also impose income limits of 50% of units at 80% AMI and below. In January 30, 2019 HACA Board Work Session, the Board set out affordability goals for future acquisitions and developments for AAHC. By restricting 50% of units to 80% AMI and below, this falls in line with the goals of AAHC.

Board approval allows AAHC to execute any and all documents, or take any other action, that is necessary or desirable to facilitate the acquisition, development and rehabilitation of Bridge at Bent.

2nd Vice-Chairperson Duncan-Hall moved to Approve Resolution No. 02617 by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") to take such actions necessary or convenient to facilitate the development and rehabilitation of the Bridge at Bent Tree in an amount not to exceed \$4,000,000. **Commissioner Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 8: Presentation, Discussion, and Possible Action regarding Resolution No. 02618 Approving the award of a renewal contract for agency wide trash disposal and recycling services to Waste Management of Texas, Inc.

HACA issued an Invitation for Bid HACA-15-B-0196 on April 10, 2015 for Agency Wide trash disposal and recycling services. It was advertised in the Public Notice section of the Austin American Statesmen on April 12 & 19, 2015. Seven proposals were emailed and two bids were received. Bids were read aloud and recorded on May 20, 2015 at 2:00 PM. Waste Management was determined to be the lowest and most responsive bidder. On July 16, 2015, this Board approved the negotiating and awarding of a contract to Waste Management of Texas in an amount not to exceed \$284,000. After the negotiation of terms, the contract was signed on January 14, 2016, with a four year renewal option. This will be the fourth and final year of the renewal option.

The services provided under this contract include the collection of non-hazardous solid waste and recyclable materials generated by all HACA properties. Each property, depending on the layout of the buildings and the number of units, has the required amount of dumpsters and recycling totes to meet the City of Austin's recycling ordinance. Waste Management will furnish all materials, labor, and equipment necessary to comply with the terms of this contract.

Commissioner Apostolou moved to Approve Resolution No. 02618 Approving the award of a renewal contract for agency wide trash disposal and recycling services to Waste Management of Texas, Inc. **2nd Vice-Chairperson Duncan-Hall** seconded the motion. The motion Other (5-Ayes and 0-Nays).

ITEM 9: Presentation, Discussion, and Possible Action regarding Resolution No. 02619 Roofing Replacements for Pathways at Shadowbend Ridge

All twenty-seven (27) residential buildings and management office include the full removal of all existing roofing, as specified in the bid documents, disposal off-site of all debris, decking replacements as needed under unit pricing, new vent stacks, heater flues, and flashing, and new shingle roofing, with ridge vent systems. This is the first large, Reserve For Replacement project to be initiated from the initial two (2) year schedules for all sites.

An Invitation for Bid was advertised in the Austin American Statesman on Sunday, September 1, 2019 and again on Sunday, September 15, 2019, and faxed Friday, September 4, 2019 to the minority/small business organizations designated in the HACA Procurement Policy.

Nineteen Project Manuals were distributed and nine Bid Proposals were submitted. Sealed bids were received, opened and read aloud on September 27, 2019 at 2:00 p.m., local time.

Based on satisfactory reference verifications, staff recommends award of contract to JJ Red Commercial Roofing, LLC.

Commissioner Apostolou moved to Approve Resolution No. 02619 Roofing Replacements for Pathways at Shadowbend Ridge Award of contract to JJ Red Commercial Roofing, LLC. **2nd Vice-Chairperson Duncan-Hall** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

ITEM 5: Update on HACA's Rental Assistance Demonstration Program

Ann Gass, HACA Director of Strategic Housing Initiatives, provided an update to the Board regarding progress with HACA's Rental Assistance Demonstration Program, ongoing construction and rehabilitation of units in HACA's public housing portfolio, and implications for residents and the broader community.

THE BOARD DID NOT RECESS INTO EXECUTIVE SESSION.

REPORTS

The Board accepts the following reports from the President:

- Chalmers South Ribbon Cutting is scheduled for November 7th.
- The Family Self-Sufficiency Luncheon is scheduled for November 8th at the Marriott South.
- The November 21st Board Meeting will be held at another HACA property (to be determined at a later date).
- Carl S. Richie, Jr. has completed his term as NAHRO National President.
- Lisa Garcia has been appointed as the NAHRO Chairman of the Housing Committee.

ADJOURNMENT

Commissioner Carrington moved to Adjourn the meeting. **Commissioner Apostolou** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

The meeting adjourned at 3:28 p.m.

Michael G. Gerber, Secretary

Carl S. Richie, Jr., Chairperson

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02621

EXECUTIVE

ITEM NO. 2.

MEETING DATE: November 21, 2019

STAFF CONTACT: Michael Gerber, President & CEO

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 02621:
Approval of the Board of Commissioners Meeting Schedule for 2020

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to review and approve Resolution No. 02621 to adopt the Board of Commissioners Meeting Schedule for the 2020 calendar year.

SUMMARY

Background:

Per the HACA Bylaws, each year the Board of Commissioners is to adopt by resolution a meeting schedule for the following year. This schedule is to be posted and given to the City Clerk's office and posted on the HACA's website and all public housing management community bulletin boards.

A comprehensive list was created to show all future conference dates of state, regional and national associations. This list also includes the dates for the Austin Independent School District's Spring Break for 2020. Based on these dates, the 2020 HACA Board of Commissioners Meeting Schedule has been created.

Staff Recommendation:

Staff requests Board approval of the proposed dates as listed in the attached 2020 HACA Board Meetings Schedule.

ATTACHMENTS:

- ❑ **Posting for 2020 Board of Commissioners Meeting**
- ❑ **2020 List of Conferences**

RESOLUTION NO. 02621

**APPROVAL OF THE BOARD OF COMMISSIONERS MEETING
SCHEDULE FOR 2020**

WHEREAS, the Housing Authority of the City of Austin has established Bylaws for the operation of the Housing Authority of the City of Austin;

WHEREAS, to be in compliance with the Bylaws, the Housing Authority is to maintain a schedule of the Board of Commissioners meetings dates and times to be posted at the Housing Authority developments;

WHEREAS, a list of dates and times have been compiled for the 2020 calendar year to ensure a quorum;

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the Housing Authority Board of Commissioners approves and adopts the HACA Board Meeting Schedule for the 2020 calendar year effective this 21st day of November 2019.

PASSED, APPROVED AND ADOPTED this 21st day of November, 2019.

Michael G. Gerber, Secretary

Carl S. Richie, Jr., Chairperson

Housing Authority of the City of Austin

Established in 1937

Housing Authority of the City of Austin Board of Commissioners Regular Board Meetings for the Year 2020

Regular Board meetings are generally scheduled on the 3rd Thursday of each month to be held at the Central Office or at various housing development sites. The January Meeting has been moved to the 2nd Tuesday of January, and the Annual Board meeting for 2020 has been moved to the 4th Thursday of March. The Board of Commissioners may reschedule a meeting date/time to ensure a quorum is met or to address an urgent matter on an “as needed basis.”

ALL BOARD MEETINGS WILL COMMENCE AT 12:00 P.M. *(or unless otherwise indicated by the Posting of the Meeting)*

DAY/DATE	TYPE OF MEETING	ADDRESS
Tuesday, January 14	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH 35
Thursday, February 20	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH-35
Thursday, March 26	Annual Meeting 12:00 PM	Central Office 1124 S. IH-35
Thursday, April 16	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH-35
Thursday, May 21	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH-35
Thursday, June 18 <i>*Optional</i>	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH-35
Thursday, July 16	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH-35
Thursday, August 20	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH-35
Thursday, September 17	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH-35
Thursday, October 15 <i>*Optional</i>	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH-35
Thursday, November 19	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH-35
Thursday, December 17	Regular Board Meeting 12:00 PM	Central Office 1124 S. IH-35

The Housing Authority of the City of Austin is committed to compliance with the Americans with Disability Act. Reasonable modifications and equal access to the communications will be provided upon request. Please call (512) 477-4488, extension 2104 for information.



Michael G. Gerber
President & CEO

1124 IH-35 South, Austin, TX 78704 • (512) 477-4488 • Fax (512) 477-0953

2020 Conferences/Meetings			
*January 14	HACA	Regular Meeting	
January 16-18	NAHRO	BOG Leadership Retreat	Santa Fe, NM
January 29-31	SWNAHRO	Winter Committee Meetings	Irving, TX
February 20	HACA	Regular Meeting	
March 4	RAD Collaborative	HACA to host	Austin, TX
March 8-10	NAHMA	Winter Conference	Washington, DC
March 16-20	AISD Spring Break		
*March 26	HACA	Annual Meeting	MOVED FROM 19th
March 19-20	CLPHA	Spring Meeting	Washington, DC
March 29-31	NAHRO	Washington Conference	Washington, DC
April 16	HACA	Regular Meeting	
April (TBD)	SWAHMA	Spring Conference	Ft. Worth, TX
April 30-May 1	CLPHA	Housing Is Summit	Washington, DC
May 6	NALHFA	Conference	New York, NY
May 21	HACA	Regular Meeting	
June 2-5	NCSHA	Housing Credit Connect	St. Louis, MO
June 8-10	SWNAHRO	Annual Conference	Albuquerque, NM
June 17-19	NLHA	Annual Meeting	Washington, DC
June 18	HACA	Optional Meeting	
June 24-26	CLPHA	Summer Meeting	Seattle, WA
June 28-July 1	SHRM	Annual Conference	San Diego, CA
July 23-25	NAHRO	Summer Conference	New York, NY
July 16	HACA	Regular Meeting	
July 20-22	TAAHP	Annual Conference	Austin, TX
August 20	HACA	Regular Meeting	
September 17	HACA	Regular Meeting	
October 1-3	NAHRO	National Conference	Orlando, FL
October 15	HACA	Optional Meeting	
October 24-27	NCSHA	Annual Conference	New Orleans, LA
October (TBD)	SWAHMA	Annual Conference(s)	San Antonio, TX
October (TBD)	SWAHMA	Annual Conference(s)	Little Rock, AR
October 25-27	NAHMA	Fall Conference	Washington, DC
October 29-30	NLHA	Fall Seminar	Washington, DC
November 19	HACA	Regular Meeting	
November 18-20	CLPHA	Fall Meeting	Washington, DC
Nov (TBD)	AHF	AHF Live	
December 17	HACA	Regular Meeting	

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

FINANCE ITEM NO. 3.

MEETING DATE: November 21, 2019

STAFF CONTACT: Martha Ross, Vice President & Chief Financial Officer

ITEM TITLE: Presentation, Discussion, and Acceptance of the Independent Auditor's Report for Fiscal Year Ending March 31, 2019

BUDGETED ITEM: N/A

TOTAL COST: N/A

**HOUSING AUTHORITY
OF THE CITY OF
AUSTIN**



**Basic
Financial Statements
and
Supplemental
Information**

**Year ended
March 31, 2019**

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Austin
Austin, Texas

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the City of Austin (the "Authority"), as of and for the year ended March 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority's business-type activities as of March 31, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's financial statements as a whole. The accompanying financial data schedule and schedule of actual capital fund program costs and advances are presented for purposes of additional analysis as required by U.S. Department of Housing and Urban Development, and are not a required part of the financial statements of the Authority. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements of the Authority. The other information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2019 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

November 21, 2019
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

**Housing Authority of the City of Austin
“Bringing Opportunity Home”**

Management Discussion and Analysis
For the Year Ended March 31, 2019



View of the Pathways at Chalmers Courts South, which was recently placed in service, close to downtown, Austin, Texas. Chalmers Courts South is the first phase of a three-phase redevelopment of Chalmers Courts. Once complete, the property will transform the current 158 units, built in 1938, to 398 brand new, mixed income units. This increase in units and modernization was made possible by HUD’s Rental Assistance Demonstration program, several stakeholders working together, and Low Income Housing Tax Credits. Residents have access to the Jobs Plus program, among other initiatives, that support self-sufficiency.

Housing Authority of the City of Austin
“Bringing Opportunity Home”

Management Discussion and Analysis
For the Year Ended March 31, 2019

This section of the Housing Authority of the City of Austin (HACA)’s annual financial report presents management’s discussion and analysis (MD&A) of HACA’s profile and major sources of funding, as well as financial performance during the Fiscal Year (FY) ended March 31, 2019, compared to the prior FY ended March 31, 2018. The MD&A is designed to assist the reader in focusing on significant financial issues, provide an overview of financial activity, reflect changes in financial position and identify any issues or concerns. Since the MD&A is designed to focus on the current year’s financial activities, we encourage readers to consider the information presented here in conjunction with the HACA’s audited financial statements and notes, which follow this MD&A.

We also invite the reader to review HACA’s 2018-2019 Annual Report, provided at hacanet.org and searching on “annual report,” or clicking on this link:

<https://www.hacanet.org/wp-content/uploads/2019/08/Annual-Report-2018-19-Web.pdf>.

The Annual Report contains a message from the HACA’s President, information regarding our Board of Commissioners, our mission, vision and commitments, results of HACA’s operational initiatives this past year, and graphics and videos to provide additional context for FY 2019.

Request for Information

This report is designed to provide our citizens, taxpayers, tenants and creditors with a general overview of HACA’s finances and to demonstrate the accountability for the funds it receives. Questions concerning any of the information in this report or requests for additional information should be addressed to: Housing Authority of the City of Austin, Attn: Martha Ross, Chief Financial Officer, 1124 S. IH-35, Austin, TX 78704, Phone (512) 477-4488.

PROFILE OF HACA

Independent Jurisdiction: HACA is a political subdivision organized under the laws of the State of Texas (now Chapter 392 of the Texas Local Government Code) and by a resolution of the City Council of the City of Austin, Texas adopted on December 23, 1937. HACA is governed by a five-member Board of Commissioners appointed by the Mayor of the City of Austin.

HACA was a pioneer in public housing, one of the nation’s first three housing authorities, created as a result of the Housing Act of 1937, co-authored by then-Congressman Lyndon Baines Johnson. Serving Austin for 82 years, we remain pioneers, with numerous programs and partnerships to help our residents and clients succeed. HACA’s core values remain constant as we serve the neediest in our community, while continuing to develop innovative housing solutions to help meet Austin’s considerable need. HACA’s main, non-profit subsidiaries (known as blended component units) accept grants and donations for supportive services to tenants like scholarships (Austin Pathways), provide affordable and other housing as a private landlord (Austin Affordable Housing Corporation), offer national affordable housing consulting services (Blueprint Housing Solutions) and serve as HUD’s Performance Based Contract Administrator for Texas and Arkansas (Southwest Housing Compliance Corporation).

The Mission of HACA and its blended component unit subsidiaries is to cultivate sustainable affordable housing communities and partnerships that inspire self-reliance, growth and optimism. We envision neighborhoods where poverty is alleviated, communities are healthy and safe and all people can achieve their full potential.

Housing Authority of the City of Austin
“Bringing Opportunity Home”

Management Discussion and Analysis
For the Year Ended March 31, 2019

The guiding principles of HACA include commitments to:

Affordable Housing - We will revitalize our public housing assets, seek additional rental assistance vouchers and advance innovative affordable housing solutions.

Resident Self-Sufficiency and Quality of Life - We will promote individual responsibility and high expectations and foster results-based community partnerships and programs focused on workforce development, wellness, safety and education.

Exceptional Service - We will ensure a resident, partner and customer-focused environment where all are treated with dignity and respect.

Employee Engagement - We will invest in our staff, ensure accountability and effective communication and promote an innovative, healthy and safe work environment, with training and leadership development opportunities.

Corporate and Environmental Sustainability - We will pursue new funding sources and entrepreneurial opportunities, ensure responsible stewardship, maximize efficiency and promote environmentally friendly initiatives.

ENVIRONMENT

According to the National Low Income Housing Coalition, in Austin, Texas, 21 units are available for every 100 low income families and three quarters of the extremely low income households have severe cost burdens, spending more than half of their household income on rent. The city's goal is to increase affordable housing inventory by at least 60,000 units, to assist households making 50% or less of the median family income.

HACA assists by providing subsidized housing to very low income households through our Project Based Rental Assistance (PBRA) properties and through our various rental assistance programs, including the Housing Choice Voucher (HCV) program and Veteran's Affairs Supportive Housing (VASH) program.

Through our subsidiary, Austin Affordable Housing Corporation (AAHC), HACA provides housing that is not subsidized, but generally below market rate for eligible tenants. HACA actively partners with various national, state and local stakeholders for financing development or rehabilitation of multi-family properties, welcomes individuals interested in putting their properties (houses, condos, duplexes or townhomes) into the Housing Choice Voucher program inventory, and collaborates with numerous grantors and agencies to provide supportive services to residents working towards greater self-sufficiency.

AGENCY HIGHLIGHTS

People Served: Over 29,000

During FY 2019, HACA provided low income subsidized housing opportunities and programs to over 20,000 Austin residents, including children, individuals with disabilities, senior citizens and formerly homeless veterans. Of the 20,000, approximately 13,000 individuals are served through the Housing Choice Voucher (HCV) program described in the next page. In addition, HACA has more than 6,000 high-quality, affordable rental units placed in service or in the pipeline, to meet a broader range of Austin's affordable housing needs, that are not directly subsidized, through Austin Affordable Housing Corporation (AAHC). AAHC's inventory is estimated to serve affordable housing needs for at least another 9,000 individuals in the Austin area.

**Housing Authority of the City of Austin
“Bringing Opportunity Home”**

Management Discussion and Analysis
For the Year Ended March 31, 2019

Total Units in Service and Pipeline: 7,739 Low Income and 6,034 Affordable (broader range) = 13,773

HACA’s primary tool to help low income housing residents are monthly rent subsidies from the U.S. Department of Housing and Urban Development (HUD). The three major types of HUD subsidies used by HACA are outlined below.

Units	Subsidizes	HUD Program	Ownership	HUD Funding Commitment	Portable to Another City	HUD Allows Debt Financing	Low Income Housing Tax Credits
344	Entire Property	Section 9-LIPH	HACA	Annual	No, stays with property.	No	N/A
1,495	Individual Units	Section 8-PBRA	AAHC (one of HACA’s entities) fully or partially owns.	40 Years (20 years initial)	No, stays with each unit.	Yes	Yes, 497 units (seven properties)
5,900	Tenant	Section 8-HCV	Private Landlords (includes AAHC)	Annual	Yes, stays with tenant.	N/A	N/A

Per the table above, as of March, 2019, HACA had access to 7,739 units with monthly rental subsidy:

Section 9 - Low Income Public Housing (LIPH) - 322 units (in two multi-family properties) and 22 single family residences, for a total of 344 units,

Section 8 - Project Based Rental Assistance (PBRA) - 1,495 units (in 16 multi-family properties), and

Section 8 - Housing Choice Voucher (HCV) approximately 5,900 units (working with over 1,600 private landlords). HACA administers the HCV program, serving over 13,000 individuals, whose families average annual income of \$14,489 (compared to the \$86,000 of average median income in Austin for a family of four).

Not reflected in the chart above, is that one of HACA’s subsidiaries, AAHC, fully or partially owns 29 additional multi-family properties (6,034 units) placed in service, under development, or being acquired, which do not directly receive subsidy, but offer below market rent for eligible residents. All AAHC properties accept HCVs, VASH and other forms of rental assistance.

Of AAHC’s access to 6,034 additional units:

- 5% are efficiencies, 43% one bedroom, 40% two bedroom, 11% three bedroom, and 1% four bedroom;
- Currently, of 6,034 units in AAHC’s portfolio, 10 percent are rented by HCV holders;
- All but two properties placed in service average 97% occupancy, most at 98% and 99% and all cash flow;
- Different stakeholders include 11 lenders, 11 investors, and five property management companies;
- Ten of the 29 AAHC properties are layered with LIHTC and have bond financing;
- Properties with debt average a 54% loan to (current appraised) value ratio, showing market value appreciation since the acquisition date; and
- Except for one of the properties financed with debt and fully owned AAHC, the properties also maintain operating and replacement reserves.

Housing Authority of the City of Austin
“Bringing Opportunity Home”

Management Discussion and Analysis
For the Year Ended March 31, 2019

RAD at HACA

HACA is proud of the last 82 years. People who have lived and who now live in our public and affordable housing contribute to Austin’s diverse social, cultural and economic tapestry. Through the Rental Assistance Demonstration (RAD) program, our residents have greater choice about where they live, and greater opportunity to achieve their dreams of self-sufficiency through education, workforce development and wellness programs.

For broader context, the LIPI type of annual subsidy, with no debt allowed, eventually resulted in an estimated national backlog as high as \$70 billion in deferred maintenance on aging, public housing inventory, and the nation losing about 10,000 units of public housing annually due to disrepair. As a remedy, in 2012 Congress authorized the Rental Assistance Demonstration (RAD) program, for housing authorities to convert properties from the LIPI to the PBRA subsidy. The RAD program enabled longer-term planning and provided for well-maintained, guaranteed, affordable housing inventory for 40 years.

Completing the second of a planned, four-year transition, in FY 2019, HACA converted 16 of 18 multi-family properties from a LIPI to a PBRA subsidy, through the RAD program. RAD allows the property to be rehabilitated with debt, based on a percentage of the market value of the property. The debt (the loan) creates both a cash infusion to rehabilitate or rebuild aging properties in a relatively short time-frame and seeds a reserve for future repairs. HACA has used debt financing, underwritten by Fannie Mae, for 13 of the 16 multi-family properties converted through the RAD program. Each RAD conversion has been different, with seven of the 16 properties, for example, also utilizing 4% Low Income Housing Tax Credits (LIHTC), discussed in the next section of this MD&A.

As debt and external equity is new to HACA with the RAD program, *internal and external financial reviews have become more important and more frequent*. Previously, with LIPI and HCV subsidies, HACA would submit financials **only annually** to HUD and as part of the annual audit. With RAD, with a different type of subsidy program, lenders and debt, and with investors with an equity stake, the number and frequency of financial report stakeholders has increased exponentially, many **monthly** and in different formats.

In the RAD program, for example, operationally, we have additional requirements for: physical property inspections from more stakeholders and tenant income re-certifications triggered at a lower threshold of \$200 vs \$600 income changes. In the RAD program, financially, as just one of many examples, we have increased documentation for reserves for replacement which did not exist pre-RAD: (1) contractual agreements with various parties and law firms, (2) new bank accounts with bankers, (3) initial funding with title company and bank, (4) monthly additions to reserve from the properties, (5) budgeting for the monthly reserve additions, (6) internal documentation and approval to request funding from the reserve, (7) documentation to request withdrawals from the reserve from various external stakeholders, (8) documenting the accounting transaction as also complying with capitalization policy as an asset, or as an expense, albeit reimbursed from the reserve, if approved, (9) coordinating communication of annual reserve changes approved by HUD and lender and partners, and (10) reconciling the reserves for monthly deposits, interest earned and withdrawals. Pre-RAD, in LIPI, we had the annual Capital Grant from HUD, that could be consumed over three years, which also had documentation, budgets and approvals; however, the Capital Grant requirements were more streamlined, working with only one external party for financial due diligence, compared to Reserves for Replacement requirements in RAD.

Other examples of different or increased financial due diligence with the RAD program include the work required to obtain loans, bonds and investors on LIHTCs, which involve coordination among several external parties; for example, each property requires long-term financial projections for cash flow *and* debt service, monthly external reporting in various formats with regular updates on variances to budget and projections for contractual terms.

Housing Authority of the City of Austin “Bringing Opportunity Home”

Management Discussion and Analysis For the Year Ended March 31, 2019

To be clear, however, as RAD continues to improve our properties and results in more opportunities for our tenants and more affordable housing units, we welcome partnering with all stakeholders. As an organization, we also are improving with RAD, and continue to invest in financial process improvements to continue defining and standardizing efficiencies, training and software to scale (do more with the same resources).

LIHTC Overview

About one-quarter of the housing authorities in the nation use Low Income Housing Tax Credits “LIHTCs” and bonds for RAD conversions. Because HACA has used LIHTCs in 44 percent of RAD conversions so far (seven of the 16 RAD conversions), and AAHC has used LIHTCs for 35 percent (or 10 of their 29 properties) to date, we count investors and everyone related to LIHTCs (e.g., auditors, tax specialists, the Texas Department of Housing and Community Affairs [TDHCA], lenders, and HUD’s Multi-Family Division), as new and important financial stakeholders with reporting and compliance requirements.

LIHTCs are another federal policy tool that help us expand affordable housing inventory. Whereas LIPH, PBRA and HCV are types of **direct** federal subsidies for monthly tenant rent, the LIHTC is an **indirect** federal subsidy that finances low income housing. Since the Tax Reform Act of 1986, the LIHTC has helped finance over 2.4 million units of affordable rental units in the U.S., of which .3 million are in Texas (of those, 497 units at HACA and 2,298 units through AAHC). LIHTCs incentivize investors and developers with earned, irrevocable federal tax credits, claimed annually, over a ten-year period. LIHTCs have a 15-year compliance period, and a requirement for 30 years of affordable rents.

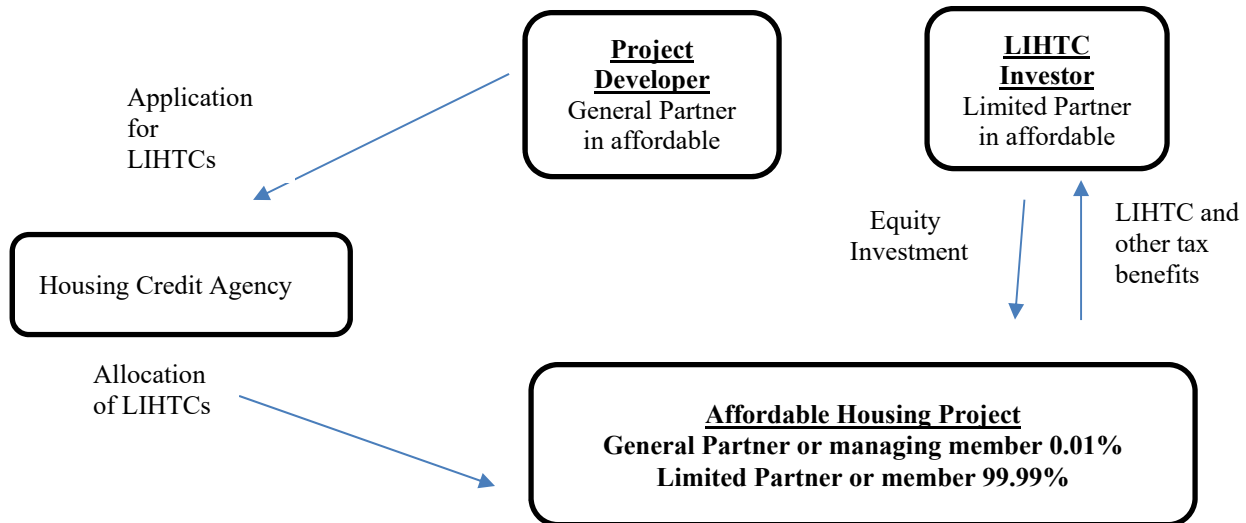
Generally, the annual process is that the Internal Revenue Service allocates federal tax credits to state housing credit agencies based on population. The 2019 allocation is now a little over \$2.75 per person. With a population in Texas of about 28 million, TDHCA reported receiving \$76.6 million in 2018 as the annual LIHTC allocation, used to construct 64 new properties (4,997 units) and rehabilitate eight properties (560 units) statewide, for households earning up to 60 percent of the area’s median family income. Following the late 2017 revision to the Internal Revenue Code for corporate taxes, the 2018 Consolidated Appropriations Act (1) *temporarily* increased the allocation to states by 12.5% for years 2018-2021, and (2) modified the “income test” to allow a third method to qualify, for income averaging across tenants.

The state housing credit agencies (like TDHCA) then award the competitive “9%” LIHTCs to developers (generally for new construction) based on points and various published rules. Non-competitive “4%” LIHTCs, are not subject to the state’s allocation limit and are generally for rehabilitation and new construction financed with tax-exempt bond financed packages. (As a side note, at HACA, as of this writing, bonds issued under Austin Affordable PFC are rated Aaa/VMIG 1 by Moody’s, indicating the highest score with lowest risk for Variable Municipal Investment Grade bonds.) While for-profit developers can keep and use the LIHTC to increase their equity in a project (thereby lowering debt needed to build or rehabilitate the project), most developers (particularly non-profit developers that don’t need the LIHTC), sell the LIHTC to investors, which also creates equity for the developer. When the developer sells tax credits to the investor, the investor typically takes a large share of ownership (since they are putting the money into the project), but otherwise have a passive role through a limited partnership.

**Housing Authority of the City of Austin
“Bringing Opportunity Home”**

**Management Discussion and Analysis
For the Year Ended March 31, 2019**

As noted in “Community Development Insights”, March 2014, the typical legal structure for direct investment in projects partially financed with LIHTCs is as follows:



For RAD conversions, HACA has transferred the asset to AAHC, which similar to above, has an ownership share of .01%. Because the property is owned by an external “Limited Partner” with 99.99% ownership, the Authority recognizes sales of the properties, land leases and developer fees earned by AAHC, on applicable projects.

With cash from the investor, or lower federal income taxes, the developer (which is sometimes AAHC) will need less debt to finance new construction or rehabilitation for the property. Less debt on the property means the developer can then justify lower rents on the property. The availability and value of LIHTCs when developers exit the deal (typically around years 12 to 15), will be important, as LIHTCs in effect at that time, could be used to refinance and rehabilitate the legacy/existing affordable housing units, instead of continuing to create more, new affordable housing at “year 15” or in the future.

Of the estimated \$9.9 billion in LIHTCs awarded annually, the largest purchasers of LIHTCs, about 85%, are banks, motivated by the Community Reinvestment Act (CRA), as well as a desire to reduce their annual federal income tax. As an added policy footnote, an update to the CRA is in discussion, spear-headed by the Office of the Comptroller of the Currency (OCC) and is being closely watched for potential impact on the LIHTC investor market. While high-tech corporations like Facebook, Google and Microsoft have made headlines in recent years for investments in affordable housing, other corporations and entities like insurance, utilities, real estate, manufacturing and other industries, as well as individual investors, are also part of the solution in expanding affordable housing, investing in LIHTCs and other types of public/private partnerships.

Housing Authority of the City of Austin “Bringing Opportunity Home”

Management Discussion and Analysis For the Year Ended March 31, 2019

HACA’s Financial Position

In FY 2019, HACA converted five properties from LIH to PBRA subsidy: Goodrich, Santa Rita, Rosewood, Thurmond and Salina. As part of the conversion, permanent loans were obtained from lenders as well as temporary gap loan funding (provided by HACA’s subsidiary, AAHC). Full ownership of these properties was retained by HACA, through AAHC. For these last five RAD conversions, HACA selected a new Fiscal Year end, changing from March 31 to December 31 year-end for the new legal entities: Pathways at Goodrich Place, LP, Pathways at Santa Rita Courts, LLC, Pathways at Rosewood Courts, LLC, Pathways at Thurmond Heights, LLC and Pathways at Salina, LLC. A December 31 year-end is consistent with our tax credit properties. In the coming three years, HACA plans to change all Fiscal Year ends from March 31 to December 31 for consistency. Because of this financial year-end transition, the aforementioned five RAD converted properties, are shown in the financials as nine months ended December 31 (from April 01, 2019 to December 31, 2019), whereas all other consolidated legal entities and blended component units still have a March 31 year-end, and are shown in these financials with twelve months of data.

Cash and Debt:

HACA’s cash reserves and strong balance sheet and stewardship facilitated and supported the decision to convert to PBRA, buoyed by relatively low interest rates on debt.

These conversions to PBRA through the RAD program have created an inflow of both cash from financing (taking a loan on the value of the property) and the associated debt. Cash is shown as both restricted for reserves for replacement, insurance and security deposits, and unrestricted which is prioritized for debt service and operations. Debt service is made up of both principal (the loan amount) and interest expense (the cost to borrow that money). Debt is shown as Current Liabilities for the next twelve months of payments to lenders for principal, Long-term Liabilities for the remaining payments of principal to lenders through maturity, and as Interest Expense for the twelve months of interest payments in the current year.

We plan and monitor for agreed debt service coverage (DSC). DSC is how we know that the property can pay the mortgage; money left after covering all expenses (except depreciation and amortization) is net operating income, which we then compare to twelve months of debt payments. We also look at typical metrics like vacancy, uncollectible write-offs, and cash that we additionally restrict for reserves for replacement, netted with the interest income earned on those reserves, for the complete picture on how well we can cover our debt obligations. Generally, with any loan underwriting, organizations with a longer history of operations and stable funding sources, enjoy a lower DSC threshold, compared to new properties with less history, unpredictable funding and less cash reserves.

Stewardship versus Ownership: Sale of the public housing properties from HACA to AAHC, a blended component unit of HACA, reflect the properties at original cost, and not at market value, as required per U.S. Generally Accepted Accounting Principles (GAAP). Some sales of the properties are converted with only conventional debt, and are shown on HACA’s consolidated financials, presented in this report, while some properties converted to PBRA in prior years, are layered by LIHTCs awarded by the TDHCA, as approved by HUD and the Internal Revenue Service. These tax credit properties with a December year-end are not shown on HACA’s financials as they were sold to new partnerships, with HACA retaining stewardship and .01 percent ownership. As of March 31, 2019, former LIPH properties converted to PBRA through RAD partially using LIHTC include: Pathways at ...Goodrich, Gaston, Georgian Manor, Manchaca Village, Northgate, Northloop, and Shadowbend Ridge. The following year, Pathways at Chalmers Court East will also have LIHTCs (Chalmers has been split into East and West for RAD conversion purposes).

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Temporary Relocation: As properties are rehabilitated and upgraded, tenants are temporarily relocated which creates moving, utility and other accommodation expenses, and vacancies in the original properties, partly covered by HUD relocation assistance. HACA has been recognized for creating a Resident Protection Team, with social and support services from the community, to ease relocation impacts to our residents.

Change in Overhead: Additional planned expenses have been incurred to manage conversions to PBRA through RAD operationally and in our financial infrastructure. New software systems continue to be installed to manage more and different needs in PBRA in oversight, compliance, audits and reporting. With continued new software and module implementations, financial data capture (our chart of accounts with legal entities, departments, accounts and projects) is also in a multi-year, streamlining update, to support faster review and decision making with the new software. Annual and semi-annual budget preparation is also undergoing a multi-year transformation, including new enterprise software that will go live in phases, the first phase in April 2020, running in parallel with the current legacy process. The goals are to: (1) standardize the budget to look more like audited revenue and expenses, and (2) improve efficiency and material accuracy of budget preparation and monthly variance reviews.

Overview of Financial Statements

HACA is pleased to present its basic financial statements as of and for the year ended March 31, 2019, which have been prepared in accordance with GAAP. GAAP requires the inclusion of three basic financial statements: the Statement of Net Position (balance sheet); the Statement of Revenues, Expenses, and Changes in Net Position; and, the Statement of Cash Flows. In addition, GAAP requires the inclusion of this MD&A section as supplementary information. The three basic financial statements provide both long and short-term information about HACA’s overall financial condition. The basic financial statements include notes that provide additional information and more detailed data. The financials presented include HACA’s blended component units (e.g., Austin Pathways, Southwest Housing Compliance Corporation, Austin Affordable Housing Corporation, and other blended component units).

Required Financial Statements

Over time, significant changes in HACA’s net position serve as a useful indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any housing authority, the reader must also consider other non-financial factors such as fluctuations in the local economy and real estate market, HUD-mandated program changes, and the physical age and condition of capital assets. As mentioned above, the following financial statements are included in this report:

- The **“Statement of Net Position”** includes all of HACA’s assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position. This report reflects information about short-term spendable resources as well as capital assets and the debt obligations to creditors. This report also provides a basis of assessing the liquidity and financial flexibility of HACA. All assets and liabilities are presented using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenues and expenses when earned regardless of when cash is received or paid. You may think of the net position of HACA as the difference between what HACA owns (assets such as accounts receivable and buildings) to what HACA owes (liabilities such as accounts payable and loans). The change in net position analysis will assist the reader with measuring the financial health of HACA.

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- The **“Statement of Revenues, Expenses and Changes in Net Position”** accounts for the current year’s operating and non-operating revenues, by major source, along with operating and non-operating expenses and capital contributions. This statement measures the activity of HACA’s operations over the past Fiscal Year.
- The **“Statement of Cash Flows”** provides information about HACA’s cash receipts and disbursements during the reporting period. The statement reports net changes in cash resulting from operating, investing, capital and non-capital activities.

Financial Highlights

The most important question asked about HACA’s finances is whether the agency as a whole is better off or worse as a result of the year’s activities. The management of HACA believes that significant achievements, both in the financial and operational areas, occurred in FY 2019, to continue strategically positioning HACA for our long-term mission statement: **total net position improved by \$3.4M, total current assets increased by \$10.2M and total assets increased by \$14.5M**, all primarily from converting to PBRA through RAD, refinancing some of AAHC’s portfolio of affordable housing at relatively low interest rates, and the timing difference between last year and this year of AAHC receiving developer and issuer fees.

The assets and deferred outflows of resources of HACA exceeded liabilities and deferred inflows at March 31, 2019, by \$115M (\$115,246,899 net position); the **total net position** improved (increased) by \$3.4M (\$3,411,024, or 3%), compared to the prior year, March 31, 2018. Net position of \$115M was comprised of 37% net investment in capital assets, 28% restricted net position and 35% unrestricted net position:

- **Net investment in capital assets** of \$43M (\$42,808,311) represents capital assets, net of accumulated depreciation and reduced by any outstanding, related debt.
- **Restricted net position** of \$32M (\$32,190,567) represents assets and deferred outflows less related liabilities and deferred inflows restricted by external groups or law. Most of this balance, is comprised of modernization and development of the properties, reserves and scholarships. Restricted cash is a component of the restricted net position, with the largest single balances used for items such as reserves for property replacements, repair or rehabilitation (modernization and development). HACA also restricts cash for items including, but not limited to, deposit agreements, insurance reserves, tenant escrows for family self-sufficiency programs, and security deposits.
- **Unrestricted net position** of \$40M (\$40,248,021) represents funds that may be used to meet HACA’s ongoing obligations. Of the unrestricted net position, unrestricted cash at year end was \$16 million (\$15,683,973), increasing by almost \$600,000 (\$599,984) or 3.9%, from the prior year unrestricted cash balance of \$15M (\$15,083,989). Unrestricted cash excludes cash used for Low Income Public Housing and the Housing Choice Voucher programs; said another way, most of HACA’s unrestricted cash comes from blended component units, described in the footnotes to the financial statements.

The following financial highlights are represented in HACA’s FY 2019 financials:

- **Total Current Assets** were \$58M (\$58,135,757) representing an increase of \$10.2M (\$10,255,208 or 21%) from FY 2018.
- **Total Assets** were \$233M (\$233,201,738) representing an increase of \$14.5M (\$14,515,203 or 7%) from FY 2018.

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- HACA had \$11.8M (\$11,785,588) in Tenant Revenue and \$66M (\$65,869,646) of HUD PHA Operating Grants for FY 2019. Although **Change in Net Position** (revenues less expenses) decreased 72% to \$3.4M (\$3,411,024) compared to the prior year, FY 2018 was an anomaly with a large, one-time gain on sale of assets, from converting Gaston, formerly a public housing property, to PBRA. However, compared to Fiscal Years 2016 and 2015, before PBRA RAD conversions, each with Change in Net Position of \$3M, the bottom line in FY 2019 of \$3.4M comparatively improved 13 percent, primarily due to AAHC’s growing portfolio of affordable housing.

Analysis of Entity Wide Net Position

	2019	2018	Variance	% Change
Cash and Investments	\$ 49,577,425	\$ 39,815,590	\$ 9,761,835	25%
Other Current Assets	8,558,332	8,064,959	493,373	6%
Noncurrent Assets	175,065,981	170,805,986	4,259,995	2%
Total Assets	233,201,738	218,686,535	14,515,203	7%
Current Liabilities	6,531,293	6,448,727	82,566	1%
Noncurrent Liabilities	111,423,546	100,401,933	11,021,613	11%
Total liabilities	117,954,839	106,850,660	11,104,179	10%
Net Investment in Capital Assets	42,808,311	54,755,654	(11,947,343)	-22%
Restricted Net Position	32,190,567	21,061,484	11,129,083	53%
Unrestricted Net Position	40,248,021	36,018,737	4,229,284	12%
Total Net Position	\$ 115,246,899	\$ 111,835,875	\$ 3,411,024	3%

Cash and Investments - The increase of 25% (shown in the chart above in the far right column) is mainly attributable to four public housing properties that were converted to PBRA through RAD, then able to recognize a cash infusion from financing.

Other Current Assets - The increase of 6%, or \$0.5 million, was primarily due to the increases in Accounts Receivables related to Development Activity and Accrued Interest.

Non-Current Assets - The increase of 2%, or \$4.2 million, is largely due to Notes Receivable for the sale of Chalmers Court South to a partnership outside the agency. Of note, HACA’s non-current assets include some multi-family properties at original cost basis, as required by GAAP, with decades of market value not reflected in assets or net position.

Total Assets - The increase of 7% represents a net increase from the above transactions of \$14.5 million.

Current Liabilities - The increase of 1% was mainly due to new loans for the four public housing properties that were converted to PBRA through RAD.

Noncurrent Liabilities - The increase of 11% or \$11 million due to the four public housing properties that were converted to PBRA through RAD. This represents all debt (e.g., thirty years less the current portion shown above). Long-term liabilities also include \$600k long-term deferred revenue from land lease on Goodrich for \$600k, now in a tax credit partnership.

Total Liabilities - Increased 10%, mainly from new RAD-related debt.

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The following table illustrates the changes in Revenue and Expenses:

Operating Revenue	2019	2018	Variance	% Change
Tenant Rental Revenue	11,785,588	12,289,404	(\$503,816)	-4%
HUD PHA Operating Grants	65,869,646	66,571,418	(\$701,772)	-1%
Other Revenue *	432,412,764	420,570,178	11,842,586	3%
Total Operating Revenue	510,067,998	499,431,000	10,636,998	2%
Operating Expenses				
Administrative	22,475,988	21,455,687	1,020,301	5%
Tenant & Protective Services	3,674,338	4,097,665	-423,327	-10%
Utilities	2,976,765	3,407,129	-430,364	-13%
Maintenance	5,557,585	5,820,666	-263,081	-5%
Housing Assistance Payments *	461,621,750	450,283,054	11,338,696	3%
General Expenses	2,659,442	2,250,906	408,536	18%
Depreciation	6,310,058	6,338,585	-28,527	0%
Total Operating Expenses	505,275,926	493,653,692	11,622,234	2%
Operating Income (Loss)	4,792,072	5,777,308	-985,236	-17%
Non Operating Revenues (Expenses)	-3,147,669	3,977,205	-7,124,874	-179%
Capital Contributions	1,766,621	2,510,407	-743,786	-30%
Change in Net Position	\$3,411,024	\$12,264,920	(\$8,853,896)	-72%

Overall, **Operating Revenue** increased by \$10.6 million or 2%. The decrease in **Tenant Revenue** of \$0.5 million or 4% is temporary and one-time (from the conversion of four public housing properties now with a December, instead of March year-end, and only reflected here with nine months, instead of 12 months of revenue), as well as the sale of Gaston in FY 2018 to a partnership which is not part of HACA's financials. (Gaston was in the FY 2018 financials only for nine months.)

Operating Subsidy and Grants decreased by \$0.7 million or 1% which is mainly attributed to the sale of Gaston in FY 2018 and the aforementioned nine instead of twelve months in the four RAD converted properties.

Other Revenue increased by \$11.8 million or 3% mainly due to higher annual rent allowed for owner Housing Assistance Payments (HAP) in SHCC's portfolio.

In FY 2019 **Operating Expenses**, including Depreciation (a non-cash expense), increased slightly from FY 2018 by \$11.6M or 2% from higher HAP, which is a pass-through expense (shown in both revenue and expense). As mentioned in "Other Revenue" above, SHCC's HAP revenue increased, therefore the pass-through expense increased.

Utilities decreased by 13% mainly due to the sale of Goodrich, a public housing property, to an outside company.

General Expenses increased by \$0.4 million or 18% which is attributed to the decrease of the HACA's share in equity for investment in joint ventures and insurance premiums increased due to RAD conversions.

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Non-Operating Revenues (Expenses) - decreased \$7.1 million or 179% due to a one-time anomaly, a large gain on sale in the prior year, FY 2018, of Gaston, formerly a LIPH property, which converted to PBRA through RAD and was sold to a tax credit partnership attributed to a total gain of \$5.8 million. AAHC, a blended component unit of HACA, has a stewardship role and investment share in the Gaston LIHTC partnership. Said another way, the LIHTC partnership is not reflected in HACA’s consolidated financials as it is a third party, thereby allowing the gain on sale of these properties to be recognized.

Capital Assets

	3/31/2019	3/31/2018	Variance	% Change
Land	\$ 48,807,490	\$ 48,807,490	\$ 0	0%
Building & Improvements	173,797,011	170,052,353	3,744,658	2%
Furniture and Equipment	3,243,799	2,985,744	258,055	9%
Construction in Progress (CIP)	3,674,007	4,830,847	(1,156,840)	-24%
Total Capital Assets	229,522,307	226,676,074	2,846,233	1%
Less Accumulated Depreciation	(114,439,221)	(110,480,838)	(3,958,383)	4%
Net Capital Assets	\$ 115,083,086	\$ 116,195,236	\$ (1,112,150)	-1%

Buildings & Improvements increased by \$3.7 million or 2% mainly due to interior unit and parking lot renovations at Pathways at Thurmond Heights funded through the Capital Fund Program. Furniture and equipment increased by \$0.3 million or 9% due to a boiler replacement at the Main Office and the purchase of new computers and vehicles agency wide.

Construction in Progress (CIP) decreased 24% as properties (e.g., Pathways at Thurmond Heights) were placed in service sooner in FY19, than the prior year. As assets are placed in service, it is shown in its respective categories.

Of a related note, all debt payments were made as scheduled during the Fiscal Year.

Overview of Budgets

HACA’s Board of Commissioners approves a consolidated annual operating budget for all programs. The Low Rent Public Housing Operating Subsidy calculation, public housing Capital Grant, Housing Choice Voucher Program and Project Based Rental Assistance (RAD) funding are approved by the U.S. Department of Housing and Urban Development (HUD). All budgets were prepared in accordance with the accounting procedures, prescribed by the applicable funding agency. Expenditures are monitored against the budget on a regular basis by the appropriate departments. A financial report with budget to actual comparison by program is presented to the Board on a monthly basis with a variance commentary.

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Factors Affecting Next Year’s Budget

HACA is primarily dependent upon HUD for the funding of its Housing Choice Voucher Programs, Housing Assistance Payments (HAP) for the PBRA RAD properties, and LIPH Operating Subsidy and Capital Grants for the remaining two properties (Chalmers and Lakeside), as well as 22 single family residences. Therefore, HACA is affected more by the federal budget than by local economic conditions. The funding of the HCV and LIPH programs could be significantly affected by the 2019 and 2020 federal budgets, whereas PBRA-RAD budgets are based on a 40 year, contractual HAP commitment.

The conversion of public housing funding to the PBRA program (through RAD) is underway and impacts the budget more during transition years. On the other hand, HACA’s budget and staffing levels are positively impacted due to the Project Based Contract Administrator role awarded to SHCC and due to cash flows and timing of developer fees on several AAHC partnership properties.

Economic Factors

Significant economic factors that could affect the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development for subsidies, or award status of the Project Based Contract Administrator contract.
- Upward pressure on interest rates.
- Regulatory environment for Low Income Housing Tax Credits (LIHTC) and the Community Reinvestment Act as an incentive to invest in LIHTC.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, recessionary and employment trends, which can affect resident income and therefore the amount of rental income.
- Inflationary pressure on utility rates, housing costs, supplies and other costs.
- Current trends in the housing market.
- Competition for not-profit funding for supportive services for tenants.

Exhibits

Following are exhibits that are part of this MD&A:

- 1: Total Operating Revenue, FY 2019 vs 2018
- 2: Total Operating Expenses, FY 2019 vs 2018
- 3: FY 2019 Total Revenues by Category
- 4: FY 2019 “HUD/PHA Operating Grants” Detail
- 5: FY 2019 Total Expenses by Category

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Management Discussion and Analysis
For the Year Ended March 31, 2019

Exhibit 1

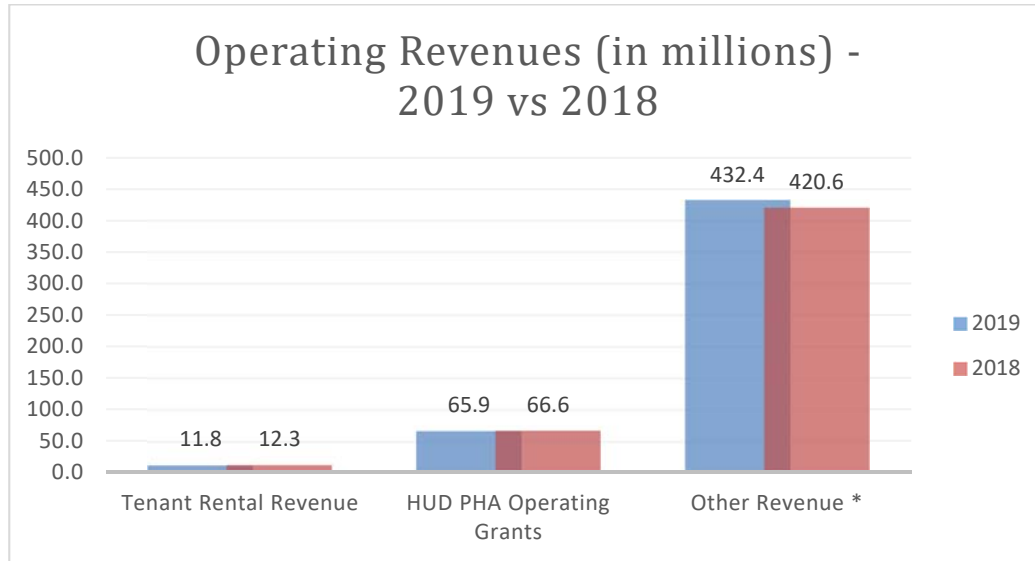
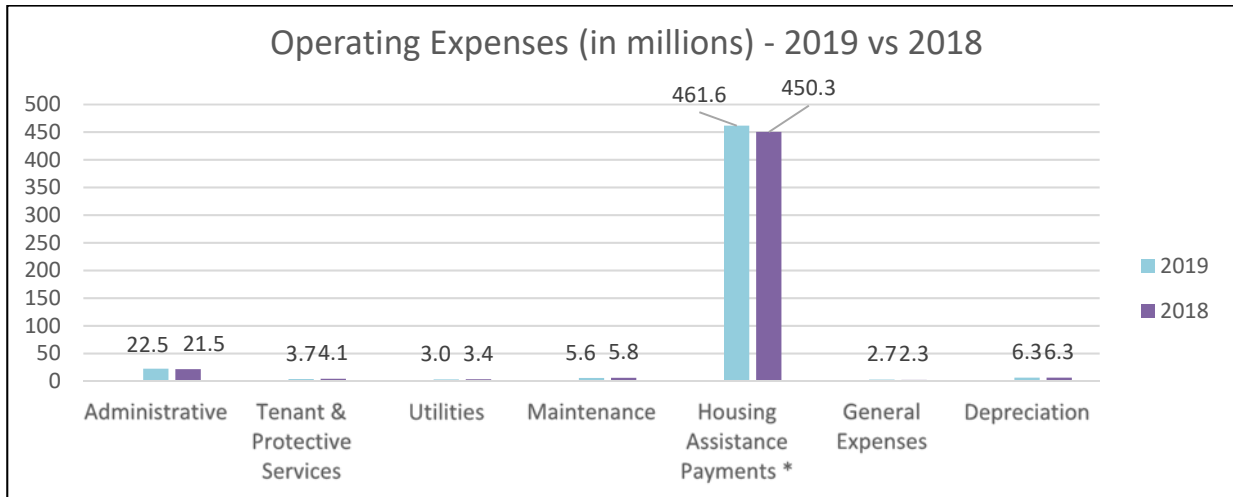


Exhibit 2



**Housing Authority of the City of Austin
“Bringing Opportunity Home”**

Management Discussion and Analysis
For the Year Ended March 31, 2019

Exhibit 3

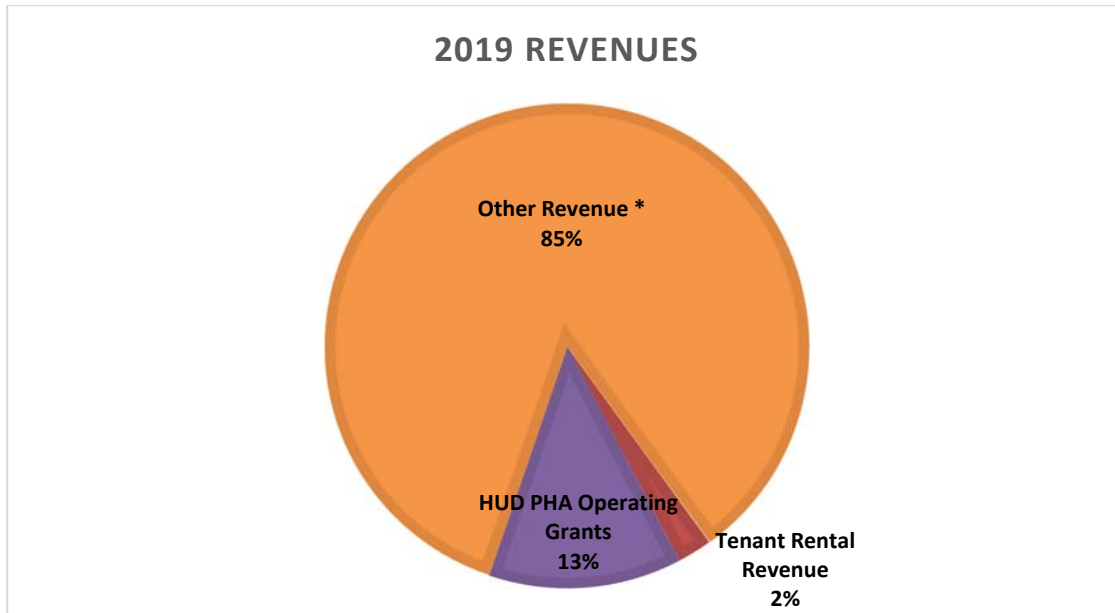
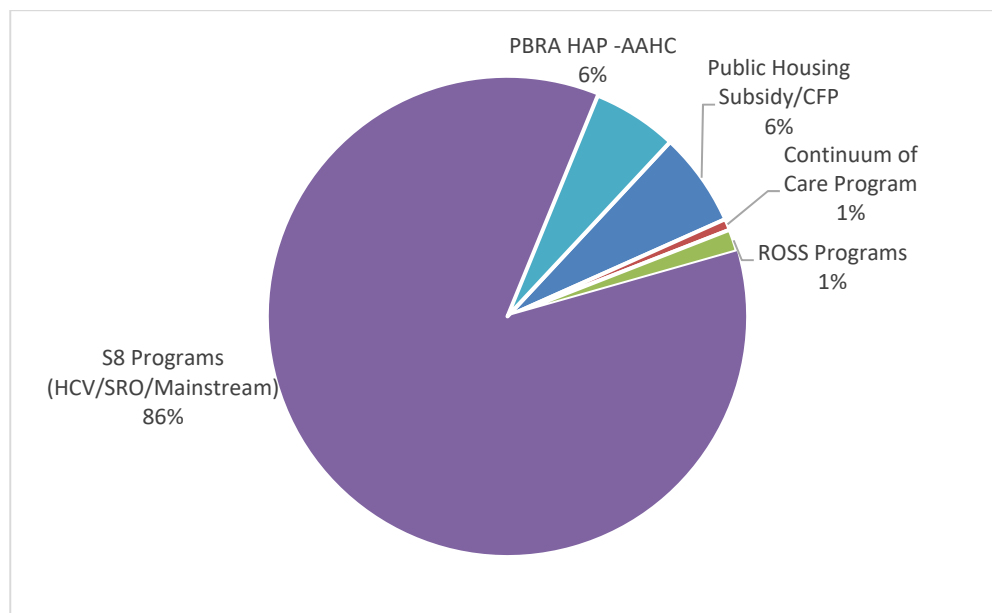


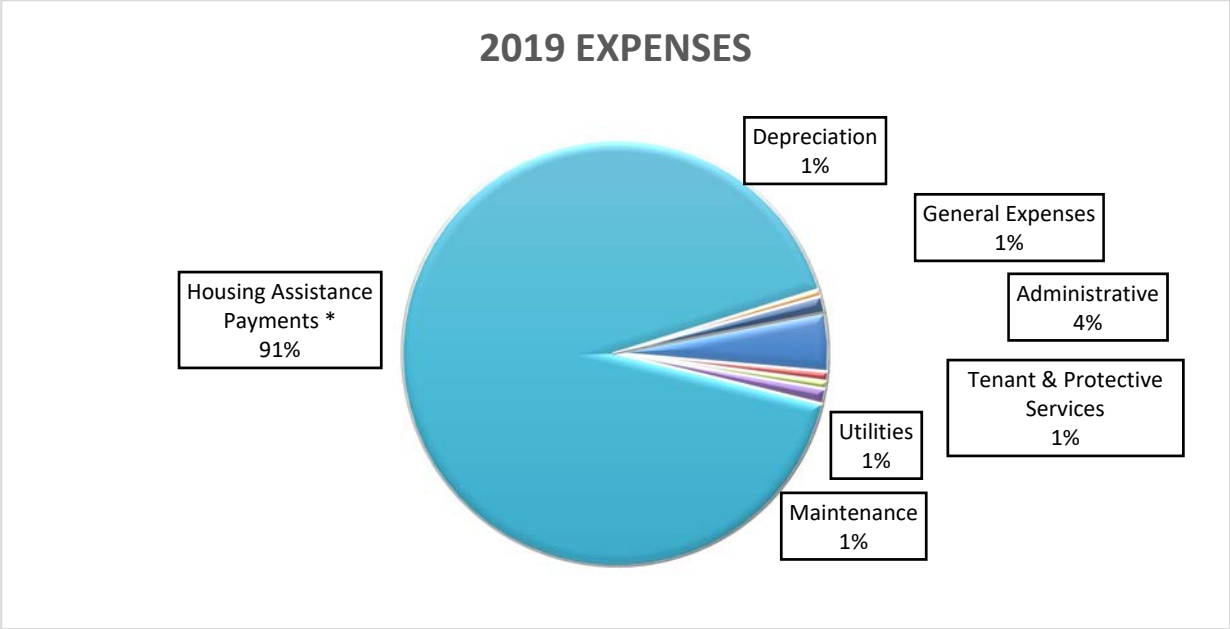
Exhibit 4



**Housing Authority of the City of Austin
“Bringing Opportunity Home”**

Management Discussion and Analysis
For the Year Ended March 31, 2019

Exhibit 5



Housing Authority of the City of Austin

STATEMENT OF NET POSITION

March 31, 2019

ASSETS

CURRENT ASSETS

Cash - unrestricted	\$ 15,683,973
Cash - restricted	33,893,452
Investments - unrestricted	350,000
Receivables, net	4,568,353
Due from HUD	3,125,142
Prepaid expenses	503,114
Inventory	<u>11,723</u>
Total current assets	58,135,757

NONCURRENT ASSETS

Cash - restricted	355,513
Capital assets, net	115,083,086
Accrued interest receivable	1,393,958
Notes and loans receivable - property	40,364,458
Investment in joint ventures	<u>17,868,966</u>
Total assets	<u>233,201,738</u>

LIABILITIES

CURRENT LIABILITIES

Current portion of long-term debt	1,884,389
Accounts payable	526,186
Due to HUD	627,624
Accrued interest payable	250,355
Accrued salaries	743,939
Accrued compensated absences	187,765
Accrued liabilities	233,641
Tenant security deposits	533,411
Unearned revenue	525,448
Unearned revenue - ground leases	330,158
Family self sufficiency escrow	263,024
Other current liabilities	<u>425,353</u>
Total current liabilities	6,531,293

NONCURRENT LIABILITIES

Long-term debt	70,390,386
Accrued compensated absences	2,045,228
Family self sufficiency escrow	355,513
Unearned revenue - ground leases	<u>38,632,419</u>
Total liabilities	<u>117,954,839</u>

NET POSITION

Net investment in capital assets	42,808,311
Restricted	32,190,567
Unrestricted	<u>40,248,021</u>
Total net position	<u>\$ 115,246,899</u>

The accompanying notes are an integral part of these financial statements.

Housing Authority of the City of Austin

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

March 31, 2019

OPERATING REVENUES

HUD operating revenues	\$ 65,869,646
Tenant revenue, net	11,785,588
Other government operating grants	422,915,798
Other operating revenue	<u>9,496,966</u>
Total operating revenues	<u>510,067,998</u>

OPERATING EXPENSES

Administrative	22,475,988
Tenant services	3,073,714
Utilities	2,976,765
Maintenance	5,557,585
Protective services	600,624
General	2,659,442
Depreciation	6,310,058
Housing assistance payments	<u>461,621,750</u>
Total operating expenses	<u>505,275,926</u>

OPERATING INCOME

4,792,072

NONOPERATING REVENUES (EXPENSES)

Mortgage interest income	703,241
Gain on sale of capital assets	32,130
Interest income - unrestricted	134,637
Interest income - restricted	31,799
Loss on RAD conversion of properties	(562,304)
Interest expense	<u>(3,487,172)</u>
Total nonoperating revenues (expenses)	<u>(3,147,669)</u>
Change in net position before capital contributions	1,644,403

CAPITAL CONTRIBUTIONS

HUD capital grants	<u>1,766,621</u>
Change in net position	3,411,024
Total net position - beginning	<u>111,835,875</u>
Total net position - ending	<u>\$ 115,246,899</u>

The accompanying notes are an integral part of these financial statements.

Housing Authority of the City of Austin

STATEMENT OF CASH FLOWS

March 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

HUD operating grants received	\$ 67,188,735
Collections from tenants	11,847,598
Other government grants received	422,941,138
Collections from other sources	7,750,465
Payments to employees	(21,403,327)
Payments to suppliers	(14,898,991)
Housing assistance payments	<u>(461,557,542)</u>
Net cash provided by operating activities	<u>11,868,076</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

HUD capital grants received	1,821,685
Payments on long-term debt	(2,789,344)
Proceeds from long-term debt	12,472,000
Payments of interest	(3,466,668)
Investments in joint ventures	(1,997,237)
Prepaid ground leases received	664,457
Purchase of property and equipment	(5,815,273)
Proceeds from sale of property and equipment	<u>32,130</u>
Net cash provided by capital and related financing activities	<u>921,750</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Collection of note receivable	5,607
Interest received	171,915
Purchase of investments	(350,000)
Investments in notes receivable	<u>(2,500,000)</u>
Net cash used in investing activities	<u>(2,672,478)</u>

NET INCREASE IN CASH

	10,117,348
Cash at beginning of year	<u>39,815,590</u>
Cash at end of year	<u><u>\$ 49,932,938</u></u>

AS PRESENTED IN THE ACCOMPANYING STATEMENT OF NET POSITION:

Cash - unrestricted	\$ 15,683,973
Cash - restricted	33,893,452
Cash - restricted noncurrent	<u>355,513</u>
	<u><u>\$ 49,932,938</u></u>

The accompanying notes are an integral part of these financial statements.

Housing Authority of the City of Austin

STATEMENT OF CASH FLOWS (continued)

March 31, 2019

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 4,792,072
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	6,310,058
Provision for bad debt, net of recoveries	30,714
(Increase) decrease in assets:	
Receivables, net	(1,384,742)
Due from HUD	1,170,040
Prepaid expenses	(12,416)
Inventory	14,736
Investment in joint venture	155,988
Increase (decrease) in liabilities:	
Accounts payable	9,226
Due to HUD	149,049
Accrued salaries	13,776
Accrued compensated absences	244,621
Accrued liabilities	84,885
Tenant security deposits	59,827
Unearned revenue	258,515
Family self sufficiency escrow	64,208
Unearned revenue - ground leases	(364,950)
Other current liabilities	272,469
Net cash provided by operating activities	<u>\$ 11,868,076</u>

The accompanying notes are an integral part of these financial statements.

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

The Housing Authority of the City of Austin (the "Authority") was established for the purpose of engaging in the development, acquisition and administration of the low-income housing program and other programs with similar objectives. The United States Department of Housing and Urban Development ("HUD") has direct responsibility for administering the low-income housing program under the United States Housing Act of 1937, as amended. The primary purpose of the Authority is to develop, acquire and operate safe, decent, sanitary and affordable housing for low-income families in the City of Austin, Texas in accordance with federal legislation and regulations.

The Authority is not a component unit of the City, as defined in Governmental Accounting Standards Board's ("GASB") *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100, *Defining the Financial Reporting Entity*, and 2600, *Reporting Entity and Component Unit Presentation and Disclosure*, as the Board independently oversees the Authority's operations.

The definition of the reporting entity as described by GASB Codification Sections 2100 and 2600 is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. The Authority's reporting entity is comprised of an enterprise fund which includes the activities of several housing programs and blended component units.

Blended component units

Some component units, despite being legally separate from the primary government, are so integrated with the primary government that they are in substance part of the primary government. These component units are blended with the primary government. The Authority's financials include the following blended component units:

- Austin Affordable Housing Corporation ("AAHC") - a nonprofit organization that purchases and leases homes and other rental properties.
- Southwest Housing Compliance Corporation ("SHCC") - a nonprofit organization that administers HUD Performance Based Contracts for Section 8 Project Based units throughout Texas and Arkansas.
- Austin Pathways - a nonprofit organization that supports HACA's scholarship and self-sufficiency programs, previously named the HACA Scholarship Foundation, Inc.

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Reporting entity (continued)

Blended component units (continued)

- Blueprint Housing Solutions - a nonprofit organization that consults on affordable housing operations and community development programs.
- Austin Affordable Public Facility Corporation ("PFC") - a nonprofit organization created in accordance with Chapter 303 of the Texas Local Government Code to further the purpose of the Authority.
- Equity Community Land Trust ("CLT") - a nonprofit organization that provides homeownership opportunities through long-term leasing of land to homeowners.

In addition to the above, the Authority has created entities whose sole purpose is to assist in the development of affordable housing. The following blended component units are organized under AAHC and have an ownership interest in developments owned by related party entities (see Note B-13):

PASG AAHC, LLC	Bridge at Sterling Village, LLC	Pathways at Manchaca II, LLC
AAHC-CDT Parmer, LLC	Bridge at Sweetwater, LLC	Pathways at Gaston GP, LLC
AAHC-CDT Center Ridge, LLC	Bridge at Southpoint, LLC	Pathways at Meadowbrook Court, LLC
AAHC-CDT Tech Ridge, LLC	Bridge at Sterling Springs, LLC	Pathways at Booker T Washington Terraces, LLC
AAHC Lexington Hills, LLC	LDG Bridges at Cameron GP, LLC	Springdale Community Development GP, LLC
Villages of Ben White GP, LLC	HACA Pathways I, GP, LLC	Ben White Development GP, LLC
Harris AAHCLDG, LLC	Commons at Goodnight GP, LLC	Pathways at Chalmers South, LP
thinkEAST GP, LLC	Harris Ridge Apartments GP, LLC	Pathways at Rosewood Courts, LP
2015 Urban Oaks GP, LLC	Pathways at Bouldin Oaks, LLC	Pathways at Salina Apartments, LP
Bridge at Volente, LLC	Pathways at Coronado Hills, LLC	Pathways at Santa Rita Courts, LP
		Pathways at Thurmond Heights, LP

2. Government-wide and fund financial statements

The government-wide financial statements report information about the reporting government as a whole excluding fiduciary activities. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities rely to a significant extent on user fees and charges for support.

Governments use fund accounting whereby funds are organized into three major categories: governmental, proprietary and fiduciary. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenditures/expenses.

For financial reporting purposes, the Authority reports all of its operations as a single business activity in a single enterprise fund. Therefore, the government-wide and the fund financial statements are the same.

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Government-wide and fund financial statements (continued)

Enterprise funds are proprietary funds. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating activities generally arise from providing services in connection with a proprietary fund's principal activity. The operating revenues of the Authority consist primarily of rental charges to tenants, management fees, development fees, government grants and operating grants from the U.S. Department of Housing and Urban Development ("HUD") and include, to a lesser extent, certain operating amounts of capital grants that offset operating expenses.

Operating expenses for the Authority include the cost of tenant services, general, administrative, maintenance, utilities, protective services, depreciation and housing assistance payments. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses, except for capital contributions, which are presented separately.

When restricted resources meet the criteria to be available for use and unrestricted resources are also available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources, as needed.

3. Measurement focus and basis of accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. The proprietary fund utilizes an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied. The basis of accounting used is similar to businesses in the private sector, thus, these funds are maintained on the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

For financial reporting purposes, the Authority considers its HUD and certain other government grants associated with operations as operating revenue because these funds more closely represent revenues generated from operating activities rather than nonoperating activities. HUD and other grants associated with capital acquisition and improvements are considered capital contributions and are presented after nonoperating activity on the accompanying statement of revenues, expenses and changes in net position.

As provided by GASB Codification Section P80.115, *Proprietary Fund Accounting and Financial Reporting: Defining Operating Expenses*, and related guidance, tenant revenue is reported net of \$30,714 in accounts written off.

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Summary of programs

The accompanying basic financial statements include the activities of several housing programs of the Authority. A summary of each significant program is provided below.

Low Rent Public Housing Programs

The Low Rent Public Housing Programs include asset management projects ("AMPs"), which collect both operating and capital fund subsidy and various other related HUD grants.

The purpose of these programs is to provide decent and affordable housing to low-income families at reduced rents. The properties are owned, maintained and managed by the Authority. The properties are acquired, developed and modernized under HUD's Development and Capital Fund programs. Funding of operations and development is provided by federal annual contributions, operating subsidies and tenant rentals (determined as a percentage of family income, adjusted for family composition and other allowances).

Rental Assistance Demonstration ("RAD") Multi-Family

The RAD program converts existing public housing properties to multi-family rental housing units owned by affiliates of the Authority to provide decent and affordable housing to low-income families. Funding of the program is provided by federal housing assistance contributions from HUD for the difference between the approved contract rent and the rent paid by the tenants.

Central Office Cost Center

The Central Office Cost Center ("COCC") is a business unit within the Authority that generates revenue through fees for service from other Authority programs and activities.

Housing Assistance Payments Programs

The Housing Assistance Payments Programs utilize existing privately owned family rental housing units to provide decent and affordable housing to low-income families. The Section 8 Housing Choice Voucher ("HCV"), Section 8 Moderate Rehabilitation Single Room Occupancy, and Veterans Affairs Supportive Housing ("VASH") programs are funded through federal housing assistance contributions from HUD for the difference between the approved landlord contract rent and the rent paid by the tenants.

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Summary of programs (continued)

Continuum of Care Program

The Continuum of Care program is designed to promote community-wide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, states, and local governments to quickly re-house homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effective utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

Project Based Section 8 Contract Administration Program

The Project Based Section 8 Contract Administration Program is operated by the SHCC, a blended component unit of the Authority, pursuant to an annual contributions contracts with HUD. HUD has outsourced oversight responsibilities of project based Section 8 to SHCC for the States of Texas and Arkansas.

Other programs

In addition to the programs above, the Authority also administers Family Self-Sufficiency, HOME Investment Partnerships, Shelter Plus Care, Supportive Housing for Persons with Disabilities, and Capital Fund Education and Training and Community Facilities Programs.

Other rental activities

Rental activities are conducted by AAHC and include the operation of sixteen rental houses, Eastland Plaza Shopping Center, Sterling Village Apartments, Bent Tree Apartments, Sweetwater Apartments, Lexington Hills Apartments and Leisure Time Village. Some of the sixteen houses are occupied with tenants possessing Section 8 Vouchers issued by the Authority. The shopping center and the apartments were purchased primarily with unrestricted funds from SHCC. The shopping center and apartments collect fair market rent from commercial entities and residents, respectively.

5. Assets, liabilities and net position

a. *Cash*

For financial statement purposes cash is considered to be cash in banks and highly liquid investments with original maturities of three months or less.

b. *Investments*

Investments are reported at fair value and consist only of items specifically approved for public housing agencies by HUD. Investments are either insured or collateralized with securities held by the Authority's agent in the Authority's name. It is the Authority's policy that all funds on deposit are collateralized in accordance with both HUD requirements and requirements of the State of Texas.

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, liabilities and net position (continued)

c. *Receivables*

Receivables consist of revenues earned and not yet collected. Amounts presented as due from HUD principally result from grant revenue being accrued for allowable program expenses not yet funded. Other receivables consist of tenant receivables, fraud recovery receivables for the housing assistance payments programs and reimbursement receivables from various parties in the normal course of business. An allowance for uncollectible amounts is estimated by management based on account composition and prior experience (see Note B-2).

d. *Due from other governments*

Due from other governments consists of revenue earned for related costs incurred from government grants that have not yet been collected.

e. *Inventory*

Inventory consists principally of materials held for use or consumption and is recorded on the average cost method. If inventory falls below cost due to damage, deterioration or obsolescence, the Authority establishes an allowance for obsolete inventory. Based on management's experience with the types of items in inventory and related usage plans, there is no allowance for obsolescence recorded as of March 31, 2019.

f. *Capital assets*

The Authority's policy is to capitalize assets with a value in excess of \$2,500 and a useful life in excess of two years. The Authority capitalizes the costs of site acquisition and improvement, structures, infrastructure, equipment and direct development costs meeting the capitalization policy. Assets are valued at historical cost, or estimated historical cost if actual historical cost is not available, and contributed assets are valued at fair value on the date contributed.

Depreciation has been provided using the straight-line method over the estimated useful lives, which range as follows:

Buildings and improvements	5 - 40 years
Equipment	3 - 5 years

g. *Investment in joint ventures*

The Authority's blended component unit, AAHC, accounts for its ownership in Partnerships using the equity method. Under the equity method, the initial investment is recorded at cost, and then increased or decreased by the Authority's share of income or losses and decreased by distributions (see Note B-5). These entities are considered to be related parties of the Authority (see Note B-13).

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, liabilities and net position (continued)

h. Tenant security deposits

Tenant security deposits are deposits held by the Authority that are required of tenants before they are allowed to move into an Authority owned site. The Authority records this cash as restricted, with an offsetting liability, as these funds may be reimbursable to the tenant when they move out.

i. Accrued compensated absences

Permanent employees are granted paid time off at varying rates depending on tenure with the Authority and can accrue a maximum of 240 hours of vacation time. Employees are entitled to 100% of any remaining accrued vacation upon termination. Employees with vacation time in excess of 240 hours must take time off to stay under the maximum. Sick leave is accrued and is eligible to be paid out on a vesting basis after a minimum of five years employment. The amount of compensated absences earned in the current period is expensed with the cumulative amount owed per the policy reflected as a liability in the basic financial statements.

j. Unearned revenues

Unearned revenues include amounts collected before revenue recognition criteria are met. The unearned revenues consist of \$247,045 of prepaid rents, \$278,403 of unspent grant funds, \$330,158 of current and \$38,632,419 of noncurrent prepaid ground lease rents associated with related parties (see Note B-6).

k. Eliminations

For financial reporting purposes, certain amounts are internal and are therefore eliminated in the accompanying financial statements. The following have been eliminated from the financial statements:

i.) Interprogram due to/from

In the normal course of operations, certain programs may pay for common costs or advance funds for operations that create interprogram receivables or payables. As of March 31, 2019, interprogram receivables and payables of \$6,006,019 are eliminated for the presentation of the Authority as a whole.

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, liabilities and net position (continued)

k. *Eliminations (continued)*

ii.) *EPC reimbursable costs*

As part of the Energy Performance Contract, PFC is owed \$722,426 from the COCC. As of March 31, 2019, \$722,426 of accounts receivable and other current liabilities are eliminated for the presentation of the Authority as a whole.

iii.) *Internal notes receivable and payable*

The Authority's blended component unit, AAHC, borrowed \$4,900,000 of unrestricted funds from the Business Activities program to fund the investment in HACA Pathways I, LP and Pathways at Goodrich, LP (see Note B-5). As of March 31, 2019, \$10,963,601 of notes receivable and notes payable are eliminated for the presentation of the Authority as a whole.

iv.) *Fee for service*

The Authority's COCC internally charges fees to the AMPs and programs of the Authority. These charges include management fees, bookkeeping fees, and asset management fees. For financial reporting purposes \$3,722,630 of fee for service charges have been eliminated for the year ended March 31, 2019.

l. *Net position*

In accordance with GASB Codification Section 1800.155, *Reporting Net Position in Government-Wide Financial Statements*, total equity as of March 31, 2019, is classified into three components of net position:

i.) *Net investment in capital assets*

This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, and improvements of those assets.

ii.) *Restricted component of net position*

This category consists of restricted assets and deferred outflows of resources by related liabilities and deferred inflows of resources restricted in their use by (1) external groups such as grantors, creditors or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The statement of net position of the Authority reports the following in restricted net position:

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Assets, liabilities and net position (continued)

I. Net position (continued)

ii.) Restricted component of net position (continued)

Modernization and development	\$ 30,384,641
Reserve accounts	1,683,922
Scholarships and other	<u>122,004</u>
Total restricted net position	<u><u>\$ 32,190,567</u></u>

iii.) Unrestricted component of net position

This category includes all of the remaining net position that does not meet the definition of the other two components.

6. Leasing activities

The Authority is the lessor of dwelling units mainly to low-income residents (see Note A-4). The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time or renewed every year. The Authority may cancel the lease only for cause. In addition, other than the administrative offices, a significant portion of the capital assets are used in these leasing activities. In addition, the Authority, through a blended component unit, owns commercial real estate that is being leased as well. Revenues associated with these leases are recorded in the accompanying basic financial statements and related schedules within tenant revenue.

7. Budgets

Budgets are prepared on an annual basis for each major program and are used as a management tool throughout the accounting cycle. Budgets are not, however, legally adopted nor required in the basic financial statement presentation.

8. Income taxes

The Authority is a governmental entity and is exempt from federal and state income taxes. Accordingly, no provision for income taxes has been made in the financial statements. The Authority's nonprofit blended component units are also not subject to federal or state income taxes.

The Authority's remaining blended component units, as described in Note A-1, account for income taxes in accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 740, *Income Taxes*, which clarifies the accounting and disclosure requirements for uncertainty in tax positions. It requires a two-step approach to evaluate tax positions and determine if they should be recognized in the financial statements.

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Income taxes (continued)

The two-step approach involves recognizing any tax positions that are “more likely than not” to occur and then measuring those positions to determine if they are recognizable in the financial statements. Management regularly reviews and analyzes all tax positions and has determined no aggressive tax positions have been taken.

For the fiscal year ended March 31, 2019, no provision or liability for federal income taxes has been included in the financial statements for the Authority’s blended component units. The Authority’s blended component units income tax filings are subject to audit by various taxing authorities. The open audit periods for these entities are 2015 through 2019.

9. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

10. Impairment of long-lived assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that the impairment is other-than-temporary, then an impairment loss will be recorded in the Authority’s financial statements. Management has determined that there were no impairments as of March 31, 2019.

11. Impact of recently issued accounting principles

In June 2017, the GASB issued Statement No. 87, *Leases*, which establishes a single model for lease accounting. This statement is effective for the Authority’s March 31, 2021 fiscal year end. Management is currently evaluating the impact of the adoption of this statement on the Authority’s financial statements.

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE B - DETAILED NOTES

1. Deposits and investments

As of March 31, 2019, the Authority's cash balance consists of cash in banks in the amount of \$49,932,938.

In accordance with GASB Codification Sections C20, *Cash Deposits with Financial Institutions*, and I50, *Investments*, the Authority's exposure to risk is disclosed as follows:

Interest Rate Risk. Interest rate risk is the risk that the relative value of a security will decline due to a change in interest rates. The Authority's policy to limit its exposure to declines in fair values of its investment portfolio is to only invest in HUD allowed investments and to monitor investments. As of March 31, 2019, the Authority's investment balance solely consisted of certificates of deposit, and therefore was not exposed to interest rate risk.

Credit Risk. Credit risk is the risk that a counterparty will fail to meet its obligations in accordance with agreed terms. It is the Authority's policy to follow the HUD regulations by only having direct investments and investments through mutual funds to direct obligations, guaranteed obligations, or obligations of the agencies in the United States of America. As of March 31, 2019, the Authority mitigated their exposure to credit risk by following HUD regulations.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority's policy regarding types of deposits allowed and collateral requirements are as follows: deposits and investments of the Authority and its component units, other than direct purchases of United States Treasury instruments or its agencies, is secured by pledged collateral. Collateralization levels of the Authority and component units are pledged at market value deposits and investments less an amount insured by the Federal Deposit Insurance Corporation (FDIC) or Federal Savings and Loan Insurance Corporation (FSLIC). Acceptable collateral, exclusive of FDIC and FSLIC coverage, is (1) A bond, certificate of indebtedness, or Treasury Note of the United States, or other evidence of indebtedness of the United States, its agencies or instrumentalities, (2) Obligations, the principal and interest on which, are unconditionally guaranteed or insured by the State of Texas, or (3) A bond of the State of Texas or of a county, city or other political subdivision of the State of Texas rated as investment grade (no less than "A" or its equivalent) by a nationally recognized rating agency with a remaining maturity of ten (10) years or less. As of March 31, 2019, none of the Authority's total bank balance was exposed to custodial credit risk.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the Authority's investment in a single issuer. To limit the risk of loss attributed to the magnitude of the Authority's investment in a single issuer, the Authority limits its investments to a diversified portfolio and limits investments to those instruments allowed by Texas State Law and its investment policy.

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2019

NOTE B - DETAILED NOTES (continued)

1. Deposits and investments (continued)

Cash was restricted for the following purposes at March 31, 2019:

Current:	
EPC reserves	\$ 240,827
Modernization and development	30,384,641
Tenant security deposits	665,559
Deferred grant revenues	278,403
Scholarships and other	122,004
Family self-sufficiency escrow	263,024
AAHC reserve accounts	1,311,370
Amounts due to HUD	627,624
Subtotal current	33,893,452
Noncurrent:	
Family self-sufficiency escrow	355,513
Total restricted cash	<u>\$ 34,248,965</u>

2. Receivables, net

As of March 31, 2019, receivables, net consist of:

Due from other governments	\$ 47,890
Tenant receivables	97,610
Portability receivables	10,041
Notes receivable - property	3,891
Fraud recovery	205
Development receivables	4,424,432
Total receivables	4,584,069
Allowance for doubtful accounts - tenants	(15,716)
Total receivables, net	<u>\$ 4,568,353</u>

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2019

NOTE B - DETAILED NOTES (continued)

3. Capital assets

A summary of changes in capital assets is as follows:

	Balance at April 1, 2018	Transfers in/ Additions	Transfers out/ Deletions	Balance at March 31, 2019
Non-depreciable:				
Land	\$ 48,807,490	\$ -	\$ -	\$ 48,807,490
Construction in progress	4,830,487	2,020,829	(3,177,309)	3,674,007
Total non-depreciable	53,637,977	2,020,829	(3,177,309)	52,481,497
Depreciated:				
Buildings and improvements	155,792,951	6,001,580	(1,993,588)	159,800,943
Equipment - administrative	2,161,035	456,917	(91,999)	2,525,953
Equipment - dwelling	824,709	-	(106,863)	717,846
Leasehold improvements	14,259,402	119,604	(382,938)	13,996,068
Total depreciated	173,038,097	6,578,101	(2,575,388)	177,040,810
Total capital assets	226,676,074	8,598,930	(5,752,697)	229,522,307
Less accumulated depreciation				
Buildings and improvements	(95,380,651)	(4,897,720)	1,085,329	(99,193,042)
Equipment - administrative	(1,594,089)	(969,833)	768,558	(1,795,364)
Equipment - dwelling	(513,479)	(170,483)	152,780	(531,182)
Leasehold improvements	(12,992,619)	(272,022)	345,008	(12,919,633)
Total accumulated depreciation	(110,480,838)	(6,310,058)	2,351,675	(114,439,221)
Capital assets, net	\$ 116,195,236	\$ 2,288,872	\$ (3,401,022)	\$ 115,083,086

The additions are primarily from improvements made to the Public Housing units through the Capital Fund Program. The Authority's disposals consist mainly of cost and accumulated depreciation of buildings that were sold to the related party partnerships as part of the RAD conversions.

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2019

NOTE B - DETAILED NOTES (continued)

4. Notes and loans receivable - property

In accordance with the terms and funding arrangements for certain developments, the Authority and its blended component units made loans to assist with the associated purchase or constructions costs. A summary of changes in notes receivable for the year ended March 31, 2019 is as follows:

	Balance at April 1, 2018	Additions	Reductions	Balance at March 31, 2019	Due within one year
CLT Home Loan A	\$ 68,360	\$ -	\$ (1,592)	\$ 66,768	\$ 1,656
CLT Home Loan B	71,124	-	(4,015)	67,109	2,235
HACA Pathways I, LP Note A	820,000	-	-	820,000	-
HACA Pathways I, LP Note B	24,940,000	-	-	24,940,000	-
Pathways at Gaston, LP Note A	6,300,000	-	-	6,300,000	-
Pathways at Gaston, LP Note B	5,674,472	-	-	5,674,472	-
Pathways at Chalmers South, LP	-	2,500,000	-	2,500,000	-
Total	<u>\$ 37,873,956</u>	<u>\$ 2,500,000</u>	<u>\$ (5,607)</u>	<u>\$ 40,368,349</u>	<u>\$ 3,891</u>

CLT Home Loans

On June 28, 2013, the Authority's blended component unit, CLT, entered into a loan agreement with a tenant in the amount of \$75,000. The note has a maturity date of July 1, 2043. All interest is compounded monthly at a rate of 4.00%, with payments of \$358 due on the 1st of each month. The loan is secured by the property. As of March 31, 2019, the balance is \$66,768, of which \$1,656 is presented as current.

On August 1, 2016, the Authority's blended component unit, CLT, entered into a loan agreement with a tenant in the amount of \$75,000. The note has a maturity date of August 1, 2046. All interest is compounded monthly at a rate of 4.00%, with payments of \$358 due on the 1st of each month. The loan is secured by the property. As of March 31, 2019, the balance is \$67,109, of which \$2,235 is presented as current.

Partnership Notes

During 2017, the Authority's blended component unit, AAHC entered into a loan agreement with HACA Pathways I, LP in the amount of \$820,000. The note does not bear interest. The note is payable from surplus cash and is due and payable in full on its maturity date of November 1, 2066. As of March 31, 2019, the balance is \$820,000.

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE B - DETAILED NOTES (continued)

4. Notes and loans receivable - property (continued)

Partnership Notes (continued)

During 2017, the Authority entered into a loan agreement with HACA Pathways I, LP in the amount of \$24,940,000. All interest is compounded annually at a rate of 2.07%. The note is payable from surplus cash and is due and payable in full on its maturity date of November 1, 2066. As of March 31, 2019, the balance is \$24,940,000.

During 2017, the Authority entered into a loan agreement with Pathways at Gaston Place, LP in the amount of \$6,300,000. All interest is compounded annually at a rate of 2.68%. The note is payable from surplus cash and is due and payable in full on its maturity date of July 1, 2067. As of March 31, 2019, the balance is \$6,300,000.

During 2017, the Authority's blended component unit, AAHC entered into a loan agreement with Pathways at Gaston Place, LP in the amount of \$5,674,472. The note does not bear interest. The note is payable from surplus cash and is due and payable in full on its maturity date of July 1, 2067. As of March 31, 2019, the balance is \$5,674,472.

During 2018, the Authority's blended component unit, AAHC entered into a loan agreement with Pathways at Chalmers South, LP in the amount of \$2,500,000. The note does not bear interest. The note is payable from surplus cash and is due and payable in full on its maturity date of August 1, 2048. As of March 31, 2019, the balance is \$2,500,000.

The HACA Pathways I, LP and Pathways at Gaston Place, LP and Pathway at Chalmers South, LP notes are secured by the real property.

5. Investment in joint ventures

As of March 31, 2019, the Authority's investment in joint venture ownership interest percent and equity balances are as follows:

<u>Related Party Partnership</u>	<u>Ownership interest</u>	<u>Balance at March 31, 2019</u>
Century Park Apartments, LP	0.01%	\$ 763,460
HACA Pathways I, LP	0.01%	4,899,571
AAHC-CDT Center Ridge, LLC	20.00%	2,686,621
AAHC-CDT Tech Ridge, LLC	20.00%	1,738,561
Bridge at Sterling Springs, LLC	34.48%	2,425,431
Bridge at Volente, LLC	47.22%	2,322,931
Pathways at Goodrich, LP	0.01%	(117)
Preserve at Wells Branch	9.00%	1,193,113
Bridge at Northwest Hills	10.00%	1,175,168
Bridge at Terracina	0.10%	664,227
Total investment in joint venture		<u>\$ 17,868,966</u>

Housing Authority of the City of Austin

NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE B - DETAILED NOTES (continued)

6. Ground leases

In accordance with the terms and funding arrangements for certain developments, the Authority and its blended component units received advance payment for ground leases. A summary of changes in unearned revenue associated with the following entities as of March 31, 2019, is as follows:

	Balance at April 1, 2018	Additions	Reductions	Balance at March 31, 2019	Due within one year
Harris AAHCLDG LP	\$ 1,547,477	\$ -	\$ (30,203)	\$ 1,517,274	\$ -
AAHC-CDT Tech Ridge LLC	2,976,922	-	(40,780)	2,936,142	40,780
AAHC-CDT Center Ridge LLC	3,919,193	-	(53,688)	3,865,505	53,688
6725 Urban Oaks Partnership LP	1,394,556	-	(18,667)	1,375,889	18,667
Ben White Development LP	2,386,112	-	(33,333)	2,352,779	33,333
Reserve at Springdale LP	1,844,379	-	(25,440)	1,818,939	25,440
Village at Ben White LP	1,431,667	-	(20,000)	1,411,667	20,000
ThinkEast Apartments Ltd	2,000,543	64,457	(4,589)	2,060,411	-
Bridge at Volente LLC	4,441,205	-	(45,434)	4,395,771	45,434
HACA Pathways I, LP	4,823,954	-	(65,334)	4,758,620	65,334
Pathways at Gaston, LLC	99,337	-	(1,333)	98,004	1,333
Pathways at Sterling Springs, LLC	2,575,725	-	(26,149)	2,549,576	26,149
Harris Ridge Apartments, LLC	2,850,000	-	-	2,850,000	-
Bridges at Cameron, LLC	2,800,000	-	-	2,800,000	-
Commons at Goodnight, LP	3,572,000	-	-	3,572,000	-
Pathways at Goodrich, LLC	-	600,000	-	600,000	-
Total	<u>\$ 38,663,070</u>	<u>\$ 664,457</u>	<u>\$ (364,950)</u>	<u>\$ 38,962,577</u>	<u>\$ 330,158</u>

In May of 2016, the Authority entered into a 99-year ground lease agreement with Harris AAHCLDG, LP. Harris AAHCLDG, LP has received prepaid rent in the amount of \$1,599,000, of which \$1,517,274 is included in unearned revenues as of March 31, 2019, and \$30,203 has been recognized as rental income for the year ended March 31, 2019.

On September 16, 2015, the Authority entered into a 75-year ground lease agreement with AAHC-CDT Tech Ridge, LLC. AAHC-CDT Tech Ridge, LLC prepaid rent in the amount of \$3,058,482, of which \$2,936,142 is included in unearned revenues as of March 31, 2019 and \$40,780 has been recognized as rental income for the year ended March 31, 2019.

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE B - DETAILED NOTES (continued)

6. Ground leases (continued)

On September 16, 2015, the Authority entered into a 75-year ground lease agreement with AAHC-CDT Center Ridge, LLC. CDT Center Ridge, LLC has received prepaid rent in the amount of \$4,026,569, of which \$3,865,505 is included in unearned revenues as of March 31, 2019, and \$53,688 has been recognized as rental income for the year ended March 31, 2019.

On September 16, 2015, the Authority entered into a 75-year ground lease agreement with 6725 Urban Oaks Partnership, LP. 6725 Urban Oaks Partnership, LP has received prepaid rent in the amount of \$1,400,000 of which \$1,375,889 is included in unearned revenues as of March 31, 2019, and \$18,667 has been recognized as rental income for the year ended March 31, 2019.

On August 1, 2014, the Authority entered into a 75-year ground lease agreement with Ben White Development, LP. Ben White Development, LP has received prepaid rent in the amount of \$1,500,000, of which \$2,352,779 is included in unearned revenues as of March 31, 2019, and \$33,333 has been recognized as rental income for the year ended March 31, 2019.

On September 16, 2015, the Authority entered into a 75-year ground lease agreement with Reserves at Springdale, LP. Reserves at Springdale, LP has received prepaid rent in the amount of \$1,907,979, of which \$1,818,939 is included in unearned revenues as of March 31, 2019, and \$25,440 has been recognized as rental income for the year ended March 31, 2019.

On August 1, 2014, the Authority entered into a 75-year ground lease agreement with Villages at Ben White, LP. Villages at Ben White, LP has received prepaid rent in the amount of \$1,500,000, of which \$1,411,667 is included in unearned revenues as of March 31, 2019, and \$20,000 has been recognized as rental income for the year ended March 31, 2019.

On October 19, 2015, the Authority entered into a 75-year ground lease agreement with Think East Apartments, Ltd. Think East Apartments, Ltd. has received prepaid rent in the amount of \$2,065,000 of which \$2,060,411 is included in unearned revenues as of March 31, 2019, and \$4,589 has been recognized as rental income for the year ended March 31, 2019.

On September 16, 2016, the Authority entered into a 99-year ground lease agreement with Bridge at Volente, LLC. Bridge at Volente, LLC has received prepaid rent in the amount of \$4,498,000, of which \$4,395,771 is included in unearned revenues as of March 31, 2019, and \$45,434 has been recognized as rental income for the year ended March 31, 2019.

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE B - DETAILED NOTES (continued)

6. Ground leases (continued)

On November 1, 2016, the Authority entered into a 75-year ground lease agreement with HACA Pathways I, LP. HACA Pathways I, LP has received prepaid rent in the amount of \$4,900,000, of which \$4,758,620 is included in unearned revenues as of March 31, 2019, and \$65,334 has been recognized as rental income for the year ended March 31, 2019.

On July 1, 2017, the Authority entered into a 75-year ground lease agreement with Pathways at Gaston Place, LP. Pathways at Gaston Place, LP. has received prepaid rent in the amount of \$100,000, of which \$98,004 is included in unearned revenues as of March 31, 2019, and \$1,333 has been recognized as rental income for the year ended March 31, 2019.

On July 1, 2017, the Authority entered into a 99-year ground lease agreement with Bridge at Sterling Springs, LLC. Bridge at Sterling Springs, LLC has received prepaid rent in the amount of \$2,588,800, of which \$2,549,576 is included in unearned revenues as of March 31, 2019, and \$26,149 has been recognized as rental income for the year ended March 31, 2019.

On November 1, 2017, the Authority entered into a 99-year ground lease agreement with Harris Ridge Apartments, Ltd. Harris Ridge Apartments, Ltd. has received prepaid rent in the amount of \$2,850,000 which is included in unearned revenues as of March 31, 2019.

On December 1, 2017, the Authority entered into a 75-year ground lease agreement with LDG Bridges at Cameron, LP. Bridges at Cameron, LP has received prepaid rent in the amount of \$2,800,000 which is included in unearned revenues as of March 31, 2019.

On December 1, 2017, the Authority entered into a 75-year ground lease agreement with LDG Commons at Goodnight, LP. Commons at Goodnight, LP has received prepaid rent in the amount of \$3,572,000 which is included in unearned revenues as of March 31, 2019.

On September 1, 2018, the Authority entered into a 15-year ground lease agreement with Pathways at Goodrich, LP. Pathways at Goodrich, LP has received prepaid rent in the amount of \$600,000 which is included in unearned revenues as of March 31, 2019.

For all of the Authority's ground leases, the total lease revenue will be amortized over the term of the lease using the straight-line method. Upon expiration of the lease, the ownership of all property improvements reverts to the Authority.

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2019

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities

A summary of changes in noncurrent liabilities for the year ended March 31, 2019 is as follows:

	Balance at April 1, 2018	Additions	Reductions	Balance at March 31, 2019	Due within one year
Long Term Debt:					
Sweetwater Refinance FY 2018	\$ 3,997,000	\$ -	\$ -	\$ 3,997,000	\$ -
Bent Tree Apartments Sterling Village Apartments refinance 2018	1,390,229	-	(62,173)	1,328,056	72,733
HACA Building	4,600,000	-	-	4,600,000	-
Lexington Hills	2,376,769	-	(923,246)	1,453,523	978,311
Bridge at South Point (OSLO)	8,337,628	-	(147,139)	8,190,489	154,165
AAHC BTW	13,200,000	-	-	13,200,000	-
AAHC Meadowbrook	11,630,688	-	(191,495)	11,439,193	198,652
Bouldin Oaks	7,594,009	-	(125,033)	7,468,976	129,705
Coronado Hills	6,267,493	-	(112,824)	6,154,669	116,916
Manchaca II	1,076,721	-	(19,383)	1,057,338	20,085
Texas Capital EPC	969,049	-	(17,444)	951,605	18,077
Rosewood	1,152,534	-	(1,152,534)	-	-
Santa Rita	-	3,915,000	-	3,915,000	52,838
Eastland Plaza	-	3,557,000	-	3,557,000	48,006
	-	5,000,000	(38,074)	4,961,926	94,901
Total Long term debt	62,592,120	12,472,000	(2,789,345)	72,274,775	1,884,389
Other Noncurrent Liabilities:					
Compensated absences	1,988,372	448,974	(204,353)	2,232,993	187,765
Ground leases	38,663,070	664,457	(364,950)	38,962,577	330,158
FSS Escrow	554,329	1,404,626	(1,340,418)	618,537	263,024
Total	\$ 103,797,891	\$ 14,990,057	\$ (4,699,066)	\$ 114,088,882	\$ 2,665,336

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities (continued)

Sweetwater Apartments

On September 28, 2007, AAHC entered into a mortgage agreement payable to JPMorgan Chase Bank in the original amount of \$3,992,000 for the financing of Sweetwater Apartments. The debt was issued at a rate of 6.11% per annum with monthly payments of \$24,217. The loan matured on October 1, 2017 and as of March 31, 2017, the outstanding principal balance of \$3,442,231 was classified as current. On July 19, 2017, AAHC refinanced the loan with Bellwether Enterprise in the original amount of \$3,997,000 with an interest rate of 4.41% per annum with monthly payments of \$20,039 and a maturity date of July 1, 2027. As of March 31, 2019, the future principal and interest maturities are as follows for the years ending March 31:

	Principal	Interest
2020	\$ -	\$ 179,206
2021	-	178,716
2022	41,851	178,197
2023	64,913	175,555
2024	67,407	173,057
2025-2028	3,822,829	552,344
	<u>\$ 3,997,000</u>	<u>\$ 1,437,075</u>

Bent Tree Apartments

On November 14, 2013, AAHC entered into a mortgage agreement in the amount of \$1,650,000 for the financing of Bent Tree Apartments. The annual interest rate on the mortgage is calculated using the applicable index rate plus one percent. As of March 31, 2019, the applicable interest rate on the mortgage was 3.75% per annum with monthly payments of \$9,810. The loan matures November 14, 2033 and is secured by the real property.

As of March 31, 2019, the future principal and interest maturities are as follows for the years ending March 31:

	Principal	Interest
2020	\$ 72,733	\$ 49,291
2021	71,457	46,502
2022	74,222	43,738
2023	77,094	40,866
2024	79,976	37,984
2025-2029	449,236	140,564
2030-2034	503,338	46,811
	<u>\$ 1,328,056</u>	<u>\$ 405,756</u>

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities (continued)

Sterling Village Apartments mortgage

On November 14, 2013, AAHC entered into a mortgage agreement in the amount of \$3,500,000 for the financing of Sterling Village Apartments. Monthly interest was being calculated using the applicable index rate plus one percent. This mortgage was refinanced and as a result as of March 31, 2017, the outstanding principal balance of \$3,224,281 was all classified as current.

On October 1, 2014, AAHC entered into a debt agreement in the amount of \$900,000 for building improvements. The debt was issued at a rate of 3.75% per annum. During fiscal year 2018, this mortgage was refinanced and as a result as of March 31, 2017, the outstanding principal balance of \$829,306 was all classified as current.

On August 7, 2017, AAHC refinanced the loans with Bellwether Enterprise in the amount of \$4,600,000 with an interest rate of 4.24% per annum with monthly payments of \$16,795 and a maturity date of May 1, 2027.

As of March 31, 2019, the future principal and interest maturities are as follows for the years ending March 31:

	Principal	Interest
2020	\$ -	\$ 198,291
2021	-	197,749
2022	62,291	196,781
2023	77,642	193,585
2024	80,529	190,698
2025-2028	4,379,538	578,198
	<u>\$ 4,600,000</u>	<u>\$ 1,555,302</u>

HACA Building

On August 9, 2010, the Authority entered into a mortgage agreement in the amount of \$7,900,000 for the financing of the administrative office building. The debt was issued at a rate of 5.65% per annum with monthly payments of \$86,344. The loan matures on August 9, 2020 and is secured by the real property. As of March 31, 2019, the future principal and interest maturities are as follows for the years ending March 31:

	Principal	Interest
2020	\$ 978,311	\$ 58,024
2021	475,212	7,327
	<u>\$ 1,453,523</u>	<u>\$ 65,351</u>

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities (continued)

Lexington Hills

On September 20, 2013, the Authority entered into a mortgage agreement in the amount of \$8,900,000 for the financing of Lexington Hills. The debt was issued at a rate of 5.38% per annum with monthly payments of \$49,865. The loan matures on October 1, 2023 and is secured by the real property. As of March 31, 2019, the future principal and interest maturities are as follows for the years ending March 31:

	Principal	Interest
2020	\$ 154,165	\$ 444,217
2021	163,991	434,391
2022	173,164	425,219
2023	182,849	415,533
2024	7,516,320	238,887
	\$ 8,190,489	\$ 1,958,247

Bridge at South Point (OSLO) loan

On May 12, 2016, AAHC entered into a debt agreement with Bellwether Enterprise Real Estate Capital, LLC in the amount of \$13,200,000 for building improvements. The debt was issued at a rate of 3.95% per annum. The loan matures on June 1, 2026 and is secured by the real property. As of March 31, 2019, the future principal and interest maturities are as follows for the years ending March 31:

	Principal	Interest
2020	\$ -	\$ 527,973
2021	170,718	525,769
2022	234,247	516,965
2023	243,790	507,422
2024	252,371	498,841
2025-2027	12,298,874	1,081,991
	\$ 13,200,000	\$ 3,658,961

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities (continued)

AAHC Pathways at Booker T. Washington Terraces loan

On October 6, 2017, AAHC entered in a debt agreement with Greystone Servicing Corp. in the amount of \$11,695,000 for critical maintenance and renovations for the property. The debt was issued at a rate of 4.29% per annum with monthly payments of \$57,807. The loan matures on November 1, 2035 and is secured by the real property. As of March 31, 2019, the future principal and interest maturities are as follows for the years ending March 31:

	Principal	Interest
2020	\$ 198,652	\$ 495,028
2021	208,807	484,871
2022	218,073	475,606
2023	227,749	465,929
2024	236,620	457,059
2025-2029	1,664,337	2,497,736
2030-2034	1,759,404	1,708,979
2035-2036	6,925,551	198,845
	\$ 11,439,193	\$ 6,784,053

AAHC Pathways at Meadowbrook Court loan

On October 6, 2017, AAHC entered in a debt agreement with Greystone Servicing Corp. in the amount of \$7,636,000 for critical maintenance and renovations for the property. The debt was issued at a rate of 4.29% per annum with monthly payments of \$37,744. The loan matures on November 1, 2035 and is secured by the real property. As of March 31, 2019, the future principal and interest maturities are as follows for the years ending March 31:

	Principal	Interest
2020	\$ 129,705	\$ 323,218
2021	136,336	316,586
2022	142,386	310,537
2023	148,704	304,219
2024	154,496	298,427
2025-2029	885,254	1,379,360
2029-2034	1,099,957	1,164,657
2035-2036	4,772,138	332,506
	\$ 7,468,976	\$ 4,429,510

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities (continued)

Bouldin Oaks loan

On November 7, 2016, AAHC entered into a debt agreement with Greystone Servicing Corp. in the amount of \$6,403,000 for critical maintenance and renovations for the property. The debt was issued at a rate of 4.10% per annum with monthly payments of \$30,939. The loan matures on December 1, 2034 and is secured by the real property. As of March 31, 2019, the future principal and interest maturities are as follows for the years ending March 31:

	Principal	Interest
2020	\$ 116,916	\$ 254,355
2021	122,558	248,712
2022	127,751	243,519
2023	133,164	238,106
2024	138,177	233,093
2025-2029	786,668	1,069,683
2030-2034	968,126	888,226
2035	3,761,309	115,555
	\$ 6,154,669	\$ 3,291,249

Coronado Hills loan

On November 7, 2016, AAHC entered into a debt agreement with Greystone Servicing Corp. in the amount of \$1,100,000 for critical maintenance and renovations for the property. The debt was issued at a rate of 4.10% per annum with monthly payments of \$5,315. The loan matures on December 1, 2034 and is secured by the real property. As of March 31, 2019, the future principal and interest maturities are as follows for the years ending March 31:

	Principal	Interest
2020	\$ 20,085	\$ 43,697
2021	21,055	42,727
2022	21,947	41,835
2023	22,877	40,905
2024	23,738	40,044
2025-2029	135,145	183,766
2030-2034	166,318	152,592
2035	646,173	19,852
	\$ 1,057,338	\$ 565,418

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities (continued)

Manchaca II loan

On November 7, 2016, AAHC entered into a debt agreement with Greystone Servicing Corp. in the amount of \$990,000 for critical maintenance and renovations for the property. The debt was issued at a rate of 4.10% per annum with monthly payments of \$4,784. The loan matures on December 1, 2034 and is secured by the real property. As of March 31, 2019, the future principal and interest maturities are as follows for the years ending March 31:

	Principal	Interest
2020	\$ 18,077	\$ 39,327
2021	18,949	38,455
2022	19,752	37,652
2023	20,589	36,815
2024	21,364	36,040
2025-2029	121,630	165,389
2030-2034	149,686	137,333
2035	581,558	17,867
	\$ 951,605	\$ 508,878

Texas Capital EPC loan

On July 1, 2014, the Authority entered into a loan agreement in the amount of \$13,700,000 as part of an Energy Performance Contract. The debt was issued at a rate of 3.40% per annum. The loan matures on June 30, 2020 and is secured by the real property. As of March 31, 2019, there is no outstanding principal balance as the remaining balance of \$1,152,534 was paid off in the current year.

Rosewood loan

On November 30, 2018, AAHC entered into a debt agreement with Greystone Servicing Corp. in the amount of \$3,915,000 for critical maintenance and renovations for the property. The debt was issued at a rate of 5.2% per annum with monthly payments of \$21,498. The loan matures on December 1, 2036 and is secured by the real property. As of March 31, 2019, the future principal and interest maturities are as follows for the years ending March 31:

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities (continued)

Rosewood loan (continued)

	Principal	Interest
2020	\$ 52,838	\$ 205,135
2021	55,112	202,860
2022	58,668	199,304
2023	61,837	196,135
2024	65,178	192,795
2025-2029	381,490	908,372
2030-2034	496,970	792,891
2035-2037	2,742,907	406,686
	\$ 3,915,000	\$ 3,104,178

Santa Rita loan

On November 30, 2018, AAHC entered into a debt agreement with Greystone Servicing Corp. in the amount of \$3,557,000 for critical maintenance and renovations for the property. The debt was issued at a rate of 5.2% per annum with monthly payments of \$19,532. The loan matures on December 1, 2036 and is secured by the real property. As of March 31, 2019, the future principal and interest maturities are as follows for the years ending March 31:

	Principal	Interest
2020	\$ 48,006	\$ 186,377
2021	50,073	184,310
2022	53,304	181,079
2023	56,183	178,200
2024	59,217	175,165
2025-2029	346,605	825,307
2030-2034	451,525	720,387
2035-2037	2,492,087	369,497
	\$ 3,557,000	\$ 2,820,322

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE B - DETAILED NOTES (continued)

7. Noncurrent liabilities (continued)

Eastland Plaza loan

On October 5, 2018, AAHC entered into a debt agreement with Plains Capital Bank. in the amount of \$5,000,000 for critical maintenance and renovations for the property. The debt was issued at a rate of 5.65% per annum with monthly payments of \$31,390. The loan matures on October 5, 2028 and is secured by the real property. As of March 31, 2019, the future principal and interest maturities are as follows for the years ending March 31:

	Principal	Interest
2020	\$ 94,901	\$ 281,783
2021	100,483	276,201
2022	106,392	270,292
2023	113,649	264,034
2024	119,275	257,409
2025-2029	710,221	1,173,198
2030-2034	945,126	938,836
2035-2044	2,771,879	836,900
	\$ 4,961,926	\$ 4,298,653

8. Pension plan

The Authority provides pension benefits for all of its full time regular employees through a defined contribution plan. The plan is administered by Housing Authority Retirement Trust. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Board is authorized to establish and amend plan benefits. Full-time employees are eligible to participate from the first day of employment. The Authority contributes 10% of the total gross wages for up to five years of continuous employment, 15% of the total gross wages for continuous employment above five years, and 20% of total gross wages for continuous employment above 15 years into the pension plan. The Authority's contributions for each employee (and investment earnings allocated to the employee's account) are fully vested after 5 years. Authority contributions for, and interest forfeited by, employees who leave employment before vesting are refunding the Authority and returned to the appropriate program. The amounts contributed by the Authority for the year ended March 31, 2019 was \$1,936,583. The Authority's employees made voluntary contributions of \$26,903. The Authority recognized pension expense of \$1,963,486, which includes forfeitures totaling \$32,944.

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE B - DETAILED NOTES (continued)

9. Risk management

The Authority is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As part of the Authority's risk management program, certain commercial insurance policies are purchased.

There were no significant reductions of insurance coverage from prior years and actual settlements did not exceed insurance coverage for each of the past three years.

10. Commitments and contingencies

a. Legal

The Authority is party to various pending or threatened legal actions arising in the normal course of operations. Although the outcome of these actions is not presently determinable, it is the Authority's opinion that any ultimate liability is not expected to have a material adverse effect on the Authority's financial position.

b. Grants and contracts

The Authority participates in various grant programs that are subject to review and audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the Authority. As of the date of this report, management is not aware of any such instances.

The Authority has received cumulative funding in excess of housing assistance payments ("HAP") through the Section 8 Housing Choice Voucher Program in accordance with current regulations. As of March 31, 2019, there was no remaining Housing Choice Voucher HAP reserves.

c. Funds awarded

The Authority receives funding from HUD through Capital Fund programs to help subsidize the cost of project repairs, improvements and certain operating costs. Unspent funded awards as of March 31, 2019 amounted to \$1,395,849 for the Capital Fund program.

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS

March 31, 2019

NOTE B - DETAILED NOTES (continued)

11. Concentrations

For the year ended March 31, 2019, approximately 96% of revenues and 34% of receivables reflected in the financial statements are from HUD.

The Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related costs and the additional administrative burden to comply with the changes. In addition, any excess reserves may reduce future funding levels and possibly be subject to recapture.

12. Financial data schedule

As required by HUD, the Authority prepares its financial data schedule in accordance with HUD requirements in a prescribed format which differs from the presentation of the basic financial statements. The schedule's format presents certain operating items as non-operating such as depreciation expense, housing assistance payments and extraordinary maintenance expense. In addition, the schedule's format includes non-operating items as operating such as investment revenue, HUD capital grants revenue, interest expense and gains and losses on the disposal of capital assets. Furthermore, the schedule reflects tenant revenue and bad debt expense separately.

13. Related parties

The Authority's financial statements include the activities of blended component units that have an ownership interest in various Partnerships that are involved in the development of affordable housing. Due to the relationship of these entities, the Partnerships are considered to be related parties of the Authority. The Authority has notes receivable, investments in joint ventures and ground lease agreements with various related party entities (see Notes B-4, B-5 and B-6).

14. Subsequent events

In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through November 21, 2019 the date the financial statements were available to be issued and noted no additional significant items to be disclosed.

15. Condensed blended component unit information

Condensed component unit information for the Authority's significant blended component units as listed in Note A-1 is on the next page.

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2019

NOTE B - DETAILED NOTES (continued)

15. Condensed blended component unit information (continued)

Condensed Statement of Net Position

	AAHC	PFC	CLT	SHCC	Austin Pathways	Blueprint Housing Solutions	Total Blended Component Units
Assets:							
Current assets	\$ 40,846,259	\$ 1,642,233	\$ 29,161	\$ 8,818,609	\$ 677,446	\$ 4,798	\$ 52,018,506
Restricted assets	-	-	-	181,712	400,407	-	582,119
Capital assets, net	68,325,942	-	44,325	-	-	-	68,370,267
Notes receivable	15,058,073	-	129,986	-	-	-	15,188,059
Investments in joint ventures	17,868,966	-	-	-	-	-	17,868,966
Total assets	142,099,240	1,642,233	203,472	9,000,321	1,077,853	4,798	154,027,917
Liabilities:							
Current liabilities	2,755,188	4,699	4,765	366,800	293,151	48,413	3,473,016
Noncurrent liabilities	81,004,874	-	-	302,722	15,070	-	81,322,666
Total liabilities	83,760,062	4,699	4,765	669,522	308,221	48,413	84,795,682
Net position:							
Net investment in capital assets	(2,495,310)	-	44,325	-	-	-	(2,450,985)
Restricted	31,827,736	240,827	-	-	122,004	-	32,190,567
Unrestricted	29,006,752	1,396,707	154,382	8,330,799	647,628	(43,615)	39,492,653
Total net position	\$ 58,339,178	\$ 1,637,534	\$ 198,707	\$ 8,330,799	\$ 769,632	\$ (43,615)	\$ 69,232,235

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2019

NOTE B - DETAILED NOTES (continued)

15. Condensed blended component unit information (continued)

Condensed Statement of Revenues, Expenses and Changes in Net Position

	AAHC	PFC	CLT	SHCC	Austin Pathways	Blueprint Housing Solutions	Total Blended Component Units
Operating revenues and (expenses)							
Tenant revenue, net	\$ 10,022,331	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,022,331
Other government grants	3,842,420	-	-	422,521,376	12,888	-	426,376,684
Other revenue	6,893,040	-	720	-	173,964	241,238	7,308,962
Depreciation	(3,860,629)	-	-	-	-	-	(3,860,629)
Other operating expenses	(16,200,125)	(11,692)	(206)	(412,905,506)	(445,751)	(284,853)	(429,848,133)
Operating income (loss)	697,037	(11,692)	514	9,615,870	(258,899)	(43,615)	9,999,215
Nonoperating revenues and (expenses)							
Gain on sale of fixed asset	3,901	-	-	-	-	-	3,901
Interest income	35,601	-	5,479	7,782	2,239	-	51,101
Extrodiary maintenance	(1,187)	-	-	-	-	-	(1,187)
Interest expense	-	-	-	-	-	-	-
Transfer from (to) other programs	7,937,272	1,129,226	-	(3,872,885)	313,575	-	5,507,188
Change in net position	8,672,624	1,117,534	5,993	5,750,767	56,915	(43,615)	15,560,218
Beginning net position	49,666,554	520,000	192,714	2,580,032	712,717	-	53,672,017
Equity transfer in (out)	-	-	-	-	-	-	-
Ending net position	<u>\$ 58,339,178</u>	<u>\$ 1,637,534</u>	<u>\$ 198,707</u>	<u>\$ 8,330,799</u>	<u>\$ 769,632</u>	<u>\$ (43,615)</u>	<u>\$ 69,232,235</u>

Housing Authority of the City of Austin
NOTES TO BASIC FINANCIAL STATEMENTS
March 31, 2019

NOTE B - DETAILED NOTES (continued)

15. Condensed blended component unit information (continued)

Condensed Statement of Cash Flows

	AAHC	PFC	CLT	SHCC	Austin Pathways	Blueprint Housing Solutions	Total Blended Component Units
Net cash provided by (used in):							
Operating activities	\$ (1,168,121)	\$ (1,070,688)	\$ 39,454	\$ 9,682,774	\$ 86,033	\$ (11,134)	\$ 7,558,318
Capital and related financing activities	17,309,429	-	-	-	-	-	17,309,429
Investing activities	(13,839,926)	(11,692)	11,086	7,782	2,239	-	(13,830,511)
Transfer (to) from other entities	7,937,272	1,129,226	-	(9,635,161)	313,575	-	(255,088)
Net increase (decrease) in cash	10,238,654	46,846	50,540	55,395	401,847	(11,134)	10,782,148
Beginning cash	29,760,228	193,981	(25,270)	649,172	659,963	11,134	31,249,208
Ending cash	<u>\$ 39,998,882</u>	<u>\$ 240,827</u>	<u>\$ 25,270</u>	<u>\$ 704,567</u>	<u>\$ 1,061,810</u>	<u>\$ -</u>	<u>\$ 42,031,356</u>

SUPPLEMENTAL INFORMATION

Housing Authority of the City of Austin

FINANCIAL DATA SCHEDULE

March 31, 2019

PHA: TX001 FYE: 03/31/2019																	
Line Item No.	Account Description	AMP 1 Chalmers Courts Operating	AMP 1 Chalmers Courts Capital	AMP 2 Rosewood Courts Operating	AMP 2 Rosewood Courts Capital	AMP 3 Santa Rita Courts Operating	AMP 3 Santa Rita Courts Capital	AMP 4 Meadowbrook Courts Operating	AMP 4 Meadowbrook Courts Capital	AMP 5 Booker T Washington Ter. Operating	AMP 5 Booker T Washington Ter. Capital	AMP 7 Lakeside Apartments Operating	AMP 7 Lakeside Apartments Capital	AMP 11 Thurmond Heights Operating	AMP 11 Thurmond Heights Capital	AMP 16 Northgate West Apartments Operating	AMP 16 Northgate West Apartments Capital
111	Cash - Unrestricted	742,072	-	-	-	-	-	32,882	-	295,191	-	354,295	-	-	-	129,637	-
112	Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
113	Cash - other restricted	6,229	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
114	Cash - Tenant Security Deposits	22,303	-	-	-	-	-	-	-	900	-	18,813	-	-	-	2,038	-
115	Cash - Restricted for payment of current liability	7,212	-	69,047	-	59,593	-	-	-	-	-	32,622	-	62,644	-	-	-
100	Total Cash	777,816	-	69,047	-	59,593	-	32,882	-	296,091	-	405,730	-	62,644	-	131,675	-
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	67,150	-	-	-	-	-	-	-	4,550	-	51,042	-	-	-	7,506	-
124	Accounts Receivable - other government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125	Accounts Receivable - Miscellaneous	41,653	-	-	-	-	-	636	-	112,820	-	46,694	-	-	-	-	-
126	Accounts Receivable - Tenants - Dwelling Rents	4,479	-	-	-	-	-	-	-	509	-	150	-	-	-	16,485	-
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(748)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Total Receivables, net of allowances for doubtful accounts	112,534	-	-	-	-	-	636	-	117,879	-	97,886	-	-	-	23,991	-
131	Investments - Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	-	-	-	-	-	-	-	-	-	-	342	-	-	-	-	-
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
144	Interprogram due from	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Total Current Assets	890,350	-	69,047	-	59,593	-	33,518	-	413,970	-	503,958	-	62,644	-	155,666	-
161	Land	39,598	-	-	-	-	-	2,221	-	18,005	-	230,105	-	-	-	42,678	-
162	Buildings	5,477,674	-	-	-	-	-	451,642	-	218,642	-	6,128,316	-	-	-	828,736	-
163	Furniture, Equipment and Machinery - Dwellings	104,863	-	-	-	-	-	-	-	-	-	50,119	-	-	-	-	-
164	Furniture, Equipment and Machinery - Administration	35,282	-	-	-	-	-	-	-	-	-	205,430	-	-	-	-	-
165	Leasehold Improvements	1,203,463	-	-	-	-	-	-	-	43,468	-	1,039,679	-	-	-	103,035	-
166	Accumulated Depreciation	(6,655,064)	-	-	-	-	-	(331,875)	-	(238,127)	-	(6,581,183)	-	-	-	(807,991)	-
167	Construction In Progress	-	-	-	-	-	-	-	-	8,440	-	218,964	-	-	-	16,947	-
160	Total Fixed Assets, Net of Accumulated Depreciation	205,816	-	-	-	-	-	121,988	-	50,428	-	1,291,430	-	-	-	183,405	-
171	Notes, loans, and mortgages receivable - Noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Total Non-Current Assets	205,816	-	-	-	-	-	121,988	-	50,428	-	1,291,430	-	-	-	183,405	-
190	Total Assets	1,096,166	-	69,047	-	59,593	-	155,506	-	464,398	-	1,795,388	-	62,644	-	339,071	-

See Indepeent Auditor's Report

Housing Authority of the City of Austin

FINANCIAL DATA SCHEDULE

March 31, 2019

PHA: TX001 FYE: 03/31/2019																	
Line Item No.	Account Description	AMP 1 Chalmers Courts Operating	AMP 1 Chalmers Courts Capital	AMP 2 Rosewood Courts Operating	AMP 2 Rosewood Courts Capital	AMP 3 Santa Rita Courts Operating	AMP 3 Santa Rita Courts Capital	AMP 4 Meadowbrook Courts Operating	AMP 4 Meadowbrook Courts Capital	AMP 5 Booker T Washington Ter. Operating	AMP 5 Booker T Washington Ter. Capital	AMP 7 Lakeside Apartments Operating	AMP 7 Lakeside Apartments Capital	AMP 11 Thurmond Heights Operating	AMP 11 Thurmond Heights Capital	AMP 16 Northgate West Apartments Operating	AMP 16 Northgate West Apartments Capital
312	Accounts Payable <= 90 Days	6,764	-	-	-	-	-	-	-	-	-	26,180	-	-	-	31	-
321	Accrued Wage/Payroll Taxes Payable	10,431	-	-	-	-	-	-	-	665	-	15,724	-	-	-	1,621	-
322	Accrued Compensated Absences	1,889	-	-	-	-	-	-	-	150	-	2,570	-	-	-	169	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	69,047	-	59,593	-	-	-	-	-	32,622	-	62,644	-	-	-
341	Tenant Security Deposits	22,303	-	-	-	-	-	-	-	900	-	18,813	-	-	-	2,038	-
342	Unearned Revenues	3,669	-	-	-	-	-	-	-	38	-	1,361	-	-	-	1,310	-
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	78,560	-	-	-	-	-	-	-	-	-	2,755	-	-	-	-	-
346	Accrued Liabilities - Other	16,782	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
347	Interprogram due to	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310	Total Current Liabilities	140,398	-	69,047	-	59,593	-	-	-	1,753	-	100,025	-	62,644	-	5,169	-
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	6,229	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
354	Accrued compensated Absences - Non Current	17,833	-	-	-	-	-	-	-	972	-	16,946	-	-	-	1,120	-
350	Total Noncurrent Liabilities	24,062	-	-	-	-	-	-	-	972	-	16,946	-	-	-	1,120	-
300	Total Liabilities	164,460	-	69,047	-	59,593	-	-	-	2,725	-	116,971	-	62,644	-	6,289	-
508.4	Net Investment in Capital Assets	205,816	-	-	-	-	-	121,988	-	50,428	-	1,291,430	-	-	-	183,405	-
511.4	Restricted Net Position	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
512.4	Unrestricted Net Position	725,890	-	-	-	-	-	33,518	-	411,245	-	386,987	-	-	-	149,377	-
513	Total Equity	931,706	-	-	-	-	-	155,506	-	461,673	-	1,678,417	-	-	-	332,782	-
600	Total Liabilities and Equity	1,096,166	-	69,047	-	59,593	-	155,506	-	464,398	-	1,795,388	-	62,644	-	339,071	-

See Indepenent Auditor's Report

Housing Authority of the City of Austin

FINANCIAL DATA SCHEDULE

March 31, 2019

PHA: TX001 FYE: 03/31/2019																	
Line Item No.	Account Description	AMP 1 Chalmers Courts Operating	AMP 1 Chalmers Courts Capital	AMP 2 Rosewood Courts Operating	AMP 2 Rosewood Courts Capital	AMP 3 Santa Rita Courts Operating	AMP 3 Santa Rita Courts Capital	AMP 4 Meadowbrook Courts Operating	AMP 4 Meadowbrook Courts Capital	AMP 5 Booker T Washington Ter. Operating	AMP 5 Booker T Washington Ter. Capital	AMP 7 Lakeside Apartments Operating	AMP 7 Lakeside Apartments Capital	AMP 11 Thurmond Heights Operating	AMP 11 Thurmond Heights Capital	AMP 16 Northgate West Apartments Operating	AMP 16 Northgate West Apartments Capital
70300	Net Tenant Rental Revenue	390,303	-	281,028	-	208,725	-	-	-	7,543	-	464,133	-	288,138	-	52,581	-
70400	Tenant Revenue - Other	8,231	-	8,210	-	7,981	-	2,642	-	949	-	25,778	-	22,012	-	1,477	-
70500	Total Tenant Revenue	398,534	-	289,238	-	216,706	-	2,642	-	8,492	-	489,911	-	310,150	-	54,058	-
70600	HUD PHA Grants	882,810	82,380	679,002	56,461	590,503	40,939	-	3,951	35,893	1,263	624,583	54,059	791,385	57,587	53,115	-
70610	HUD PHA Capital Grants	-	-	-	317,035	-	99,664	-	-	-	35,665	-	511,109	-	651,378	-	147,635
70710	Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70730	Book-Keeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71100	Investment Income - Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	111	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71500	Other revenue	134,822	-	10,094	-	3,206	-	18,359	-	10,930	-	58,601	-	4,990	-	139	-
71600	Gain/Loss on Sale of Fixed Assets	-	-	3,151	-	-	-	-	-	-	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70000	Total Revenue	1,416,277	82,380	981,485	373,496	810,415	140,603	21,001	3,951	55,315	36,928	1,173,095	565,168	1,106,525	708,965	107,312	147,635
91100	Administrative salaries	87,222	-	94,564	-	88,410	-	-	-	4,949	-	127,930	-	94,059	-	11,183	-
91200	Auditing fees	2,413	-	2,382	-	1,481	-	-	-	94	-	2,504	-	2,199	-	275	-
91300	Management Fee	97,574	36,694	64,258	34,948	40,286	22,716	-	-	3,802	-	100,954	38,443	46,728	33,200	8,501	-
91310	Book-Keeping Fee	13,858	-	9,128	-	5,723	-	-	-	540	-	14,340	-	6,638	-	1,208	-
91400	Advertising and Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	40,532	-	38,510	-	26,737	-	-	-	2,717	-	73,209	-	28,208	-	7,252	-
91600	Office Expenses	22,661	21,602	15,278	14,509	9,365	12,529	-	2,555	422	959	25,518	1,420	10,055	16,161	1,651	-
91700	Legal Expense	3,127	-	9,520	-	1,977	-	-	-	-	-	20,024	-	6,715	-	-	-
91800	Travel	2,501	-	99	-	39	-	-	-	-	-	-	-	-	-	-	-
91900	Other	30,141	14,075	19,849	94	12,445	35	-	-	1,174	-	31,185	14,197	14,434	17	2,626	-
92100	Tenant services - salaries	4,714	-	-	-	-	-	-	-	469	-	-	-	55	-	-	-
92300	Employee benefit contributions - tenant services	893	-	-	-	-	-	-	-	223	-	-	-	46	-	-	-
92400	Tenant Services - Other	135,573	10,008	41,767	6,910	73,784	5,659	-	1,396	80	304	24,942	-	35,393	8,209	240	-
93100	Water	121,652	-	48,996	-	78,234	-	-	-	-	-	92,492	-	83,333	-	834	-
93200	Electricity	29,078	-	37,035	-	12,012	-	-	-	-	-	133,731	-	21,458	-	290	-
93300	Gas	63,873	-	33,379	-	26,299	-	-	-	386	-	33,796	-	23,656	-	308	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94100	Ordinary Maintenance and Operations - Labor	89,962	-	62,998	-	49,458	-	189	-	5,707	-	146,576	-	57,167	-	8,014	-
94200	OMO - Materials and Other	13,691	-	19,309	-	12,729	-	-	-	608	-	53,050	-	26,059	-	1,941	-
94300	Ordinary Maintenance and Operations - Contract Costs	91,766	-	58,088	-	57,379	-	642	-	4,347	-	135,535	-	45,354	-	10,096	-
94500	Employee Benefit Contributions - Ordinary Maintenance	39,351	-	32,175	-	39,055	-	61	-	3,142	-	53,632	-	28,695	-	5,590	-
95200	Protective Services - Other Contract Costs	34,230	-	22,954	-	17,218	-	-	-	47	-	40,291	-	12,539	-	126	-
95300	Protective Services - Other	1,693	-	843	-	861	-	-	-	-	-	10,931	-	742	-	-	-

See Indepenent Auditor's Report

Housing Authority of the City of Austin

FINANCIAL DATA SCHEDULE

March 31, 2019

PHA: TX001 FYE: 03/31/2019																	
Line Item No.	Account Description	AMP 1 Chalmers Courts Operating	AMP 1 Chalmers Courts Capital	AMP 2 Rosewood Courts Operating	AMP 2 Rosewood Courts Capital	AMP 3 Santa Rita Courts Operating	AMP 3 Santa Rita Courts Capital	AMP 4 Meadowbrook Courts Operating	AMP 4 Meadowbrook Courts Capital	AMP 5 Booker T Washington Ter. Operating	AMP 5 Booker T Washington Ter. Capital	AMP 7 Lakeside Apartments Operating	AMP 7 Lakeside Apartments Capital	AMP 11 Thurmond Heights Operating	AMP 11 Thurmond Heights Capital	AMP 16 Northgate West Apartments Operating	AMP 16 Northgate West Apartments Capital
96110	Property Insurance	16,772	-	11,126	-	7,486	-	342	-	1,097	-	15,361	-	10,791	-	2,560	-
96120	Liability Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96130	Workmen's Compensation	1,653	-	1,183	-	1,090	-	-	-	122	-	2,059	-	1,021	-	200	-
96140	All other Insurance	-	-	-	-	-	-	-	-	-	-	756	-	-	-	-	-
96200	Other General Expenses	1,347	-	(2,582)	-	938	-	-	-	-	-	-	-	2,643	-	-	-
96210	Compensated Absences	6,932	-	-	-	-	-	-	-	1,170	-	7,508	-	-	-	1,288	-
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96400	Bad Debt - Tenant Rents	4,562	-	6,901	-	6,219	-	-	-	-	-	3,035	-	9,997	-	-	-
96710	Interest on Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96900	Total Operating Expenses	957,771	82,379	627,760	56,461	569,225	40,939	1,234	3,951	31,096	1,263	1,149,359	54,060	567,985	57,587	64,183	-
97000	Excess Operating Revenue over Operating Expenses	458,506	1	353,725	317,035	241,190	99,664	19,767	-	24,219	35,665	23,736	511,108	538,540	651,378	43,129	147,635
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97300	Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97350	HAP Portability - In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	80,010	-	90,094	-	138,101	-	39,922	-	5,183	-	187,008	-	1,248,010	-	47,907	-
90000	Total Expenses	1,037,781	82,379	717,854	56,461	707,326	40,939	41,156	3,951	36,279	1,263	1,336,367	54,060	1,815,995	57,587	112,090	-
10040	Total Operating transfers from/to component unit	-	-	(1,091,045)	-	(299,155)	-	-	-	10,550	-	137,211	-	(7,103,203)	-	-	-
10080	Special items, net gain/loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10093	Transfers between programs and projects in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10094	Transfers between programs and projects out	(100,123)	-	(98,959)	-	(803,386)	-	-	-	(3,493)	-	(103,616)	-	(685,912)	-	(9,314)	-
10100	Total other financing sources (Uses)	(100,123)	-	(1,190,004)	-	(1,102,541)	-	-	-	7,057	-	33,595	-	(7,789,115)	-	(9,314)	-
10000	Excess (deficiency) of total revenue over (under) total expenses	278,373	1	(926,373)	317,035	(999,452)	99,664	(20,155)	-	26,093	35,665	(129,677)	511,108	(8,498,585)	651,378	(14,092)	147,635
11020	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11030	Beginning Equity	653,332	-	609,338	-	899,788	-	175,661	-	399,915	-	1,296,986	-	7,847,207	-	199,239	-
11040	Total Prior Period Adjustments, Equity transfer and correction of errors	-	-	317,035	(317,035)	99,664	(99,664)	-	-	35,665	(35,665)	511,109	(511,109)	651,378	(651,378)	147,635	(147,635)
11170	Administrative Fee Equity																
11180	Housing Assistance Payments Equity																
11190	Unit Months Available	1,884	-	1,236	-	776	-	-	-	72	-	1,945	-	911	-	165	-
11210	Number of Unit Months Leased	1,839	-	1,205	-	763	-	-	-	72	-	1,894	-	788	-	159	-
11270	Excess Cash	663,909		(52,313)		(47,435)		33,415		409,626		307,811	(4,505)	(47,332)		145,148	
11620	Building Purchases	-	-	-	317,035	-	99,664	-	-	-	35,665	-	511,109	-	651,378	-	147,635

See Indepeent Auditor's Report

Housing Authority of the City of Austin

FINANCIAL DATA SCHEDULE

March 31, 2019

PHA: TX001 FYE: 03/31/2019																	
Line Item No.	Account Description	AMP 17 Shadowbend Ridge Operating	AMP 17 Shadowbend Ridge Capital	AMP 20 <i>Rio Lado Apartments</i> Operating	AMP 20 <i>Rio Lado Apartments</i> Capital	AMP Other Operating	Total AMPs 14.850/14.872	Section 8 Housing Choice Voucher Program 14.871	Section 8 Moderate Rehabilitation Single Room Occupancy 14.249	Central Office Cost Center	State and Local	HOME Investment Partnership Program 14.239	Capital Fund Education and Training Community Facilities 14.890	Mainstream Vouchers 14.879	Choice Neighborhoods Planning Grants 14.892	Resident Opportunity and Supportive Services 14.870	Shelter Plus Care 14.238
111	Cash - Unrestricted	376,140	-	-	-	105,343	2,035,560	539,481	8,505	34,658	-	-	-	1,951	-	-	-
112	Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
113	Cash - other restricted	-	-	-	-	-	6,229	241,245	-	-	-	-	-	-	-	-	-
114	Cash - Tenant Security Deposits	524	-	-	-	-	44,578	-	-	-	-	-	-	-	-	-	-
115	Cash - Restricted for payment of current liability	-	-	-	-	-	231,118	177,730	-	-	-	-	-	222,006	-	-	-
100	Total Cash	376,664	-	-	-	105,343	2,317,485	958,456	8,505	34,658	-	-	-	223,957	-	-	-
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	10,041	-	-	-	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	5,152	-	-	-	-	135,400	102,326	4,983	-	-	-	-	99,924	-	-	-
124	Accounts Receivable - other government	-	-	-	-	-	-	-	-	-	4,582	43,308	-	-	-	-	-
125	Accounts Receivable - Miscellaneous	41	-	-	-	-	201,844	-	-	3,608,750	-	-	-	-	-	-	-
126	Accounts Receivable - Tenants - Dwelling Rents	16	-	-	-	-	21,639	-	-	-	-	-	-	-	-	-	-
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	(748)	-	-	-	-	-	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	205	-	-	-	-	205	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Total Receivables, net of allowances for doubtful accounts	5,414	-	-	-	-	358,340	112,367	4,983	3,608,750	4,582	43,308	-	99,924	-	-	-
131	Investments - Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	-	-	-	-	-	342	-	-	174,206	-	-	-	-	-	-	-
143	Inventories	-	-	-	-	-	-	-	-	11,723	-	-	-	-	-	-	-
144	Interprogram due from	-	-	-	-	-	-	-	-	86,475	-	-	-	-	-	-	-
150	Total Current Assets	382,078	-	-	-	105,343	2,676,167	1,070,823	13,488	3,915,812	4,582	43,308	-	323,881	-	-	-
161	Land	6,001	-	-	-	-	338,608	-	-	2,206,977	-	-	-	-	-	-	-
162	Buildings	103,020	-	-	-	-	13,208,030	-	-	13,144,574	-	-	-	-	-	-	-
163	Furniture, Equipment and Machinery - Dwellings	-	-	-	-	-	154,982	-	-	-	-	-	-	-	-	-	-
164	Furniture, Equipment and Machinery - Administration	-	-	-	-	-	240,712	123,993	-	1,353,246	-	-	-	-	-	-	-
165	Leasehold Improvements	14,489	-	-	-	-	2,404,134	-	-	-	-	-	-	-	-	-	-
166	Accumulated Depreciation	(108,228)	-	-	-	-	(14,722,468)	(123,993)	-	(7,231,842)	-	-	-	-	-	-	-
167	Construction In Progress	-	-	-	-	-	244,351	-	-	-	-	-	-	-	-	-	-
160	Total Fixed Assets, Net of Accumulated Depreciation	15,282	-	-	-	-	1,868,349	-	-	9,472,955	-	-	-	-	-	-	-
171	Notes, loans, and mortgages receivable - Noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Total Non-Current Assets	15,282	-	-	-	-	1,868,349	-	-	9,472,955	-	-	-	-	-	-	-
190	Total Assets	397,360	-	-	-	105,343	4,544,516	1,070,823	13,488	13,388,767	4,582	43,308	-	323,881	-	-	-

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Housing Authority of the City of Austin

FINANCIAL DATA SCHEDULE

March 31, 2019

PHA: TX001 FYE: 03/31/2019																	
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312	Accounts Payable <= 90 Days	-	-	-	-	-	32,975	9,622	-	131,595	-	2,049	-	-	-	-	-
321	Accrued Wage/Payroll Taxes Payable	345	-	-	-	-	28,786	136,956	1,680	318,209	-	-	-	1,342	-	-	-
322	Accrued Compensated Absences	38	-	-	-	-	4,816	23,052	302	77,505	-	-	-	396	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	7,314	-	8,092	-	-	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	223,906	-	-	-	-	-	-	222,006	-	-	-
341	Tenant Security Deposits	524	-	-	-	-	44,578	-	-	-	-	-	-	-	-	-	-
342	Unearned Revenues	31	-	-	-	-	6,409	-	-	57,516	-	-	-	-	-	-	-
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	-	-	978,311	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	81,315	177,730	-	741,741	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	-	-	-	-	-	16,782	-	-	8,399	-	-	-	-	-	-	-
347	Interprogram due to	-	-	-	-	-	-	-	-	5,919,546	4,582	41,259	-	-	-	-	-
310	Total Current Liabilities	938	-	-	-	-	439,567	354,674	1,982	8,240,914	4,582	43,308	-	223,744	-	-	-
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-	475,212	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	-	-	-	-	-	6,229	241,245	-	-	-	-	-	-	-	-	-
354	Accrued compensated Absences - Non Current	209	-	-	-	-	37,080	474,904	7,212	1,104,636	-	-	-	9,412	-	-	-
350	Total Noncurrent Liabilities	209	-	-	-	-	43,309	716,149	7,212	1,579,848	-	-	-	9,412	-	-	-
300	Total Liabilities	1,147	-	-	-	-	482,876	1,070,823	9,194	9,820,762	4,582	43,308	-	233,156	-	-	-
508.4	Net Investment in Capital Assets	15,282	-	-	-	-	1,868,349	-	-	8,019,432	-	-	-	-	-	-	-
511.4	Restricted Net Position	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
512.4	Unrestricted Net Position	380,931	-	-	-	105,343	2,193,291	-	4,294	(4,451,427)	-	-	-	90,725	-	-	-
513	Total Equity	396,213	-	-	-	105,343	4,061,640	-	4,294	3,568,005	-	-	-	90,725	-	-	-
600	Total Liabilities and Equity	397,360	-	-	-	105,343	4,544,516	1,070,823	13,488	13,388,767	4,582	43,308	-	323,881	-	-	-

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Housing Authority of the City of Austin

FINANCIAL DATA SCHEDULE

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70300	Net Tenant Rental Revenue	23,635	-	-	-	-	1,716,086	-	-	-	-	-	-	-	-	-	-
70400	Tenant Revenue - Other	605	-	-	-	-	77,885	-	-	-	-	-	-	-	-	-	-
70500	Total Tenant Revenue	24,240	-	-	-	-	1,793,971	-	-	-	-	-	-	-	-	-	-
70600	HUD PHA Grants	221,497	11,347	-	-	3,023	4,189,798	55,433,115	325,367	-	-	-	-	568,758	-	-	-
70610	HUD PHA Capital Grants	-	4,135	-	-	-	1,766,621	-	-	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-	3,517,785	-	-	-	-	-	-	-
70730	Book-Keeping Fee	-	-	-	-	-	-	-	-	52,305	-	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	152,540	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	3,722,630	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-	-	-	58,253	323,281	-	-	-	-	-
71100	Investment Income - Unrestricted	-	-	-	-	-	-	4	-	120,810	-	-	-	-	-	-	-
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	300	-	-	-	-	411	60,973	-	-	-	-	-	-	-	-	-
71500	Other revenue	2,075	-	-	-	-	243,216	109,921	-	1,381,903	-	-	-	-	-	-	-
71600	Gain/Loss on Sale of Fixed Assets	-	-	-	-	-	3,151	901	-	2,002	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70000	Total Revenue	248,112	15,482	-	-	3,023	7,997,168	55,604,914	325,367	5,227,345	58,253	323,281	-	568,758	-	-	-
91100	Administrative salaries	4,705	-	-	-	-	513,022	2,478,259	28,855	5,466,269	-	31,400	-	24,946	-	-	-
91200	Auditing fees	182	-	-	-	-	11,530	-	-	119,300	-	-	-	-	-	-	-
91300	Management Fee	6,125	8,737	-	-	-	542,966	-	-	-	-	-	-	-	-	-	-
91310	Book-Keeping Fee	870	-	-	-	-	52,305	-	-	-	-	-	-	-	-	-	-
91400	Advertising and Marketing	-	-	-	-	-	-	7,841	-	38,241	-	-	-	2,294	-	-	-
91500	Employee benefit contributions - administrative	3,820	-	-	-	-	220,985	1,244,679	15,493	1,942,043	-	15,719	-	12,250	-	-	-
91600	Office Expenses	2,972	2,145	-	-	-	159,802	177,337	42	1,770,797	5,224	-	-	91	-	-	-
91700	Legal Expense	-	-	-	-	-	41,363	30,439	-	108,472	-	-	-	-	-	-	-
91800	Travel	145	-	-	-	-	2,784	13,799	-	94,650	2,002	-	-	-	-	-	-
91900	Other	1,892	9	-	-	-	142,173	72,588	-	-	39,372	-	-	229	-	-	-
92100	Tenant services - salaries	882	-	-	-	-	6,120	30,429	-	470,211	11,173	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	621	-	-	-	-	1,783	5,655	-	199,036	297	-	-	-	-	-	-
92400	Tenant Services - Other	5,625	456	-	-	-	350,346	4,292	-	769,888	-	-	-	-	-	-	-
93100	Water	12,667	-	-	-	-	438,208	-	-	51,743	-	-	-	-	-	-	-
93200	Electricity	1,619	-	-	-	-	235,223	-	-	182,983	-	-	-	-	-	-	-
93300	Gas	3,086	-	-	-	-	184,783	-	-	9,637	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94100	Ordinary Maintenance and Operations - Labor	11,255	-	-	-	-	431,326	-	-	315,863	-	-	-	-	-	-	-
94200	OMO - Materials and Other	5,264	-	-	-	-	132,651	38,614	-	66,734	-	-	-	-	-	-	-
94300	Ordinary Maintenance and Operations - Contract Costs	7,070	-	-	-	-	410,277	7,259	-	324,989	-	-	-	-	-	-	-
94500	Employee Benefit Contributions - Ordinary Maintenance	6,150	-	-	-	-	207,851	-	-	136,289	-	-	-	-	-	-	-
95200	Protective Services - Other Contract Costs	5,830	-	-	-	-	133,235	-	-	75,991	-	-	-	-	-	-	-
95300	Protective Services - Other	329	-	-	-	-	15,399	25,621	-	1,495	-	-	-	-	-	-	-

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Housing Authority of the City of Austin

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96110	Property Insurance	2,675	-	-	-	-	68,210	-	-	-	-	-	-	-	-	-	-
96120	Liability Insurance	-	-	-	-	-	-	-	-	96,572	-	-	-	-	-	-	-
96130	Workmen's Compensation	236	-	-	-	-	7,564	22,709	317	50,475	135	327	-	274	-	-	-
96140	All other Insurance	-	-	-	-	-	756	-	-	3,703	-	-	-	102	-	-	-
96200	Other General Expenses	1,046	-	-	-	-	3,392	-	-	82,588	50	-	-	-	-	-	-
96210	Compensated Absences	110	-	-	-	-	17,008	68,265	-	255,910	-	-	-	-	-	-	-
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96400	Bad Debt - Tenant Rents	-	-	-	-	-	30,714	-	-	-	-	-	-	-	-	-	-
96710	Interest on Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	112,878	-	-	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96900	Total Operating Expenses	85,176	11,347	-	-	-	4,361,776	4,227,786	44,707	12,746,757	58,253	47,446	-	40,186	-	-	-
97000	Excess Operating Revenue over Operating Expenses	162,936	4,135	-	-	3,023	3,635,392	51,377,128	280,660	(7,519,412)	-	275,835	-	528,572	-	-	-
97100	Extraordinary Maintenance	1,582	-	-	-	-	1,582	-	-	-	-	-	-	-	-	-	-
97300	Housing Assistance Payments	-	-	-	-	-	-	52,155,003	276,366	-	-	275,835	-	511,711	-	-	-
97350	HAP Portability - In	-	-	-	-	-	-	74,838	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	23,514	-	-	-	-	1,859,749	-	-	579,869	-	-	-	-	-	-	-
90000	Total Expenses	110,272	11,347	-	-	-	6,223,107	56,457,627	321,073	13,326,626	58,253	323,281	-	551,897	-	-	-
10040	Total Operating transfers from/to component unit	142,766	-	-	-	-	(8,202,876)	-	-	3,209,850	-	-	-	-	-	-	-
10080	Special items, net gain/loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10093	Transfers between programs and projects in	-	-	-	-	-	-	350,979	-	-	-	-	-	-	-	-	-
10094	Transfers between programs and projects out	(118,669)	-	-	-	-	(1,923,472)	-	-	(1,020,409)	-	-	-	-	-	-	-
10100	Total other financing sources (Uses)	24,097	-	-	-	-	(10,126,348)	350,979	-	2,189,441	-	-	-	-	-	-	-
10000	Excess (deficiency) of total revenue over (under) total expenses	161,937	4,135	-	-	3,023	(8,352,287)	(501,734)	4,294	(5,909,840)	-	-	-	16,861	-	-	-
11020	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11030	Beginning Equity	230,141	-	-	-	102,320	12,413,927	501,734	-	9,477,845	-	-	-	73,864	-	-	-
11040	Total Prior Period Adjustments, Equity transfer and correction of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11170	Administrative Fee Equity							-									
11180	Housing Assistance Payments Equity							-									
11190	Unit Months Available	264	-	-	-	-	7,253	133,220	600	-	-	269	-	708	-	-	-
11210	Number of Unit Months Leased	116	-	-	-	-	6,836	62,810	585	-	-	269	-	679	-	-	-
11270	Excess Cash	374,042		-		105,343	1,887,708										
11620	Building Purchases	-	4,135	-	-	-	1,766,621	-	-	-	-	-	-	-	-	-	-

See Independent Auditor's Report

Housing Authority of the City of Austin

FINANCIAL DATA SCHEDULE

March 31, 2019

PHA: TX001 FYE: 03/31/2019																	
Line Item No.	Account Description	Continuum of Care Program 14.267	Jobs-Plus Pilot Initiative 14.895	PIH Family Self-Sufficiency Program 14.896	8 Other Federal Program 1	9 Other Federal Program 2	Business Activities	S8 Contract Administration - Texas	S8 Contract Administration - Arkansas	Austin Affordable Housing Corporation	Equity Community Land Trust	Austin Affordable Public Facility Corporation	Blueprint Solutions	Austin Pathways	Total Blended Component Units	Elimination	Total Primary Government
111	Cash - Unrestricted	-	-	-	-	-	4,358,521	222,697	300,158	7,495,769	25,270	-	-	661,403	8,705,297	-	15,683,973
112	Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-	30,384,641	-	-	-	-	30,384,641	-	30,384,641
113	Cash - other restricted	-	-	-	-	-	-	-	-	1,343,326	-	240,827	-	122,004	1,706,157	-	1,953,631
114	Cash - Tenant Security Deposits	-	-	-	-	-	-	-	-	620,981	-	-	-	-	620,981	-	665,559
115	Cash - Restricted for payment of current liability	-	-	-	-	-	-	146,460	35,252	154,165	-	-	-	278,403	614,280	-	1,245,134
100	Total Cash	-	-	-	-	-	4,358,521	369,157	335,410	39,998,882	25,270	240,827	-	1,061,810	42,031,356	-	49,932,938
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,041
122	Accounts Receivable - HUD Other Projects	4,446	197,335	10,727	-	-	-	2,139,472	388,208	42,321	-	-	-	-	2,570,001	-	3,125,142
124	Accounts Receivable - other government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,890
125	Accounts Receivable - Miscellaneous	-	-	-	-	-	-	-	-	586,334	-	722,426	11,461	16,043	1,336,264	(722,426)	4,424,432
126	Accounts Receivable - Tenants - Dwelling Rents	-	-	-	-	-	-	-	-	75,971	-	-	-	-	75,971	-	97,610
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	-	-	-	(14,968)	-	-	-	-	(14,968)	-	(15,716)
127	Notes, Loans, & Mortgages Receivable - current	-	-	-	-	-	-	-	-	-	3,891	-	-	-	3,891	-	3,891
128	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	205
129	Accrued interest receivable	-	-	-	-	-	1,393,958	-	-	-	-	-	-	-	-	-	1,393,958
120	Total Receivables, net of allowances for doubtful accounts	4,446	197,335	10,727	-	-	1,393,958	2,139,472	388,208	689,658	3,891	722,426	11,461	16,043	3,971,159	(722,426)	9,087,453
131	Investments - Unrestricted	-	-	-	-	-	-	-	-	350,000	-	-	-	-	350,000	-	350,000
142	Prepaid Expenses and Other Assets	-	-	-	-	-	-	35,849	11,949	280,768	-	-	-	-	328,566	-	503,114
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,723
144	Interprogram due from	-	-	-	-	-	-	4,931,032	789,244	(473,049)	-	678,980	(6,663)	-	5,919,544	(6,006,019)	-
150	Total Current Assets	4,446	197,335	10,727	-	-	5,752,479	7,475,510	1,524,811	40,846,259	29,161	1,642,233	4,798	1,077,853	52,600,625	(6,728,445)	59,885,228
161	Land	-	-	-	-	-	35,358,435	-	-	10,859,145	44,325	-	-	-	10,903,470	-	48,807,490
162	Buildings	-	-	-	-	-	-	-	-	133,448,339	-	-	-	-	133,448,339	-	159,800,943
163	Furniture, Equipment and Machinery - Dwellings	-	-	-	-	-	-	-	-	562,864	-	-	-	-	562,864	-	717,846
164	Furniture, Equipment and Machinery - Administration	-	-	-	-	-	143,462	58,516	-	606,024	-	-	-	-	664,540	-	2,525,953
165	Leasehold Improvements	-	-	-	-	-	-	-	-	11,591,934	-	-	-	-	11,591,934	-	13,996,068
166	Accumulated Depreciation	-	-	-	-	-	(130,382)	(58,516)	-	(92,172,020)	-	-	-	-	(92,230,536)	-	(114,439,221)
167	Construction In Progress	-	-	-	-	-	-	-	-	3,429,656	-	-	-	-	3,429,656	-	3,674,007
160	Total Fixed Assets, Net of Accumulated Depreciation	-	-	-	-	-	35,371,515	-	-	68,325,942	44,325	-	-	-	68,370,267	-	115,083,086
171	Notes, loans, and mortgages receivable - Noncurrent	-	-	-	-	-	36,140,000	-	-	15,058,073	129,986	-	-	-	15,188,059	(10,963,601)	40,364,458
176	Investment in joint ventures	-	-	-	-	-	-	-	-	17,868,966	-	-	-	-	17,868,966	-	17,868,966
180	Total Non-Current Assets	-	-	-	-	-	71,511,515	-	-	101,252,981	174,311	-	-	-	101,427,292	(10,963,601)	173,316,510
190	Total Assets	4,446	197,335	10,727	-	-	77,263,994	7,475,510	1,524,811	142,099,240	203,472	1,642,233	4,798	1,077,853	154,027,917	(17,692,046)	233,201,738

See Indepenent Auditor's Report

Housing Authority of the City of Austin

FINANCIAL DATA SCHEDULE

March 31, 2019

PHA: TX001 FYE: 03/31/2019																	
Line Item No.	Account Description	Continuum of Care Program 14.267	Jobs-Plus Pilot Initiative 14.895	PIH Family Self-Sufficiency Program 14.896	8 Other Federal Program 1	9 Other Federal Program 2	Business Activities	S8 Contract Administration - Texas	S8 Contract Administration - Arkansas	Austin Affordable Housing Corporation	Equity Community Land Trust	Austin Affordable Public Facility Corporation	Blueprint Solutions	Austin Pathways	Total Blended Component Units	Elimination	Total Primary Government
312	Accounts Payable <= 90 Days	-	2,240	-	-	-	-	8,260	873	336,896	-	-	-	1,676	347,705	-	526,186
321	Accrued Wage/Payroll Taxes Payable	4,435	-	10,727	-	-	-	110,216	40,772	72,597	-	-	8,455	9,764	241,804	-	743,939
322	Accrued Compensated Absences	-	-	-	-	-	-	18,226	6,741	13,461	-	-	39,958	3,308	81,694	-	187,765
325	Accrued interest payable	-	-	-	-	-	-	-	-	234,949	-	-	-	-	234,949	-	250,355
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	146,460	35,252	-	-	-	-	-	181,712	-	627,624
341	Tenant Security Deposits	-	-	-	-	-	-	-	-	488,833	-	-	-	-	488,833	-	533,411
342	Unearned Revenues	-	-	-	-	-	330,158	-	-	183,120	-	-	-	278,403	461,523	-	855,606
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	-	-	982,210	-	-	-	-	982,210	(76,132)	1,884,389
345	Other current liabilities	-	154,474	-	-	-	11,417	-	-	234,662	4,765	4,699	-	-	244,126	(722,426)	688,377
346	Accrued Liabilities - Other	-	-	-	-	-	-	-	-	208,460	-	-	-	-	208,460	-	233,641
347	Interprogram due to	11	40,621	-	-	-	-	-	-	-	-	-	-	-	-	(6,006,019)	-
310	Total Current Liabilities	4,446	197,335	10,727	-	-	341,575	283,162	83,638	2,755,188	4,765	4,699	48,413	293,151	3,473,016	(6,804,577)	6,531,293
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-	75,902,643	-	-	-	-	75,902,643	(5,987,469)	70,390,386
353	Noncurrent Liabilities - Other	-	-	-	-	-	38,632,419	-	-	5,008,039	-	-	-	-	5,008,039	(4,900,000)	38,987,932
354	Accrued compensated Absences - Non Current	-	-	-	-	-	-	220,987	81,735	94,192	-	-	-	15,070	411,984	-	2,045,228
350	Total Noncurrent Liabilities	-	-	-	-	-	38,632,419	220,987	81,735	81,004,874	-	-	-	15,070	81,322,666	(10,887,469)	111,423,546
300	Total Liabilities	4,446	197,335	10,727	-	-	38,973,994	504,149	165,373	83,760,062	4,765	4,699	48,413	308,221	84,795,682	(17,692,046)	117,954,839
508.4	Net Investment in Capital Assets	-	-	-	-	-	35,371,515	-	-	(8,558,911)	44,325	-	-	-	(8,514,586)	6,063,601	42,808,311
511.4	Restricted Net Position	-	-	-	-	-	-	-	-	31,827,736	-	240,827	-	122,004	32,190,567	-	32,190,567
512.4	Unrestricted Net Position	-	-	-	-	-	2,918,485	6,971,361	1,359,438	35,070,353	154,382	1,396,707	(43,615)	647,628	45,556,254	(6,063,601)	40,248,021
513	Total Equity	-	-	-	-	-	38,290,000	6,971,361	1,359,438	58,339,178	198,707	1,637,534	(43,615)	769,632	69,232,235	-	115,246,899
600	Total Liabilities and Equity	4,446	197,335	10,727	-	-	77,263,994	7,475,510	1,524,811	142,099,240	203,472	1,642,233	4,798	1,077,853	154,027,917	(17,692,046)	233,201,738

See Indepeent Auditor's Report

Housing Authority of the City of Austin

FINANCIAL DATA SCHEDULE

March 31, 2019

PHA: TX001 FYE: 03/31/2019																	
Line Item No.	Account Description	Continuum of Care Program 14.267	Jobs-Plus Pilot Initiative 14.895	PIH Family Self- Sufficiency Program 14.896	8 Other Federal Program 1	9 Other Federal Program 2	Business Activities	S8 Contract Administration - Texas	S8 Contract Administration - Arkansas	Austin Affordable Housing Corporation	Equity Community Land Trust	Austin Affordable Public Facility Corporation	Blueprint Solutions	Austin Pathways	Total Blended Component Units	Elimination	Total Primary Government
70300	Net Tenant Rental Revenue	-	-	-	-	-	-	-	-	9,818,288	-	-	-	-	9,818,288	-	11,534,374
70400	Tenant Revenue - Other	-	-	-	-	-	-	-	-	204,043	-	-	-	-	204,043	-	281,928
70500	Total Tenant Revenue	-	-	-	-	-	-	-	-	10,022,331	-	-	-	-	10,022,331	-	11,816,302
70600	HUD PHA Grants	523,575	791,589	195,024	-	-	-	-	-	3,842,420	-	-	-	-	3,842,420	-	65,869,646
70610	HUD PHA Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,766,621
70710	Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,517,785)	-
70730	Book-Keeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(52,305)	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(152,540)	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,722,630)	-
70800	Other government grants	-	-	-	-	-	-	359,644,366	62,877,010	-	-	-	-	12,888	422,534,264	-	422,915,798
71100	Investment Income - Unrestricted	-	-	-	-	-	-	12,039	(4,257)	3,802	-	-	-	2,239	13,823	-	134,637
71200	Mortgage interest income	-	-	-	-	-	697,762	-	-	-	5,479	-	-	-	5,479	-	703,241
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	61,384
71500	Other revenue	24,630	-	-	-	-	366,950	-	-	6,893,040	720	-	241,238	173,964	7,308,962	-	9,435,582
71600	Gain/Loss on Sale of Fixed Assets	-	-	-	-	-	22,175	-	-	3,901	-	-	-	-	3,901	-	32,130
72000	Investment income - restricted	-	-	-	-	-	-	-	-	31,799	-	-	-	-	31,799	-	31,799
70000	Total Revenue	548,205	791,589	195,024	-	-	1,086,887	359,656,405	62,872,753	20,797,293	6,199	-	241,238	189,091	443,762,979	(3,722,630)	512,767,140
91100	Administrative salaries	22,939	-	-	-	-	-	1,829,044	676,038	1,067,953	-	-	153,199	188,909	3,915,143	-	12,480,833
91200	Auditing fees	-	-	-	-	-	-	17,000	3,000	7,070	-	-	5,000	-	32,070	-	162,900
91300	Management Fee	-	-	-	-	-	-	410,371	69,629	2,494,819	-	-	-	-	2,974,819	(3,517,785)	-
91310	Book-Keeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(52,305)	-
91400	Advertising and Marketing	-	-	-	-	-	-	156	52	23,100	-	-	1,088	-	24,396	-	72,772
91500	Employee benefit contributions - administrative	11,328	-	-	-	-	-	870,517	322,015	387,178	-	-	68,385	56,254	1,704,349	-	5,166,846
91600	Office Expenses	-	-	-	-	-	-	337,865	119,335	729,853	206	-	5,306	37,756	1,230,321	(113,746)	3,229,868
91700	Legal Expense	-	-	-	-	-	-	115,902	38,169	16,420	-	-	100	-	170,591	-	350,865
91800	Travel	-	-	-	-	-	-	96,972	31,812	7,974	-	-	28,376	2,340	167,474	-	280,709
91900	Other	-	-	-	-	-	-	-	-	473,281	-	-	3,552	-	476,833	-	731,195
92100	Tenant services - salaries	-	94,508	126,521	-	-	-	-	-	-	-	-	-	1,055	1,055	-	740,017
92300	Employee benefit contributions - tenant services	-	49,307	67,189	-	-	-	-	-	-	-	-	-	-	-	-	323,267
92400	Tenant Services - Other	-	646,385	-	-	-	-	-	-	85,042	-	-	-	154,477	239,519	-	2,010,430
93100	Water	-	-	-	-	-	-	-	-	1,285,702	-	-	-	-	1,285,702	-	1,775,653
93200	Electricity	-	-	-	-	-	-	-	-	260,011	-	-	-	-	260,011	-	678,217
93300	Gas	-	-	-	-	-	-	-	-	323,439	-	-	-	-	323,439	-	517,859
93800	Other utilities expense	-	-	-	-	-	-	-	-	5,036	-	-	-	-	5,036	-	5,036
94100	Ordinary Maintenance and Operations - Labor	-	-	-	-	-	-	-	-	1,040,743	-	-	-	-	1,040,743	-	1,787,932
94200	OMO - Materials and Other	-	-	-	-	-	-	1,965	41	562,286	-	-	486	-	564,778	-	802,777
94300	Ordinary Maintenance and Operations - Contract Costs	-	-	-	-	-	-	-	-	1,546,521	-	-	-	-	1,546,521	(38,794)	2,250,252
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	-	-	-	369,715	-	-	-	-	369,715	-	713,855
95200	Protective Services - Other Contract Costs	-	-	-	-	-	-	-	-	339,281	-	-	-	-	339,281	-	548,507
95300	Protective Services - Other	-	-	-	-	-	-	-	-	9,602	-	-	-	-	9,602	-	52,117

See Indepeent Auditor's Report

Housing Authority of the City of Austin

FINANCIAL DATA SCHEDULE

March 31, 2019

PHA: TX001 FYE: 03/31/2019																	
Line Item No.	Account Description	Continuum of Care Program 14.267	Jobs-Plus Pilot Initiative 14.895	PIH Family Self-Sufficiency Program 14.896	8 Other Federal Program 1	9 Other Federal Program 2	Business Activities	S8 Contract Administration - Texas	S8 Contract Administration - Arkansas	Austin Affordable Housing Corporation	Equity Community Land Trust	Austin Affordable Public Facility Corporation	Blueprint Solutions	Austin Pathways	Total Blended Component Units	Elimination	Total Primary Government
96110	Property Insurance	-	-	-	-	-	-	-	-	365,285	-	-	-	-	365,285	-	433,495
96120	Liability Insurance	-	-	-	-	-	-	52,757	15,368	67,436	-	-	-	-	135,561	-	232,133
96130	Workmen's Compensation	236	1,389	1,314	-	-	-	16,700	6,211	8,628	-	-	1,452	1,477	34,468	-	119,208
96140	All other Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,561
96200	Other General Expenses	-	-	-	-	-	-	-	-	1,245,495	-	-	-	-	1,245,495	-	1,331,525
96210	Compensated Absences	-	-	-	-	-	-	44,013	16,279	26,107	-	-	17,909	3,483	107,791	-	448,974
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	89,546	-	-	-	-	89,546	-	89,546
96400	Bad Debt - Tenant Rents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30,714
96710	Interest on Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	2,729,567	-	11,692	-	-	2,741,259	-	2,854,137
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	633,035	-	-	-	-	633,035	-	633,035
96900	Total Operating Expenses	34,503	791,589	195,024	-	-	-	3,793,262	1,297,949	16,200,125	206	11,692	284,853	445,751	22,033,838	(3,722,630)	40,859,235
97000	Excess Operating Revenue over Operating Expenses	513,702	-	-	-	-	1,086,887	355,863,143	61,574,804	4,597,168	5,993	(11,692)	(43,615)	(256,660)	421,729,141	-	471,907,905
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	1,187	-	-	-	-	1,187	-	2,769
97300	Housing Assistance Payments	513,702	-	-	-	-	-	347,092,238	60,722,057	-	-	-	-	-	407,814,295	-	461,546,912
97350	HAP Portability - In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	74,838
97400	Depreciation Expense	-	-	-	-	-	9,811	-	-	3,860,629	-	-	-	-	3,860,629	-	6,310,058
90000	Total Expenses	548,205	791,589	195,024	-	-	9,811	350,885,500	62,020,006	20,061,941	206	11,692	284,853	445,751	433,709,949	(3,722,630)	508,793,812
10040	Total Operating transfers from/to component unit	-	-	-	-	-	650,064	(3,821,206)	(51,679)	7,937,272	-	(35,000)	-	313,575	4,342,962	-	-
10080	Special items, net gain/loss	-	-	-	-	-	(562,304)	-	-	-	-	-	-	-	-	-	(562,304)
10093	Transfers between programs and projects in	-	-	-	-	-	1,428,676	-	-	-	-	1,164,226	-	-	1,164,226	(2,943,881)	-
10094	Transfers between programs and projects out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,943,881	-
10100	Total other financing sources (Uses)	-	-	-	-	-	1,516,436	(3,821,206)	(51,679)	7,937,272	-	1,129,226	-	313,575	5,507,188	-	(562,304)
10000	Excess (deficiency) of total revenue over (under) total expenses	-	-	-	-	-	2,593,512	4,949,699	801,068	8,672,624	5,993	1,117,534	(43,615)	56,915	15,560,218	-	3,411,024
11020	Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11030	Beginning Equity	-	-	-	-	-	35,696,488	2,021,662	558,370	49,666,554	192,714	520,000	-	712,717	53,672,017	-	111,835,875
11040	Total Prior Period Adjustments, Equity transfer and correction of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11170	Administrative Fee Equity														-		-
11180	Housing Assistance Payments Equity														-		-
11190	Unit Months Available	698	-	-	-	-	-	-	-	-	-	-	-	-	-	-	142,748
11210	Number of Unit Months Leased	698	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71,877
11270	Excess Cash														-		1,887,708
11620	Building Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,766,621

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Housing Authority of the City of Austin

SCHEDULES OF ACTUAL CAPITAL FUND PROGRAMS COSTS AND ADVANCES

March 31, 2019

PROGRAM	501-15	501-16	501-16 Safety & Security	501-17	501-18	TOTAL
BUDGET	<u>\$ 2,370,772</u>	<u>\$ 2,454,926</u>	<u>\$ 248,569</u>	<u>\$ 1,747,395</u>	<u>\$ 1,691,521</u>	<u>\$ 8,513,183</u>
ADVANCES						
Cash receipts - prior years	\$ 2,313,194	\$ 1,966,981	\$ 230,915	\$ 513,982	\$ -	\$ 5,025,072
Cash receipts - current year	57,578	487,945	17,654	1,233,413	431,072	2,227,662
Cumulative as of March 31, 2019	<u>2,370,772</u>	<u>2,454,926</u>	<u>248,569</u>	<u>1,747,395</u>	<u>431,072</u>	<u>7,252,734</u>
COSTS						
Prior years	2,313,194	1,966,981	248,569	513,982	-	5,042,726
Current year	57,578	487,945	-	1,233,413	295,672	2,074,608
Cumulative as of March 31, 2019	<u>2,370,772</u>	<u>2,454,926</u>	<u>248,569</u>	<u>1,747,395</u>	<u>295,672</u>	<u>7,117,334</u>
RECEIVABLE DUE FROM HUD	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,400</u>	<u>\$ 135,400</u>
SOFT COSTS						
Prior years	\$ 487,000	\$ 477,751	\$ -	\$ 137,070	\$ -	\$ 1,101,821
Current year	2,986	5,087	-	279,899	20,015	307,987
Cumulative as of March 31, 2019	<u>489,986</u>	<u>482,838</u>	<u>-</u>	<u>416,969</u>	<u>20,015</u>	<u>1,409,808</u>
HARD COSTS						
Prior years	1,826,194	1,489,230	248,569	376,912	-	3,940,905
Current year	54,592	482,858	-	953,514	275,657	1,766,621
Cumulative as of March 31, 2019	<u>1,880,786</u>	<u>1,972,088</u>	<u>248,569</u>	<u>1,330,426</u>	<u>275,657</u>	<u>5,707,526</u>
CUMULATIVE HARD AND SOFT COSTS	<u>\$ 2,370,772</u>	<u>\$ 2,454,926</u>	<u>\$ 248,569</u>	<u>\$ 1,747,395</u>	<u>\$ 295,672</u>	<u>\$ 7,117,334</u>

See Independent Auditor's Report

SINGLE AUDIT SECTION

Housing Authority of the City of Austin

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended March 31, 2019

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	CFDA Number	Federal Expenditures
FEDERAL AWARDS		
<u>Direct from the U.S. Department of Housing and Urban Development ("HUD"):</u>		
Public and Indian Housing	14.850	\$ 3,881,811
Housing Voucher Cluster:		
Section 8 Housing Choice Voucher Program	14.871	\$ 55,433,115
Mainstream Vouchers	14.879	<u>568,758</u>
Subtotal Housing Voucher Cluster		56,001,873
Public Housing Capital Fund Program	14.872	2,074,608
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	325,367
PIH Family Self-Sufficiency Program	14.896	195,024
Jobs-Plus Pilot Initiative	14.895	791,589
Continuum of Care Program	14.267	523,575
Section 8 Housing Assistance Payments Program	14.195	3,842,420
<u>Pass through from the City of Austin:</u>		
HOME Investment Partnership Program	14.239	323,281
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u><u>\$ 67,959,548</u></u>

NOTE A - BASIS OF PRESENTATION:

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

In accordance with HUD regulations, HUD considers the Annual Budget Authority for the Section 8 Housing Choice Voucher Program ("HCV"), CFDA No. 14.871, to be an expenditure for the purposes of this schedule. Therefore, the amount in this schedule is the total amount received directly from HUD and not the expenditures paid by the Authority.

NOTE B - PERFORMANCE BASED CONTRACT ADMINISTRATOR GRANT:

The accompanying schedule of expenditures of federal awards excludes \$422,521,376 of expenditures for a Performance Based Contract Administrator Agreement with HUD for the States of Texas and Arkansas. There is a separately issued schedule of expenditures of federal awards and an audit performed in accordance with the requirements of Uniform Guidance dated March 31, 2019 for Southwest Housing Compliance Corporation, a blended component unit of the Authority, in which that federal award is included.

NOTE C - SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM:

The Authority has converted existing Low Income Public Housing utilizing the RAD program and although the expenditures are being subsidized by HUD under separate legal entities, these funds are considered funded at the Authority level and accordingly these amounts are reflected in the above Schedule of Expenditures of Federal Awards in the amount of \$3,842,420 under CFDA# 14.195.

NOTE D - INDIRECT COST RATE:

The Authority did not elect to use the 10-percent de minimis indirect cost rate.

NOTE E - SUB-RECIPIENTS

During the year ended March 31, 2019, the Authority had no sub-recipients.

NOTE F - NONCASH ASSISTANCE AND OTHER

The Authority did not receive any noncash assistance, federal loans, or federally funded insurance during the year ended March 31, 2019.

See Independent Auditor's Report

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Housing Authority of the City of Austin
Austin, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of the City of Austin (the "Authority"), as of and for the year ended March 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 21, 2019.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs, which we consider to be a significant deficiency as **Finding 2019-001**.

Compliance and Other Matters

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

Authority's Response to Findings

The Authority's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

November 21, 2019
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

Board of Commissioners
Housing Authority of the City of Austin
Austin, Texas

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Austin's (the "Authority") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Authority's major federal program for the year ended March 31, 2019. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2019.

Report on Internal Control Over Compliance

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

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

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

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

November 21, 2019
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Housing Authority of the City of Austin
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
March 31, 2019

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:

Material weakness identified? **No**

Significant deficiency identified? **Yes (Finding No. 2019-001)**

Noncompliance material to financial statements noted? **No**

Federal Awards

Internal control over major programs:

Material weakness identified? **No**

Significant deficiency identified? **None Reported**

Type of auditor's report issued on compliance for major programs: **Unmodified**

There are no audit findings that are required to be reported in accordance with 2 CFR 200.516(a).

The programs tested as major programs are as follows:

- Housing Voucher Cluster
 - Section 8 Housing Choice Voucher Program - CFDA No. 14.871
 - Mainstream Vouchers - CFDA No. 14.879

The threshold for distinguishing types A and B programs was **\$2,038,786**

Did the auditee qualify as a low-risk auditee? **Yes**

Housing Authority of the City of Austin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

March 31, 2019

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2019-001 Financial Reporting

Significant Deficiency in Internal Controls

Condition: During our audit of the Authority's financial statements, we detected certain deficiencies in internal control over financial reporting as described below which are identified as a significant deficiency in internal control over financial reporting in accordance with audit standards generally accepted in the United States of America, AU-C Section 265 ("AU-C 265"). Numerous adjustments were needed during the audit process to properly report the financial statements in accordance with generally accepted accounting principles.

Context: We obtained the financial information from the unaudited submission sent to the U.S. Department of Housing and Urban Development Real Estate Assessment Center ("REAC"). During the audit process, the unaudited financial data required significant adjustments to reconcile to the supporting schedules provided by the Authority.

Criteria: In accordance with AU-C 265, when a deficiency or a combination of deficiencies in internal control is identified, which indicates that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis, a significant deficiency should be reported.

Cause: The Authority is in the process of converting all of their Public Housing properties to Section 8 Project Based properties via the Rental Demonstration Program ("RAD"). In addition, the Authority experienced staff turnover in the finance department while also undergoing a RAD software conversion. The Authority did not fully implement the established internal controls to ensure activity reported on the unaudited REAC submission was complete and accurate.

Effect: The unaudited data submitted to REAC required numerous and material audit adjustments.

Auditor's Recommendations: The Authority should continue to develop and implement internal controls over external reporting to ensure reporting remains accurate and timely and that variances between expected and actual outcomes are investigated and corrected before unaudited REAC submissions.

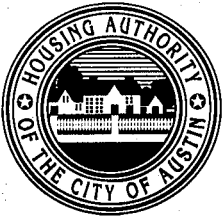
View of Responsible Officials: See Corrective Action Plan.

C. FINDINGS - FEDERAL AWARD PROGRAMS AND QUESTIONED COSTS

None.

D. PRIOR YEAR FINDINGS

None.



Housing Authority of the City of Austin

Established in 1937

Board of Commissioners

Carl S. Richie, Jr., Chairman
Charles Bailey
Tyra Duncan-Hall
Edwina Carrington
Mary Apostolou

President & CEO

Michael G. Gerber

CORRECTIVE ACTION PLAN

November 21, 2019

U.S. Department of Housing and Urban Development

The Housing Authority of the City of Austin respectfully submits the following corrective action plan for the year ended March 31, 2019.

Berman Hopkins Wright & LaHam, CPAs and Associates, LLP
8035 Spyglass Hill Road
Melbourne, FL 32940

Audit period: April 1, 2018 – March 31, 2019

FINDINGS – FINANCIAL STATEMENTS AUDIT

2019-001 **Financial Reporting**

Significant Deficiency in Internal Controls

Condition: During our audit of the Authority's financial statements, we detected certain deficiencies in internal control over financial reporting as described below which are identified as a significant deficiency in internal control over financial reporting in accordance with audit standards generally accepted in the United States of America, AU-C Section 265 ("AU-C 265"). Numerous adjustments were needed during the audit process to properly report the financial statements in accordance with generally accepted accounting principles.

Auditor's Recommendations: The Authority should continue to develop and implement internal controls over external reporting to ensure reporting remains accurate and timely and that variances between expected and actual outcomes are investigated and corrected before unaudited REAC submissions.

Action Taken:

Changes are ongoing and will be complete by fiscal year end to ensure books are closed timely and accurately. For additional information, please contact Martha Ross, Chief Financial Officer, at (512) 477-4477, ext. 2210.

The Authority is committed to addressing any finding or concern quickly and effectively. This finding is the result of significant changes resulting from the Authority's full conversion to HUD's Rental Assistance Demonstration (RAD). RAD required significant changes to the Authority's financial processes, technologies, staffing, and controls.

*"We envision neighborhoods where poverty is alleviated,
communities are healthy and safe, and all people can achieve their full potential"*

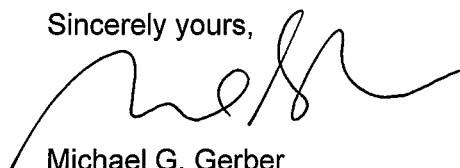
1124 S. IH35, Austin, Tx. 78704 • (512) 477-4488 • Fax (512) 477-0953



As of today, we have converted 17 of 18 properties from Low Income Public Housing to Project Based Rental Assistance through RAD. With the final property conversion, we will be 100% converted and the Authority's finance department can redirect their focus to properly perform and review financial data and the underlying support. The finance department is being supported by Authority executive staff, the technology management and innovation division, and other resources to carefully and effectively address internal control issues identified.

If the U.S. Department of Housing and Urban Development has questions regarding this plan, please contact Michael G. Gerber, President & CEO at (512) 477-4488, ext. 2115.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'M. Gerber', with a long horizontal flourish extending to the right.

Michael G. Gerber
President & CEO

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02622

ASSISTED HOUSING

ITEM NO. 4.

MEETING DATE: November 21, 2019

STAFF CONTACT: Lisa Garcia, Vice President of Assisted Housing

ITEM TITLE: Presentation, Discussion and Possible Action regarding Resolution No. 02622: Approval of the adoption of the revised Housing Choice Voucher Program's Payment Standards

BUDGETED ITEM: No

TOTAL COST: N/A

ACTION

The Board is being asked to review and approve Resolution No. 02622 which will update the Housing Choice Voucher Program's Payment Standards.

SUMMARY

Background:

Housing Authorities are required to adopt Payment Standards for the Housing Choice Voucher Program between 90 and 110 percent of the currently published fair market rents.

Staff Recommendation:

The 2020 fair market rents (FMRs) reflect an average increase by bedroom size between 3 to 6% over last year's published FMRS.

On November 15, 2018, the payment standards were approved by the Board at 100% of published fair market rents.

The rising Austin rental rates continue to make it difficult for housing choice voucher families to locate affordable homes in the Austin area. In analyzing the factors outlined below, staff's recommendation is to adjust the payment standards to 100% of the recently published fair market rents for all bedroom sizes. Staff will continue to exercise the flexibility to approve payment standards up to 120% of the published fair market rents as a reasonable accommodation for persons with disabilities.

The recommendation is proposed in consideration of the following information:

- By adjusting the payment standards as recommended, HACA is helping to ensure that rental assistance provided is competitive with the rising rents in the Austin metropolitan area and that families can locate affordable housing.

- An analysis of the following reports reflect that proposed Payment Standards are below market rents:
 - GoSection 8 Payment Standards Analysis report
 - Austin Multi-Family Trend Report 3rd quarter 2019
 - Austin Board of Realtors Multiple Listing Service Analysis of market rate units

Proposed Payment Standards Chart

No. of bedrooms	0 br	1 br	2 br	3br	4 br	5 br
Current Pmt Standards	\$931	\$1086	\$1315	\$1734	\$2099	\$2414
Proposed Payment Standards	\$988	\$1134	\$1356	\$1763	\$2128	\$2447
FMRs 10-1-2019	\$988	\$1134	\$1356	\$1763	\$2128	\$2447

The New Payment Standards, if approved, will go into effect March 1, 2020.

ATTACHMENTS:

- ❑ **2020 Fair Market Rents**
- ❑ **Austin Trend Report 3Q2019**

RESOLUTION NO. 02622

APPROVAL OF THE ADOPTION OF THE REVISED HOUSING CHOICE VOUCHER PROGRAM'S PAYMENT STANDARDS

WHEREAS, the Housing Authority of the City of Austin is responsible for adopting payment standards between 90 and 110 percent of the published fair market rents;

WHEREAS, the Housing Authority of the City of Austin strives to ensure that rental assistance provided is competitive with rents in the Austin metropolitan area and that families can locate affordable housing;

WHEREAS, based on analysis of the Austin rental market compared to fair market rents, the Housing Authority of the City of Austin requests approval to adopt payment standards at 100% of the currently published fair market rents for all bedroom unit sizes.

The proposed payment standards are as follows:

No. of bedrooms	Eff.	1 br	2 br	3br	4 br	5 br
Payment Standards	\$988	\$1134	\$1356	\$1763	\$2128	\$2447

NOW, THEREFORE, BE IT RESOLVED, that the Housing Authority of the City of Austin's Board of Commissioners adopts payment standards as outlined above to go into effect on March 01, 2020.

PASSED, APPROVED and ADOPTED this 21st day of November, 2019.

Carl S. Richie, Jr., Chairperson

Michael G. Gerber, Secretary



FY 2020 FAIR MARKET RENT DOCUMENTATION SYSTEM

The FY 2020 Austin-Round Rock, TX MSA FMRs for All Bedroom Sizes

Final FY 2020 & Final FY 2019 FMRs By Unit Bedrooms

Year	Efficiency	<u>One- Bedroom</u>	<u>Two- Bedroom</u>	<u>Three- Bedroom</u>	<u>Four-Bedroom</u>
FY 2020 FMR	\$988	\$1,134	\$1,356	\$1,763	\$2,128
<u>FY 2019 FMR</u>	\$931	\$1,086	\$1,315	\$1,734	\$2,099

The Austin-Round Rock, TX MSA consists of the following counties: Bastrop County, TX; Caldwell County, TX; Hays County, TX; Travis County, TX; and Williamson County, TX. All information here applies to the entirety of the Austin-Round Rock, TX MSA.

Fair Market Rent Calculation Methodology

Show/Hide Methodology Narrative

Fair Market Rents for metropolitan areas and non-metropolitan FMR areas are developed as follows:

1. 2013-2017 5-year American Community Survey (ACS) estimates of 2-bedroom adjusted standard quality gross rents calculated for each FMR area are used as the new basis for FY2020 provided the estimate is statistically reliable. For FY2020, the test for reliability is whether the margin of error for the estimate is less than 50% of the estimate itself and whether the ACS estimate is based on at least 100 survey cases. HUD does not receive the exact number of survey cases, but rather a categorical variable known as the count indicator indicating a range of cases. An estimate based on at least 100 cases corresponds to a count indicator of 4 or higher.

If an area does not have a reliable 2013-2017 5-year, HUD checks whether the area has had at least minimally reliable estimate in any of the past 3 years, or estimates that meet the 50% margin of error test described above. If so, the FY2020 base rent is the average of the inflated ACS estimates.

If an area has not had a minimally reliable estimate in the past 3 years, the estimate State for the area's corresponding metropolitan area (if applicable) or

State non-metropolitan area is used as the basis for FY2020.

2. HUD calculates a recent mover adjustment factor by comparing a 2017 1-year 40th percentile recent mover 2-bedroom rent to the 2013-2017 5-year 40th percentile adjusted standard quality gross rent. If either the recent mover and non-recent mover rent estimates are not reliable, HUD uses the recent mover adjustment for a larger geography. For metropolitan areas, the order of geographies examined is: FMR Area, Entire Metropolitan Area (for Metropolitan Sub-Areas), State Metropolitan Portion, Entire State, and Entire US; for non-metropolitan areas, the order of geographies examined is: FMR Area, State Non-Metropolitan Portion, Entire State, and Entire US. The recent mover adjustment factor is floored at one.
3. HUD calculates the appropriate recent mover adjustment factor between the 5-year data and the 1-year data and applies this to the 5-year base rent estimate.
4. Rents are calculated as of 2018 using the relevant (regional or local) change in gross rent Consumer Price Index (CPI) from annual 2017 to annual 2018.
5. All estimates are then inflated from 2018 to FY2020 using a trend factor based on the forecast of gross rent changes through FY2020.
6. FY2020 FMRs are then compared to a State minimum rent, and any area whose preliminary FMR falls below this value is raised to the level of the State minimum.
7. FY2020 FMRs may not be less than 90% of FY2019 FMRs.

The results of the Fair Market Rent Step-by-Step Process

1. The following are the 2017 American Community Survey 5-year 2-Bedroom Adjusted Standard Quality Gross Rent estimate and margin of error for Austin-Round Rock, TX MSA.

Area	ACS ₂₀₁₇ 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent	ACS ₂₀₁₇ 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent Margin of Error	Ratio	Sample Size Category	Result
Austin-Round Rock, TX MSA	<u>\$1,117</u>	\$8	\$8 / \$1,117=0.007	6	0.007 < .5 6 ≥ 4 Use ACS ₂₀₁₇

5-Year
Austin-
Round
Rock, TX
MSA 2-
Bedroom
Adjusted
Standard
Quality
Gross
Rent

Since the ACS₂₀₁₇ Margin of Error Ratio is less than .5, the ACS₂₀₁₇ Austin-Round Rock, TX MSA value is used for the estimate of 2-Bedroom Adjusted Standard Quality Gross Rent:

Area	FY2020 Base Rent
Austin-Round Rock, TX MSA	\$1,117

2. A recent mover adjustment factor is applied based on the smallest area of geography which contains Austin-Round Rock, TX MSA and has an ACS₂₀₁₇ 1-year Adjusted Standard Quality Recent-Mover estimate with a Margin of Error Ratio that is less than .5.

Area	ACS ₂₀₁₇ 1-Year Adjusted Standard Quality Recent-Mover Gross Rent	ACS ₂₀₁₇ 1-Year Adjusted Standard Quality Recent-Mover Gross Rent Margin of Error	Ratio	Sample Size Category	Result
Austin-Round Rock, TX MSA – 2 Bedroom	\$1,252	\$39	0.031	6	0.031 < .5 6 ≥ 4 Use ACS ₂₀₁₇ 1-Year Austin-Round Rock, TX MSA 2-Bedroom Adjusted Standard Quality Recent-Mover Gross Rent

The smallest area of geography which contains Austin-Round Rock, TX MSA and has an ACS₂₀₁₇ 1-year Adjusted Standard Quality Recent-Mover estimate with a Margin of Error Ratio that is less than .5 and with a sufficient number of sample cases is Austin-Round Rock, TX MSA.

3. The calculation of the relevant Recent-Mover Adjustment Factor for Austin-Round Rock, TX MSA is as follows:

ACS₂₀₁₇ 5-Year Area	ACS₂₀₁₇ 5-Year 40th Percentile Adjusted Standard Quality Gross Rent	ACS₂₀₁₇ 1-Year 40th Percentile Adjusted Standard Quality Recent-Mover Gross Rent
Austin-Round Rock, TX MSA – 2 Bedroom	<u>\$1,117</u>	<u>\$1,252</u>

Area	Ratio	Recent-Mover Adjustment Factor
Austin-Round Rock, TX MSA	$\frac{\$1,252}{\$1,117} = 1.121$	$1.1209 \geq 1.0$ Use calculated Recent-Mover Adjustment Factor of 1.1209

4. The calculation of the relevant CPI Update Factors for Austin-Round Rock, TX MSA is as follows: HUD updates the 2017 intermediate rent with the ratio of the annual 2018 local or regional CPI to the annual 2017 local or regional CPI to establish rents as of 2018.

	Update Factor	Type
CPI Update Factor	<u>1.0299</u>	Region CPI

5. The calculation of the Trend Factor is as follows: HUD forecasts the change in national gross rents from 2018 to 2020 for each CPI area and Census Region. This makes Fair Market Rents "as of" FY2020.

Trend Factor	Trend Factor Type
<u>1.0513</u>	Region

6. The FY 2020 2-Bedroom Fair Market Rent for Austin-Round Rock, TX MSA is calculated as follows:

Area	ACS₂₀₁₇ 5-Year Estimate	Recent-Mover Adjustment Factor	Annual 2017 to 2018 CPI Adjustment	Trending 1.0513 to FY2020	FY 2020 2-Bedroom FMR
Austin-Round Rock, TX MSA	\$1,117	1.1209	1.0299	1.0513	$\$1,117 * 1.121 * 1.0299 * 1.0513 = \$1,356$

7. In keeping with HUD policy, the preliminary FY 2020 FMR is checked to ensure that it does not fall below the state minimum.

Area	Preliminary FY2020 2-Bedroom FMR	FY 2020 Texas State Minimum	Final FY2020 2-Bedroom FMR
Austin-Round Rock, TX MSA	\$1,356	<u>\$714</u>	\$1,356 ≥ \$714 Use Austin-Round Rock, TX MSA FMR of \$1,356

8. Bedroom ratios are applied to calculate FMRs for unit sizes other than two bedrooms.

Click on the links in the table to see how the bedroom ratios are calculated.

FY 2020 FMRs By Unit Bedrooms					
	<u>Efficiency</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Four-Bedroom</u>
FY 2020 FMR	\$988	\$1,134	\$1,356	\$1,763	\$2,128

9. The FY2020 FMR must not be below 90% of the FY2019 FMR.

	<u>Efficiency</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Four-Bedroom</u>
FY2019 FMR	\$931	\$1,086	\$1,315	\$1,734	\$2,099
FY2019 floor	\$838	\$977	\$1,184	\$1,561	\$1,889
FY 2020 FMR	\$988	\$1,134	\$1,356	\$1,763	\$2,128
Use FY2019 floor for FY2020?	No	No	No	No	No

Final FY2020 Rents for All Bedroom Sizes for Austin-Round Rock, TX MSA

The following table shows the Final FY 2020 FMRs by bedroom sizes.

Final FY 2020 FMRs By Unit Bedrooms					
	<u>Efficiency</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Four-Bedroom</u>

Final FY 2020 FMR	\$988	\$1,134	\$1,356	\$1,763	\$2,128
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The FMRs for unit sizes larger than four bedrooms are calculated by adding 15 percent to the four bedroom FMR, for each extra bedroom. For example, the FMR for a five bedroom unit is 1.15 times the four bedroom FMR, and the FMR for a six bedroom unit is 1.30 times the four bedroom FMR. FMRs for single-room occupancy units are 0.75 times the zero bedroom (efficiency) FMR.

Permanent link to this page: http://www.huduser.gov/portal/datasets/fmr/fmrs/FY2020_code/2020summary.odn?&year=2020&fmrtype=Final&cbsasub=METRO12420M12420

Select a different area

Press below to select a different county within the same state (same primary state for metropolitan areas):

Anderson County, TX
Andrews County, TX
Angelina County, TX
Aransas County, TX
Archer County, TX

Select a new county

Press below to select a different state:

Select a new state

Select a Final FY 2020 Metropolitan FMR Area:

Austin-Round Rock, TX MSA

Select Metropolitan FMR Area

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[FMR/IL Summary System](#) | [Multifamily Tax Subsidy Project \(MTSP\)](#) | [Income Limits](#) | [HUD LIHTC Database](#)

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Austin Multi-Family Trend Report

Third Quarter, 2019



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Job population	pg 11

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Austin Quarterly Snapshot

Average Occupancy:	94.85%
Average Rent:	\$1,323
Average Square Feet:	861
Average \$/SF:	\$1.54
New Units Added*	1,666
Average Sales Price/Unit:	\$172,101

* Conventional



Did You Know

The statistics in this report are based on conventional properties unless otherwise noted. For further information, all of our data can be searched on the website.

3Q19 Affordable Housing Stats:

18,780 Units – 94.5% - \$1.12psf

3Q19 Student Housing Stats:

13,720 Units – 94.80% - \$1.93psf

3Q19 Senior Housing Stats:

5,410 Units – 85.32% - \$1.44psf

Published by Apartmenttrends.com

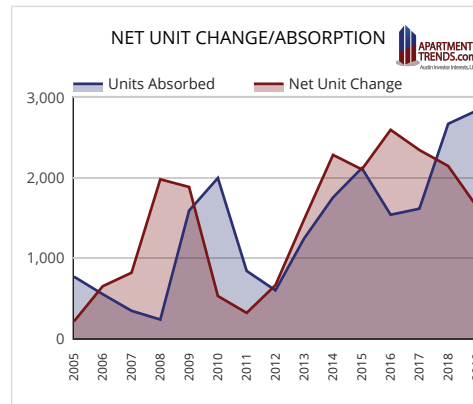
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Good, But Not As Good

Market Overview

Despite putting forth positive gains, the third quarter paled in comparison to the stellar second quarter that saw rent, occupancy, absorption and construction rates soar. Over the last 90 days, job growth barely moved, rent and occupancy rates rose at only half the pace, and absorption, while positive, was down nearly 25%. So while it was good, it was not as good.



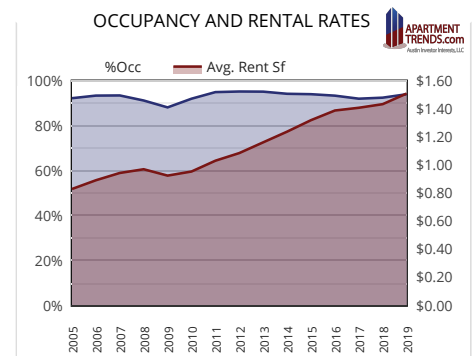
Construction Growth

There are currently over 27,500 units currently under construction in all property types. In addition, there are almost 26,300 units that have been submitted or are already approved and are ready to start construction. It remains to be seen how many of these will come to fruition. While the increases in labor/material costs have been a mainstay, there is now new legislation that was intended to speed up the permitting process but has created many delays and resubmittals thus far. In addition, Austin Energy has now become an extra hurdle with new regulations that are holding some back.

Despite the notable second quarter gains and the positive performance of the third quarter, the unyielding construction pipeline may be set to deal a blow to all of the gains achieved this year. Delays have pushed many unit completions to the seasonally slow fourth quarter and the coming year is on track to deliver an additional 15,000 units. That isn't including the three new proposed "Domain" master planned sites that equate to over 12,000 units in CP/L, SC, and FC over the coming years. Together, this onslaught has the potential for a negative impact on a market that currently sits at a pretty happy place.

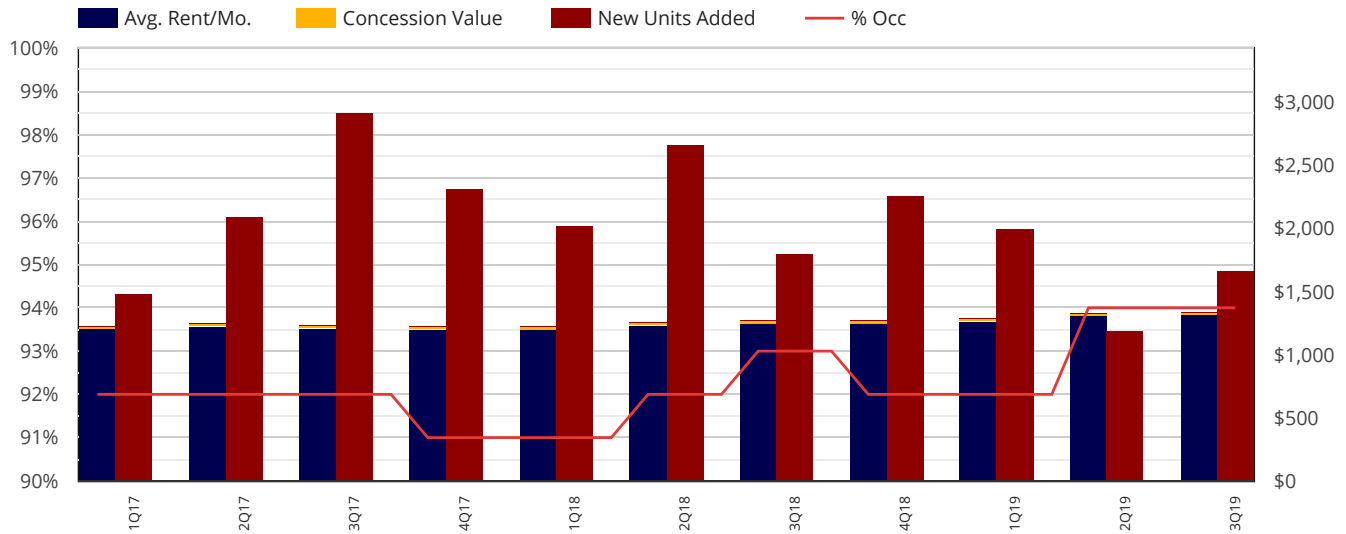
Property Sales

Outside investors remain interested in the Austin area, as investments rose from 76 transactions, with an average ticket price of \$146,250/unit last year, to 93 sales, averaging \$176,000/unit, over the last 12 months. Many even found some with upgrade potential as 33 of the 99 properties upgraded since 2018 were within these recent sales.



Austin can expect diminishing growth rates as new unit completions continue to heighten and enter the market.

Historical Rents and Occupancy



	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19
Avg. Rent/Mo	\$1,206	\$1,225	\$1,215	\$1,195	\$1,203	\$1,235	\$1,249	\$1,248	\$1,269	\$1,308	\$1,323
Concession	\$19	\$14	\$17	\$25	\$23	\$23	\$21	\$22	\$24	\$12	\$12
New Units	1,488	2,096	2,923	2,320	2,019	2,660	1,803	2,264	1,999	1,184	1,666
Occup	92%	92%	92%	91%	92%	92%	93%	93%	93%	94%	95%
Avg. \$/SF	\$1.40	\$1.43	\$1.41	\$1.39	\$1.40	\$1.44	\$1.45	\$1.45	\$1.47	\$1.52	\$1.54

Although construction delays continued to keep new unit delivery totals to a minimum, the third quarter, while positive, did not achieve the same stellar gains produced during the second quarter. That said, occupancy did increase .61% to reach 94.9% - a rate unseen since 2015.

Rents continued to climb as well, rising 1.14% to reach \$1.54 psf or \$1,323/mo over the quarter. These figures show annual effective rent growth is up 5.85%, while occupancy is up 1.58% over this time last year.

New unit additions over the past year did bolster the rental rates slightly over the previous year, as the new product brought in a price point of \$1.63 psf or \$1,443 per month.

Most of the local submarkets reflected

the increases during the quarter. The largest gains in both rent and occupancy were found in the Hays, NWC, W and WMS areas, all of which had elevated occupancy above 2.5% with rent increases ranging 2-3% during the third quarter. The CBD, while gaining 1.3% in occupancy, saw rents decline 1.75%. This was the only area to see annual losses in both occupancy and rent.

Conversely, the greatest losses were found in NC, SW and San Marcos sectors, all dropping between .7 - 1.5%. The remainder either remained fairly stable or gave up rent for occupancy or vice versa.

Overall, concessions remained stable at \$12 off market rents and were most prominent within the W, SM, NC, Hays , E and the SEC submarkets.

Need More Information?

The Trend Report is meant to be a derivative of all of the data we collect in-house on all properties. The following are a few suggested reports when you need more than a gauge on market conditions. Our data is comprehensive, transparent and available through our interactive search on our website to allow you to specify your own criteria to gauge your own market. The following reports will likely be of great benefit on your specific market:

- Market Comparison Report
- Development Pipeline
- Comprehensive Profile
- Historical Absorption
- And many more...

Visit our website
www.apartmenttrends.com

Austin Region Multi-Family Trend Report / 3Q19

Continued from page 3

There were 30 new Class A properties added during the year. These unstabilized units had a direct impact on the market, boosting occupancy 10% over the quarter to reach 88% in their rentable units. Rental rates were running an average of \$1.59 psf and the majority of this new inventory was posting individual occupancy rates of 83% or above. The major recipients of new units over the last twelve months were the NE, SW and WMS County. Of these, the NE submarket was most noteworthy, as it added the highest number of new units and achieved an impressive rate of return. This is good news, as the largest portion of the new construction is located in this submarket.

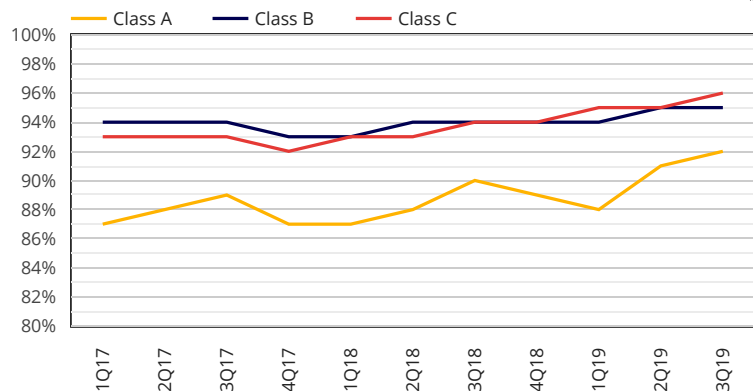
The remaining 185 stabilized Class A units (built prior to the last 12 months), saw occupancy increase .80% to reach 95%, yet rents fell slightly, down .02%, to \$1.77 psf. Overall, total Class A effective rates were flat at \$1.75 psf and occupancy was up 1.2% to reach 92.6%.

Class B had impressive rent and occupancy increases, with rent up 1.62% to reach \$1.42 psf and occupancy up .44% to 96.9%. Class C rents were up 2.2% to reach \$1.45 psf, with an occupancy increase of .30% to reach 96%.

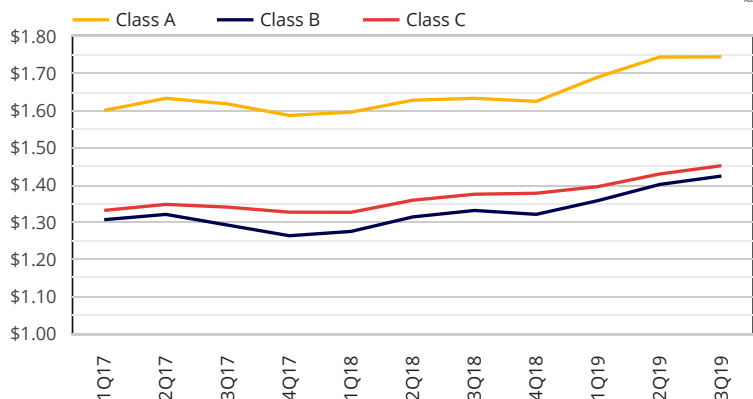
Because the Austin area is Class C heavy in prominent "pricey" locations, these units cause the overall average to exceed Class B units.

Continued on page 7

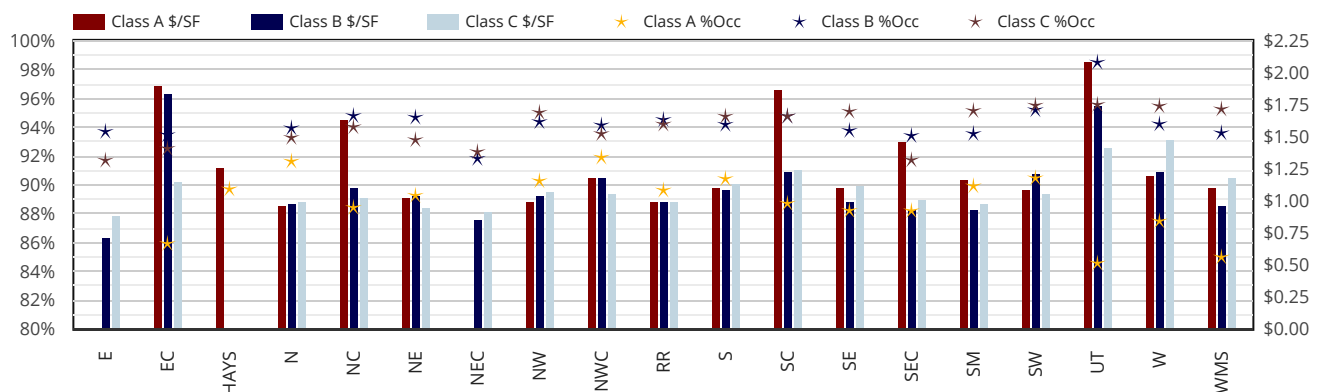
Historical Occupancy by Class



Historical Rental Rates by Class



Submarket Average \$/SF & Occupancy by Class



OCCUPANCY AND RENTAL RATES

3Q19	CLASS A		STAB CLASS A		CLASS B		CLASS C		TOTALS		QTR CHANGE		ANN CHANGE	
	OCC	RENT	OCC	RENT	OCC	RENT	OCC	RENT	OCC	RENT	OCC	RENT	OCC	RENT
BAS	94.3%	\$1.09	0.0%	-	95.8%	\$1.30	98.2%	\$0.92	96.2%	\$1.17	2.8%	2.49%	-1.4%	-1.29%
C	91.5%	\$2.22	94.1%	\$2.14	95.7%	\$1.87	96.2%	\$1.81	94.3%	\$1.98	3.1%	-0.44%	-0.1%	7.69%
CBD	94.3%	\$3.01	94.3%	\$3.01	93.1%	\$2.40	99.0%	\$1.78	94.0%	\$2.76	1.3%	-1.75%	-1.3%	-1.54%
CP/L	93.8%	\$1.49	93.8%	\$1.51	96.0%	\$1.30	97.5%	\$1.19	94.8%	\$1.40	0.8%	3.30%	3.1%	8.83%
E	0.0%	-	0.0%	-	0.0%	-	94.5%	\$1.20	94.5%	\$1.20	0.6%	2.08%	2.2%	7.12%
EC	91.5%	\$2.31	96.1%	\$2.32	94.7%	\$2.02	94.8%	\$1.68	92.3%	\$2.20	0.6%	2.41%	0.5%	8.62%
HAYS	93.5%	\$1.39	93.8%	\$1.41	0.0%	-	0.0%	-	93.5%	\$1.39	3.2%	1.93%	6.0%	4.34%
N	86.1%	\$1.48	92.8%	\$1.42	94.2%	\$1.39	95.9%	\$1.38	94.7%	\$1.39	-1.3%	3.15%	1.0%	6.83%
NC	86.5%	\$1.90	94.0%	\$1.87	95.1%	\$1.81	95.7%	\$1.49	89.9%	\$1.77	-1.5%	-1.75%	-0.5%	3.77%
NE	92.2%	\$1.43	95.6%	\$1.42	97.3%	\$1.30	98.1%	\$1.29	95.3%	\$1.35	1.4%	2.20%	3.3%	7.45%
NEC	0.0%	-	0.0%	-	94.9%	\$1.31	96.0%	\$1.33	95.9%	\$1.33	0.8%	1.72%	2.9%	5.05%
NW	97.1%	\$1.55	97.1%	\$1.55	97.4%	\$1.35	97.2%	\$1.41	97.3%	\$1.39	1.3%	1.47%	2.8%	5.95%
NWC	0.0%	-	0.0%	-	96.9%	\$1.60	95.5%	\$1.44	95.8%	\$1.48	2.2%	2.47%	1.5%	5.64%
RR	97.3%	\$1.38	97.4%	\$1.35	97.1%	\$1.27	96.6%	\$1.31	97.0%	\$1.30	1.6%	0.52%	3.0%	6.00%
S	92.5%	\$1.53	95.1%	\$1.53	93.3%	\$1.43	96.1%	\$1.50	93.8%	\$1.48	-0.5%	1.36%	0.3%	6.88%
SC	95.3%	\$2.35	95.3%	\$2.35	94.3%	\$1.94	95.2%	\$1.76	95.1%	\$2.00	0.2%	0.31%	0.8%	5.77%
SE	94.4%	\$1.44	95.9%	\$1.42	97.3%	\$1.42	96.1%	\$1.44	95.7%	\$1.44	0.7%	0.60%	3.7%	9.60%
SEC	89.3%	\$2.00	92.9%	\$1.97	95.2%	\$1.62	95.5%	\$1.46	94.2%	\$1.60	-1.1%	1.22%	-0.5%	5.30%
SM	93.3%	\$1.42	94.0%	\$1.41	94.5%	\$1.29	95.7%	\$1.19	95.0%	\$1.26	-0.7%	-0.24%	1.2%	0.77%
SW	91.0%	\$1.61	94.4%	\$1.61	94.9%	\$1.46	92.8%	\$1.36	93.6%	\$1.51	-1.0%	0.77%	-0.6%	5.65%
TOTAL	92.4%	\$1.74	94.9%	\$1.77	95.9%	\$1.42	96.0%	\$1.45	94.8%	\$1.54	0.6%	1.14%	1.6%	5.83%

% OF TOTAL	CLASS A	STAB CLASS A	CLASS B	CLASS C	TOTALS
	229 PROPERTIES (28%)	185 PROPERTIES	221 PROPERTIES (27%)	366 PROPERTIES (45%)	816 PROPERTIES
	61,470 UNITS (31%)	51,791 UNITS	67,050 UNITS (34%)	68,815 UNITS (35%)	197,335 UNITS



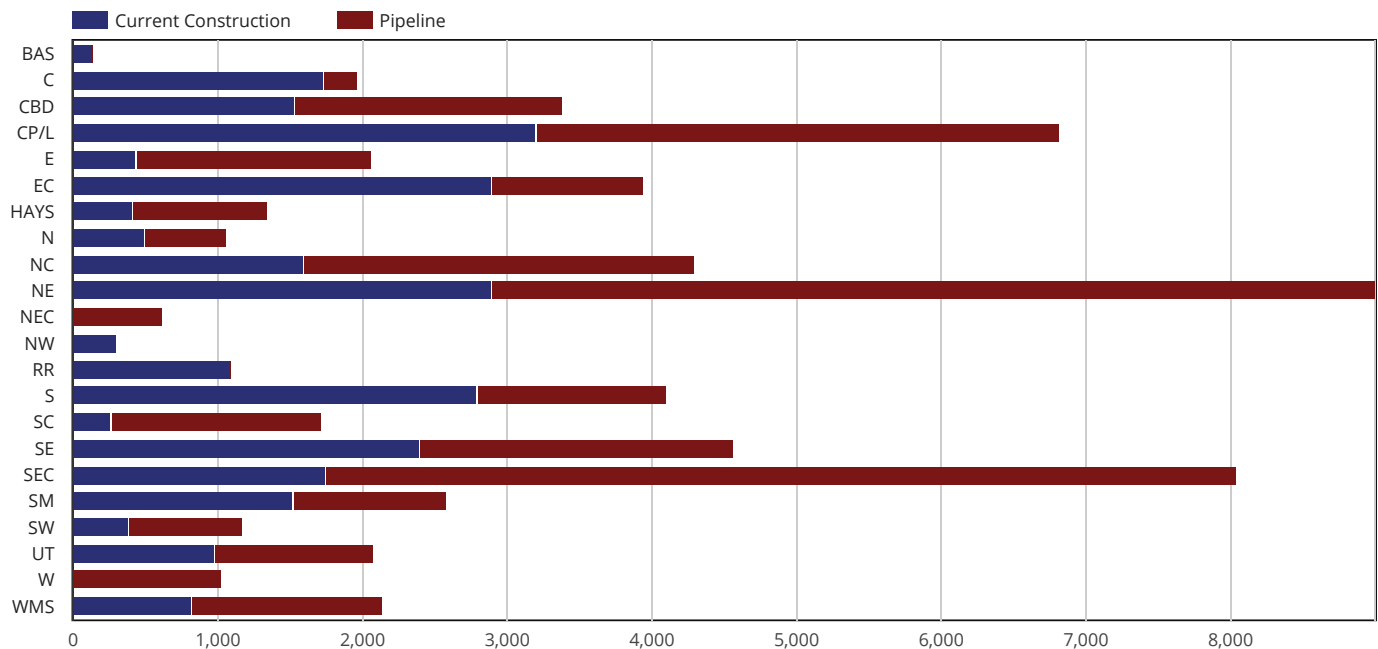
Austin Region Multi-Family Trend Report / 3Q19

UNIT MIX

3Q19	Efficiency		1 Bedroom		2 Bedroom		3 Bedroom		4+ Bedroom		Overall		Concess	#
	SF	RENT	SF	RENT	SF	RENT	SF	RENT	SF	RENT	SF	RENT	Adjust	Props.
BAS	-	-	677	\$943	957	\$1,045	1,230	\$1,341	-	-	872	\$1,023	1.57%	7
C	484	\$1,197	698	\$1,444	1,046	\$1,911	1,327	\$2,627	-	-	804	\$1,594	0.77%	38
CBD	562	\$1,761	819	\$2,296	1,326	\$3,540	2,242	\$6,425	-	-	983	\$2,719	0.39%	18
CP/L	549	\$1,059	754	\$1,179	1,112	\$1,440	1,335	\$1,686	1,689	\$2,032	939	\$1,320	0.49%	35
E	500	\$863	725	\$926	1,037	\$1,137	-	-	-	-	854	\$1,024	3.52%	2
EC	434	\$1,239	727	\$1,688	1,116	\$2,159	1,346	\$2,527	1,015	\$1,155	803	\$1,766	1.06%	24
HAYS	562	\$918	703	\$1,041	1,032	\$1,361	1,253	\$1,598	-	-	861	\$1,196	2.85%	17
N	442	\$764	674	\$1,014	1,001	\$1,290	1,274	\$1,608	1,917	\$2,191	800	\$1,122	0.16%	82
NC	510	\$1,192	710	\$1,324	1,039	\$1,642	1,292	\$1,933	-	-	796	\$1,414	2.59%	34
NE	515	\$940	723	\$1,053	1,064	\$1,341	1,370	\$1,634	1,725	\$1,945	881	\$1,190	0.45%	53
NEC	407	\$776	657	\$908	938	\$1,198	1,186	\$1,479	1,500	\$1,600	779	\$1,038	1.16%	20
NW	485	\$888	731	\$1,108	1,066	\$1,388	1,391	\$1,658	1,786	\$2,008	893	\$1,243	0.06%	94
NWC	434	\$970	693	\$1,085	1,035	\$1,452	1,418	\$1,901	1,800	\$2,130	844	\$1,252	0.21%	24
RR	509	\$851	743	\$1,034	1,043	\$1,297	1,302	\$1,584	1,786	\$1,893	919	\$1,192	0.00%	45
S	444	\$856	704	\$1,135	1,031	\$1,396	1,337	\$1,739	1,417	\$1,847	852	\$1,257	1.24%	59
SC	481	\$1,208	710	\$1,508	1,016	\$1,830	1,467	\$2,819	1,201	\$2,126	807	\$1,614	0.73%	60
SE	452	\$879	694	\$1,121	1,035	\$1,333	1,261	\$1,599	1,193	\$1,499	853	\$1,226	0.57%	21
SEC	475	\$1,037	668	\$1,158	980	\$1,422	1,191	\$1,632	1,298	\$1,612	786	\$1,261	1.46%	57
SM	430	\$743	668	\$938	917	\$1,062	1,168	\$1,328	1,821	\$2,797	829	\$1,045	1.69%	35
SW	562	\$1,094	772	\$1,256	1,109	\$1,554	1,344	\$1,817	-	-	926	\$1,396	1.33%	35
UT	446	\$1,148	682	\$1,395	974	\$1,888	1,169	\$2,738	2,157	\$5,550	788	\$1,678	0.01%	12
W	423	\$1,249	799	\$1,303	1,205	\$1,715	1,590	\$2,155	2,179	\$2,198	1,038	\$1,539	3.08%	19
WMS	612	\$921	741	\$1,083	1,062	\$1,362	1,359	\$1,652	1,757	\$2,370	914	\$1,238	1.50%	25
TOTAL	482	\$1,083	716	\$1,195	1,048	\$1,475	1,347	\$1,779	1,780	\$2,312	861	\$1,324	0.87%	816
% OF TTL	6,508 Units 3.3%		109,530 Units 55.5%		71,784 Units 36.4%		8,696 Units 4.4%		799 Units 0.4%					



DEVELOPMENT PIPELINE DISTRIBUTION



Historical Construction Activity

Quarter by Quarter Comparison

Activity	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19
Starts (TTL)	2,326	2,998	3,554	2,516	2,509	1,333	3,726	2,316	3,635	3,256	2,514	6,475	2,791
Submittals (TTL)	2,585	4,633	1,497	3,420	2,458	3,259	2,362	2,186	4,552	3,823	4,246	5,859	6,417
New Units Added (CNV)	2,338	2,258	1,488	2,096	2,293	2,320	1,731	2,804	2,065	2,277	1,665	1,184	1,666
Net Unit Change (CNV)	2,104	2,529	1,358	2,462	2,890	1,985	1,899	2,610	1,629	2,531	1,842	1,291	1,666
Absorption (CNV)	1,708	-203	1,322	2,173	3,124	-158	2,235	3,599	3,355	1,498	2,024	3,730	2,767
Occupancy (CNV)	93.70%	92.23%	92.27%	92.40%	92.47%	91.38%	91.40%	92.26%	93.27%	92.82%	92.95%	94.24%	94.85%

Continued from page 4

Despite delays, increasing costs, new state laws, and other impediments to construction, the apartment market remains unfazed, continuing to see record numbers of new projects entering the pipeline. On the heels of a second quarter that saw over 5,800 new units submitted, the third quarter came in heavy with an additional 6,417 units in 22 properties. Added to those already in the pipeline, there are now 94 properties, totaling 24,620 units, filed for permit and ready to break ground. In addition, another 1,670 units have already been approved.

These future units, in addition to those proposed (inclusive of the three master planned communities resembling the Domain), amount to 35,835 units which are distributed throughout the Austin area. The majority of these are located in the NE (17%), SEC (17.5%) and CP/L (10%).

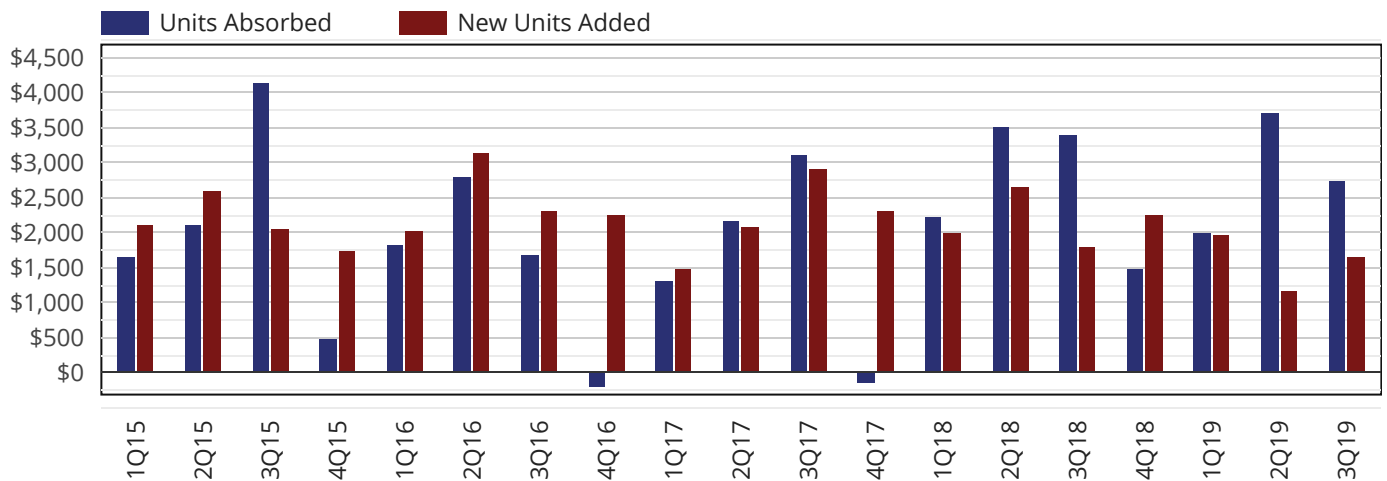
While the second quarter also set a record for the number of new starts, the third quarter returned to the recent norm with 12 properties, totaling 2,791 units breaking ground.

These units, coupled with those already underway, bring the current number of units under construction to 27,568 in 109 properties.

A new state law (HB 852 and HB 3167) that went into effect on September 1, 2019 will have an impact on future construction, as submitted permits must be either approved or rejected within 30 days. If the plans are not approved or rejected, they are automatically approved. The reality will most likely trend toward a greater number of plans being rejected. With the new law in its infancy, it is too early to tell what this will hold, but at present it has caused many developers a lot of grief with resubmittals.

Continued on page 8

OVERALL ABSORPTION/NEW UNITS ADDED



3Q19	3Q19				CNV: New Development Summary		
	CNV HSG Absorption & Units Added				Last 12 Months	Next 12 Months	
	Rentable Units	New Uts Added	Net Unit Change	Absrbd Units	New Units Added	Est Starts	Est Complete
BAS	819	55	55	74	140	0	140
C	5,724	-9	-9	169	411	0	383
CBD	4,241	0	0	57	0	989	221
CP/L	10,405	0	0	80	95	642	2455
E	508	0	0	3	0	562	432
EC	5,284	194	194	208	671	950	668
HAYS	3,865	0	0	125	339	326	412
N	20,822	149	149	-118	315	88	201
NC	9,310	255	255	92	868	1233	1008
NE	14,855	236	236	426	1294	3540	1577
NEC	3,961	0	0	32	0	300	0
NW	27,842	0	0	349	-5	0	162
NWC	5,991	0	0	130	0	-	-
RR	11,825	0	0	194	128	0	652
S	13,445	186	186	107	210	346	1282
SC	12,521	-3	-3	22	-3	1209	191
SE	5,951	31	31	73	163	1367	1978
SEC	12,633	264	264	112	435	640	908
Total	197,335	1,666	1,666	2,767	7,113	13,802	14,796

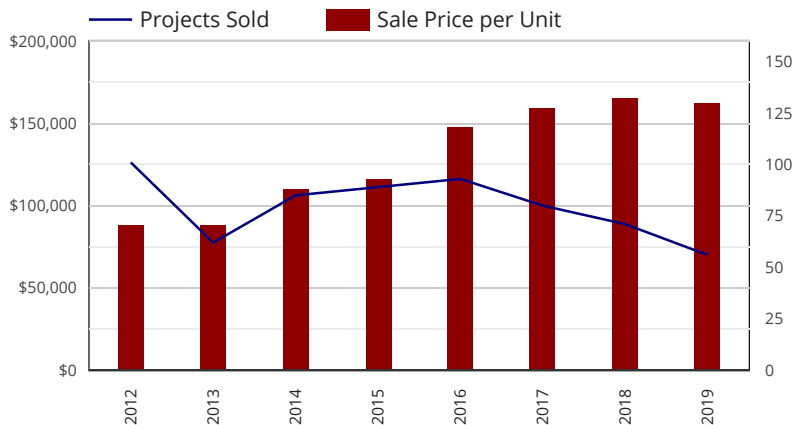
Continued from page 7

Projected new starts over the next 12 months, total 13,802 units, in 52 properties. Of these projects 40 are slated as conventional properties, with 11,350 units. As shown in the chart on page 7, the new starts remain dominant in the NE NC, CBD, EC, SE and the SC sectors. Depending on the effects of the latest House bill, the coming year will see many more starts, and completions will rise as well.

At present, delays remain prominent, however, developers estimate over 32% of these will start by year-end. Those delays also apply to projects already underway, as many of the expected completions were pushed back. Despite the impediments, 1,666 conventional units finished during the quarter, bringing the annual total to 7,113 new units. Expectations for completions over the next year include 14,796 conventional units with many more to come the following year.

Absorption figures, although not quite as stellar as last quarter, remained impressive with 2,767 more units occupied. This number far surpassed the 1,666 new units added during the third quarter.

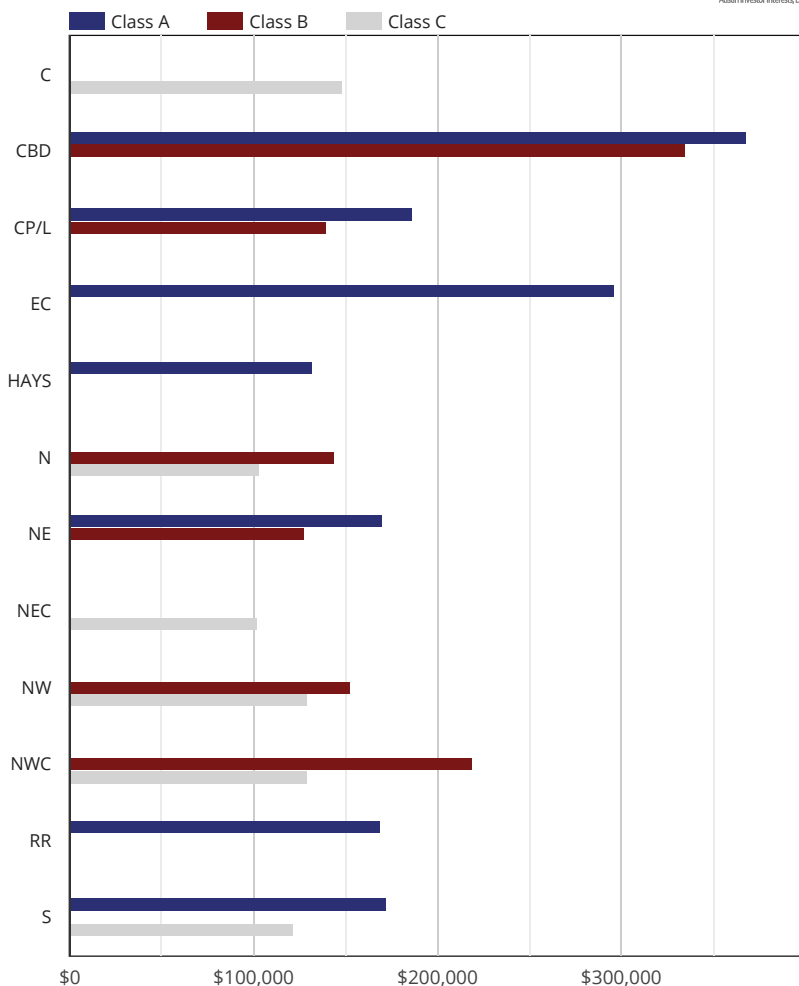
HISTORICAL SALES PRICE/UNIT



Third Quarter Sales

Project:*	Submarket	Units
1 - Array	SEC	370
2 - Baxter at Westwood, The (Avesta Lake C	NW	350
3 - Canvas	S	256
4 - Corazon	EC	256
5 - Crescent	SC	169
6 - East Vue Ranch (Cactus Rose)	SEC	342
7 - Enclave at Water's Edge	N	184
8 - Establishment	SC	139
9 - Estraya Falcon Pointe	NE	324
10 - Falconhead	W	248
11 - Fountain Terrace	UT	68
12 - Guthrie, The	EC	322
13 - Lakeline East	CP/L	348
14 - Madison at Scofield Farms	N	260
15 - Madison at Stone Creek	NW	390
16 - Madison at Wells Branch	N	300
17 - Madrone Ph. I	W	326
18 - Madrone Ph. II	W	228
19 - Mira Vista	NE	200
20 - Riverside Ranch	SM	268

ANNUAL SALES PRICE PER UNIT BY SUBMARKET



Sales activity remains prevalent throughout the Austin area. Since 2014 over 52% of the region's assets have changed hands. During the third quarter, sales included 20 properties, totaling 5,328 units. The average price paid was \$172,101 per unit or \$203 psf. Over 65% of these projects were upgraded during the past two years.

During the quarter, over 30% of the sales were Class A, with an average price of \$215,871/unit, or \$246 psf. Class B transactions accounted for over 15% of the sales and traded at \$177,016/unit, or \$161 psf. Class C units accounted for the remainder and averaged a price of \$130,643/unit, or \$163 psf.

Only 37 properties were shown to be on the market at quarter's end. Well over a third of these are Class A properties, while most of the remainder offer a post value-add opportunity. Nearly a third of the properties on the market are from purchases made by California buyers with a purchase over the last two to three years. Lenders, such as Freddie/Fannie Mae have been restricted by 37% of loans going toward Opportunity Zones, so many have received bridge loans in lieu.

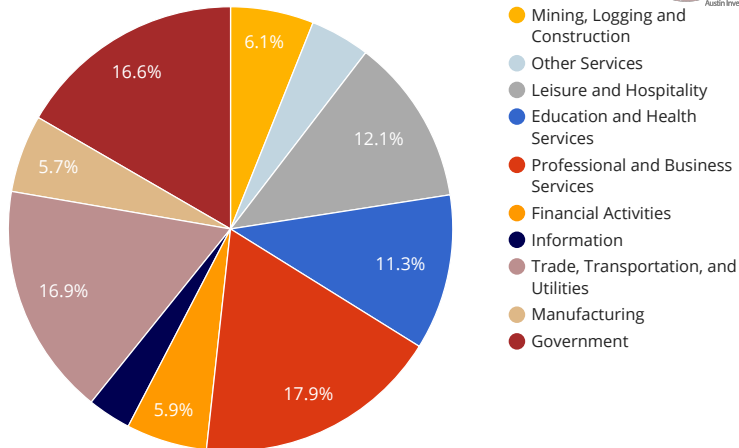
Austin Region Multi-Family Trend Report / 3Q19

MARKET OVERALL

3Q19	CURRENT CONSTRUCTION		CNV COMPLETIONS		ABSORPTION		OCCUPANCY		RENTAL		ANNUAL SALES \$ Per Unit
	Rentable Units	CNV Const Remaining	12 MOS	24 MOS	12 MOS	24 MOS	3Q19	Annual Change	3Q19	Annual Change	
BAS	819	0	140	140	125	77	96.21%	-1.43%	\$1.17	-1.29%	-
C	5,724	1,586	411	411	382	409	94.34%	-0.09%	\$1.98	7.69%	-
CBD	4,241	1,531	0	0	-58	47	93.96%	-1.28%	\$2.76	-1.54%	\$353,982
CP/L	10,405	2,882	95	978	400	1,316	94.83%	3.09%	\$1.40	8.83%	\$174,546
E	508	0	0	0	11	5	94.49%	2.17%	\$1.20	7.12%	-
EC	5,284	2,097	671	1,246	682	1,524	92.34%	0.52%	\$2.20	8.62%	\$296,120
HAYS	3,865	292	339	1,021	530	1,026	93.51%	6.04%	\$1.39	4.34%	\$132,239
N	20,822	499	315	412	565	614	94.74%	0.97%	\$1.39	6.83%	\$118,754
NC	9,310	1,588	868	1,859	844	1,743	89.94%	-0.47%	\$1.77	3.77%	-
NE	14,855	1,948	1,294	2,333	1,772	2,769	95.34%	3.32%	\$1.35	7.45%	\$150,164
NEC	3,961	0	0	-1	113	107	95.91%	2.85%	\$1.33	5.05%	\$102,194
NW	27,842	72	-5	303	773	1,278	97.30%	2.76%	\$1.39	5.95%	\$138,591
NWC	5,991	-	0	0	89	78	95.81%	1.49%	\$1.48	5.64%	\$167,844
RR	11,825	769	128	658	478	969	97.05%	3.02%	\$1.30	6.00%	\$169,305
S	13,445	2,793	210	1,391	239	1,284	93.77%	0.32%	\$1.48	6.88%	\$149,441
SC	12,521	74	-3	274	100	565	95.14%	0.82%	\$2.00	5.77%	\$187,835
SE	5,951	1,360	163	542	370	1,208	95.75%	3.70%	\$1.44	9.60%	\$154,554
SEC	12,633	1,644	435	607	347	1,176	94.17%	-0.51%	\$1.60	5.30%	\$158,109
SM	5,121	609	66	306	113	-397	95.00%	1.22%	\$1.26	0.77%	\$142,190
SW	10,448	384	762	1,034	653	997	93.56%	-0.62%	\$1.51	5.65%	-
UT	1,352	521	0	0	-70	-202	93.64%	-1.52%	\$2.13	-0.62%	-
W	5,146	0	395	583	429	716	94.69%	1.16%	\$1.48	6.12%	\$198,365
WMS	5,266	820	829	1,818	1,116	1,725	92.97%	7.53%	\$1.35	7.92%	-
Total	197,335	21,469	7,113	15,915	10,003	19,034	94.85%	1.58%	\$1.54	5.83%	\$167,650

Austin Region Multi-Family Trend Report / 3Q19

Industry Composition



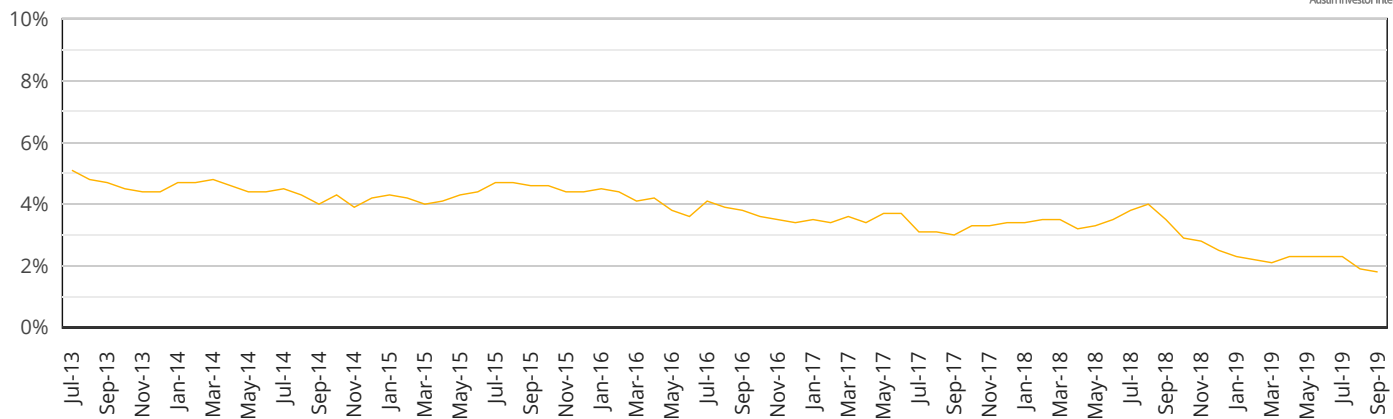
Industry Size Class			
Size Class	Employees per firm	Employment in size class	% Total Employment
9	1000 +	297980	28.7
8	500-999	101663	9.8
7	250-499	104778	10.1
6	100-249	150044	14.4
5	50-99	105890	10.2
4	20-49	116456	11.2
3	10-19	68707	6.6
2	5-9	46476	4.5
1	1-4	44704	4.3

Employment by Industry

	Sep-2019	Aug-2019	Sep-2018	Monthly Change		Annual Change	
				Actual	%	Actual	%
Mining, Logging and Construction	66,200	67,100	65,200	-900	-1.3	1000	1.5
Manufacturing	61,800	62,000	60,800	-200	-0.3	1000	1.6
Trade, Transportation, and Utilities	185,000	185,700	179,800	-700	-0.4	5200	2.9
Information	34,600	34,800	33,400	-200	-0.6	1200	3.6
Financial Activities	64,300	65,400	63,800	-1100	-1.7	500	0.8
Professional and Business Services	195,400	197,200	190,300	-1800	-0.9	5100	2.7
Education and Health Services	123,700	124,200	125,200	-500	-0.4	-1500	-1.2
Leisure and Hospitality	132,600	134,600	129,800	-2000	-1.5	2800	2.2
Other Services	47,600	47,900	46,000	-300	-0.6	1600	3.5
Government	181,900	174,100	179,300	7800	4.5	2600	1.5
Total Nonfarm	1,093,100	1,093,000	1,073,600	100	0.0	19500	1.8

Austin Region Multi-Family Trend Report / 3Q19

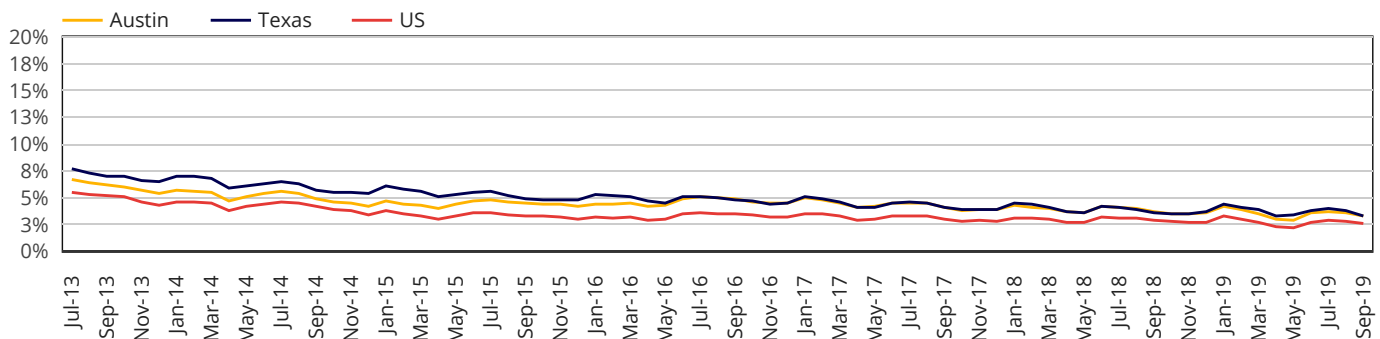
Annual Growth Rate for Total Nonagricultural Employment

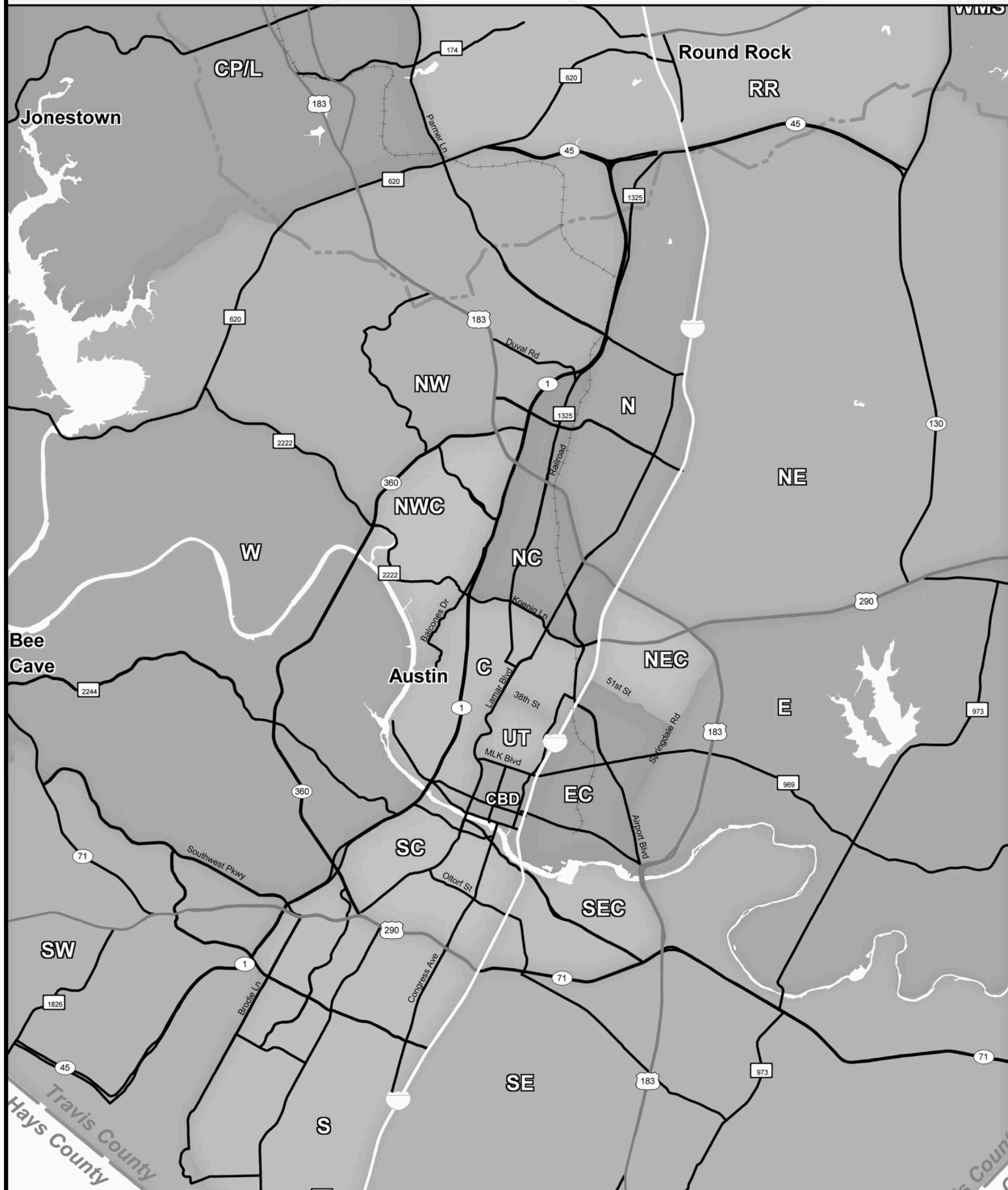


Unemployment Information (all estimate in thousands)

	Austin-Round Rock MSA				Texas(Actual)				United States (Actual)			
	C.L.F.	Emp.	Unemp.	Rate	C.L.F.	Emp.	Unemp.	Rate	C.L.F.	Emp.	Unemp.	Rate
Sep-2019	1,217,793	1,185,886	31,907	2.6	14,112,718	13,641,101	471,617	3.3	163,943,000	158,478,000	5,465,000	3.3
Aug-2019	1,209,485	1,175,776	33,709	2.8	14,015,597	13,508,829	506,768	3.6	164,019,000	157,816,000	6,203,000	3.8
Sep-2018	1,200,200	1,165,553	34,647	2.9	13,849,870	13,337,031	512,839	3.7	161,958,000	156,191,000	5,766,000	3.6

Historical Unemployment Rates





HOUSING AUTHORITY OF THE CITY OF AUSTIN
REPORT
RENTAL ASSISTANCE DEMONSTRATION
ITEM NO. 5.

MEETING DATE: November 21, 2019

STAFF CONTACT: Ann Gass, Director of RAD

ITEM TITLE: Update on HACA's Rental Assistance Demonstration Program

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

No action is being requested. Staff will provide an update to the Board regarding progress with HACA's Rental Assistance Demonstration Program, ongoing construction and rehabilitation of units in HACA's public housing portfolio, and implications for residents and the broader community.

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02624

AUSTIN AFFORDABLE HOUSING CORPORATION

ITEM NO. 6.

MEETING DATE: November 21, 2019

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 02624 by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) approving resolution of Austin Affordable PFC, Inc. providing for the issuance of its Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments), Series 2019A and its Taxable Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments), Series 2019B (collectively, the “Bonds”) and to take such other actions necessary or convenient to facilitate the development of the Bridge at Canyon View Apartments

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The board is being asked to approve Resolution No. 02624 approving resolution of Austin Affordable PFC, Inc. providing for the issuance of its Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments), Series 2019A and its Taxable Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments), Series 2019B (collectively, the “Bonds”) and to take such other actions necessary or convenient to facilitate the development of the Bridge at Canyon View Apartments.

SUMMARY

Background:

Austin Affordable Housing Corporation has been presented an opportunity to partner with LDG Development LLC on a certain 26.3 acre tract of land located at 4506 E. William Cannon Drive, Austin, Texas 78744. The project (Bridge at Canyon View) will consist of 215 family apartment units serving residents at or below 60% Area Median Income. The board has seen this project three times before: December 2016 for the bond inducement and 3 year carryforward resolution, March 2017 for the Public Hearing and March 2019 for the Tax Credit Application Resolution. The project was originally envisioned as a senior property, but when HUD changed their minimum qualifying senior age from 55 and above to 62 and above, it was determined that the demand was not as favorable for this project. In further research, market studies showed a higher demand and need for family units in the area. This research and eventual change (including configuration and unit count adjustment) is the reason for the additional time between presentations to the board. The two closest current projects AAHC owns are Urban Oaks and Bridge at South Point to the

West.

Process:

The development will use a mix of 4% tax credits and bonds to finance the construction with a total project cost of approximately \$53,000,000. The planned development will consist of 71 one bedroom/one bath units, 54 two bedroom/two bath units and 90 three bedroom/two bath units. As with all AAHC properties, all units will be marketed to HACA's Housing Choice Voucher families.

HACA, through its Public Facility Corporation, will issue tax-exempt bonds in an amount not to exceed \$25,000,000 and a taxable tail not to exceed \$15,000,000. In the January 30, 2019 HACA Board Work Session, the Board set out affordability goals for future acquisitions and developments for AAHC. By serving families with incomes at 60% and below Area Median Income, the Bridge at Canyon View meets these targeted affordability goals.

Unit Breakdown:	71	1-bedroom/1-bath	713-718 sq ft
	54	2-bedroom/2-bath	949-954 sq ft
	90	3-bedroom/2-bath	1,265-1,270 sq ft

Staff Recommendation:

Board approval will allow Austin Affordable PFC, Inc. to issue Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments), Series 2019A and its Taxable Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments), Series 2019B (collectively, the "Bonds") and to take such other actions necessary or convenient to facilitate the development of the Bridge at Canyon View Apartments.

ATTACHMENTS:

▣ **Resolution Exhibit**

RESOLUTION NO. 02624

RESOLUTION APPROVING RESOLUTION OF AUSTIN AFFORDABLE PFC, INC. PROVIDING FOR THE ISSUANCE OF ITS MULTIFAMILY HOUSING REVENUE BONDS (THE BRIDGE AT CANYON VIEW APARTMENTS), SERIES 2019A AND ITS TAXABLE MULTIFAMILY HOUSING REVENUE BONDS (THE BRIDGE AT CANYON VIEW APARTMENTS), SERIES 2019B (COLLECTIVELY, THE “BONDS”) AND TO TAKE SUCH OTHER ACTIONS NECESSARY OR CONVENIENT TO FACILITATE THE DEVELOPMENT OF THE BRIDGE AT CANYON VIEW APARTMENTS

WHEREAS, Austin Affordable PFC, Inc. (the “Issuer”) was created by the Housing Authority of the City of Austin (the “Sponsor”) pursuant to the provisions of the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “Act”); and

WHEREAS, Section 303.071 of the Act requires that the governing body of the Sponsor approve by resolution any of the Issuer’s bonds;

WHEREAS, it is deemed necessary and advisable that this Resolution be adopted;

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF AUSTIN THAT:

Section 1. The President and CEO of the Sponsor and/or his designee and the other officers of the Sponsor are hereby authorized, jointly and severally, to review, approve, execute and deliver all certificates, affidavits, agreements, documents and other writings as such officers shall deem to be necessary or desirable in the consummation of the transactions herein contemplated to carry out the intent and purposes of this Resolution.

Section 2. The Resolution authorizing the issuance of the Issuer’s Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments) Series 2019A and the Issuer’s Taxable Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments) Series 2019B adopted by the Board of Directors of the Issuer (the “Issuer Resolution”), a copy of which is attached hereto as Exhibit A and made a part hereof for all purposes, is hereby approved.

Section 3. The Austin Affordable PFC, Inc. Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments) Series 2019A, which are issued in an aggregate principal amount not to exceed \$25,000,000, and Taxable Multifamily Housing Revenue Bonds (The Bridge at Canyon View Apartments) Series 2019B, which are issued in the aggregate principal amount not to exceed \$16,000,000, to finance the acquisition and construction of a multifamily housing residential rental development located at approximately 4506 E. William Cannon Drive, Austin, Texas 78744 as described in the Issuer Resolution including, without limitation, utilities, foundation, structures and equipment, and owned and operated by Bridges at Canyon View, LP, a Texas limited partnership (the “Project”) are hereby approved pursuant to Section 303.071 of the Act.

Section 4. The approval herein given is in accordance with the provisions of Section 303.071 of the Act and is not to be construed as any undertaking by the Sponsor, and the Bonds shall never constitute an indebtedness or pledge of the Sponsor, the City of Austin or the State of Texas, within the meaning of any constitutional or statutory provision, and the holders of the Bonds shall never be paid in whole or in part out of any funds raised or to be raised by taxation or any other revenues of the Issuer, the Sponsor, the City of Austin or the State of Texas except those revenues assigned and pledged by the Issuer in the Trust Indenture (as may be defined in the Issuer Resolution).

Section 5. The issuance of the Bonds to assist in the financing of the Project will promote the public purposes set forth in Section 303.002 of the Act, will accomplish a valid public purpose of the Sponsor by providing for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing and placement in service of public facilities in an orderly, planned manner and at the lowest possible borrowing costs, and will provide decent, safe, and sanitary urban housing for persons of low income.

Section 6. An income that is greater than 80% of Median Gross Income for the Austin area is the amount of income that the Sponsor considers necessary for families or persons to live, without financial assistance, in decent, safe and sanitary housing without overcrowding.

Section 7. The programs and expenditures authorized and contemplated by the Issuer Resolution are hereby in all respects approved.

Section 8. The President and CEO of the Sponsor and/or his designee and the other officers of the Sponsor are hereby authorized, jointly and severally, to review, approve, execute and deliver all documents, including without limitation, a ground lease between the Sponsor and Bridges at Canyon View, LP and any documents contemplated in connection with the Bond financing that require the Sponsor's signature in order to subordinate the Sponsor's interest in the ground lease and/or provide additional security for the Bond financing, as such officers deem to be necessary or desirable in the consummation of the transactions herein contemplated in order to facilitate the development of the Project.

Section 9. This resolution shall be in full force and effect from and upon its adoption.

PASSED, APPROVED AND ADOPTED this 21st day of November, 2019.

Chairperson

ATTEST:

Secretary

Exhibit A

ISSUER RESOLUTION

[To be attached]

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02625

AUSTIN AFFORDABLE HOUSING CORPORATION

ITEM NO. 7.

MEETING DATE: November 21, 2019

STAFF CONTACT: Suzanne Schwertner, Director of Development

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 02625 by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) approving resolution of Austin Affordable PFC, Inc. providing for the issuance of its Multifamily Housing Governmental Note (Estates at Norwood), Series 2019 (the “Note”) and to take such other actions necessary or convenient to facilitate the development of the Estates at Norwood

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The board is being asked to approve Resolution No. 02625 approving resolution of Austin Affordable PFC, Inc. providing for the issuance of its Multifamily Housing Governmental Note (Estates at Norwood), Series 2019 (the “Note”) and to take such other actions necessary or convenient to facilitate the development of the Estates at Norwood.

SUMMARY

Background:

Austin Affordable Housing Corporation has been presented an opportunity to partner with LDG Development LLC on a certain tract of land located at 916 & 918 Norwood Park Blvd, Austin, Texas 78753. The project (Estates at Norwood) will consist of 228 family apartment units serving residents at or below 60% Area Median Income. The board has seen this project three times before: November 2018 for the bond inducement resolution, February 2019 the Tax Credit Application Resolution, and July 2019 to amend the Inducement Resolution. The two closest current projects AAHC owns are Bridge at Granada to the Northeast and HACA RAD PBRA property Pathways at Georgian Manor farther Northeast.

Process:

The development will use a mix of 4% tax credits and bonds to finance the construction with a total project cost of approximately \$44,000,000. The planned development will consist of 36 one bedroom/one bath units, 108 two bedroom/two bath units and 84 three bedroom/two bath units. As with all AAHC properties, all units will be marketed to HACA’s Housing Choice Voucher families.

HACA, through its Public Facility Corporation, will issue tax-exempt bonds in an amount not to exceed \$35,000,000. In the January 30, 2019 HACA Board Work Session, the Board set out affordability goals for future acquisitions and developments for AAHC. By serving families with incomes at 60% and below Area Median Income, the Bridge at Canyon View meets these targeted affordability goals.

Unit Breakdown:	36	1-bedroom/1-bath	806 sq ft
	108	2-bedroom/2-bath	1,033 sq ft
	84	3-bedroom/2-bath	1,202sq ft

Staff Recommendation:

Board approval will allow Austin Affordable PFC, Inc. to issue Multifamily Housing Governmental Note (Estates at Norwood), Series 2019 (the “Note”) and to take such other actions necessary or convenient to facilitate the development of the Estates at Norwood.

ATTACHMENTS:

▣ **Resolution Exhibit**

RESOLUTION NO. 02625

RESOLUTION APPROVING AUSTIN AFFORDABLE PFC, INC.'S ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING GOVERNMENTAL NOTES (ESTATES AT NORWOOD APARTMENTS) SERIES 2019A-1 AND 2019A-2; APPROVING THE FORM AND SUBSTANCE OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS NECESSARY TO CARRY OUT THE FINANCING OF SUCH MULTIFAMILY RENTAL RESIDENTIAL DEVELOPMENT; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, Austin Affordable PFC, Inc. (the "Governmental Lender") was created by the Housing Authority of the City of Austin (the "Sponsor") pursuant to the provisions of the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the "Act"); and

WHEREAS, Section 303.071 of the Act requires that the governing body of the Sponsor approve by resolution any issuance of the Governmental Lender's tax-exempt debt;

WHEREAS, it is deemed necessary and advisable that this Resolution be adopted;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF AUSTIN THAT:

Section 1. The Sponsor authorizes the issuance by the Governmental Lender of its Austin Affordable PFC, Inc. Multifamily Housing Governmental Notes (Estates at Norwood) Series 2019A-1 and 2019A-2 in substantial accordance with the resolution of even date herewith adopted by the Board of Directors of the Governmental Lender (the "Governmental Lender Resolution"), a copy of which is attached hereto as Exhibit A and made a part hereof for all purposes.

Section 2. The Governmental Notes, which will be issued in an aggregate principal amount not to exceed \$35,000,000, to finance the acquisition and construction of a multifamily housing residential rental development located at approximately 916 and 918 Norwood Park Boulevard, Austin, Texas 78753, including, without limitation, utilities, foundation, structures and equipment (collectively, the "Project"), are hereby approved pursuant to Section 303.071 of the Act.

Section 3. The approval herein given is in accordance with the provisions of Section 303.071 of the Act and is not to be construed as any undertaking by the Sponsor, and the Governmental Notes shall never constitute any indebtedness or pledge of the Sponsor, the City of Austin or the State of Texas, within the meaning of any constitutional or statutory provision, and the holders of the Governmental Notes shall never be paid in whole or in part out of any funds raised or to be raised by taxation or any other revenues of the Governmental Lender, the Sponsor, the City of Austin or the State of Texas except those revenues assigned and pledged by the Governmental Lender in the Funding Loan Agreement (as defined in the Governmental Lender Resolution).

Section 4. The issuance of the Governmental Notes to assist in the financing of the Project will promote the public purposes set forth in Section 303.002 of the Act, will accomplish a valid public purpose of the Sponsor by providing for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing and placement in service of public facilities, and will provide decent, safe, and sanitary urban housing for persons of low income.

Section 5. An income that is greater than 80% of median gross income for the Houston area is the amount of income that the Sponsor considers necessary for families or persons to live, without financial assistance, in decent, safe and sanitary housing without overcrowding.

Section 6. The programs and expenditures authorized and contemplated by the Governmental Lender Resolution are hereby in all respects approved.

Section 7. The President and CEO, Vice President and Secretary of the Sponsor and the other officers of the Sponsor are hereby authorized, jointly and severally, to execute and deliver such endorsements, instruments, certificates, documents, or papers, including without limitation, a ground lease between the Sponsor and LDG Estates at Norwood, LP, as such officers deem to be necessary and advisable to carry out the intent and

purposes of this Resolution.

Section 8. This resolution shall be in full force and effect from and upon its adoption.

PASSED, APPROVED AND ADOPTED this 21st day of November, 2019.

Chairperson

ATTEST:

Michael G. Gerber, Secretary

Exhibit A

GOVERNMENTAL LENDER RESOLUTION

[To be attached]

HOUSING AUTHORITY OF THE CITY OF AUSTIN

BOARD ACTION REQUEST

RESOLUTION NO. 02623

FINANCE ITEM NO. 8.

MEETING DATE: November 21, 2019

STAFF CONTACT: Martha Ross, Vice President & Chief Financial Officer

ITEM TITLE: Presentation, Discussion, and Possible Action regarding Resolution No. 02623: Operating Budget Revision for fiscal year April 2019 to March 2020

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

Motion to Approve Resolution No. 02623.

SUMMARY

Background:

The regulations of the U.S. Department of Housing and Urban Development require the Commissioners of the Housing Authority of the City of Austin to approve the agency's Operating Budget revision.

Process:

Finance worked with Department managers to update the budget based on actual usage and forecast revenues and expenses through March 2020. The goal is for the Annual Budget (and related revisions) continue to migrate into a method that (1) looks more like our audited annual financial statements with revenues and expenses shown separately from the Balance Sheet excerpts, (2) where complete revenues and expenses are shown, including pass-through amounts, and (3) where we have separate visibility for tax credit properties in the summary page. HACA is also moving towards updating the Chart of Accounts (financial data capture in standardized columns of data) and implementing new budget software in the coming years, to transform a largely manual, legacy process into one with better controls for an agency of our size and complexity.

Staff Recommendation:

Approval is recommended.

RESOLUTION NO. 02623

**RESOLUTION APPROVING THE REVISED OPERATING BUDGETS FOR THE FISCAL YEAR
APRIL 1, 2018 TO MARCH 31, 2019**

WHEREAS, the regulations of the U. S. Department of Housing and Urban Development require the Commissioners of a Public Housing Agency to approve Operating Budget revisions; and

WHEREAS, The Commissioners of the Housing Authority of the City of Austin have reviewed the revised Operating Budgets and do find: 1) That the proposed expenditures are necessary for the efficient and economical operation of the program for the purpose of serving low-income families. 2) That the financial plan is reasonable in that: (a) It includes sources of funding adequate to cover all proposed expenditures, and (b) It does not provide for use of Federal funding in excess of that payable under the provisions of the Annual Contributions Contract. 3) That all proposed rental charges and expenditures are consistent with provisions of law and the Annual Contributions Contract; and

WHEREAS, the Board of Commissioners of the Housing Authority of the City of Austin hereby certify that the Housing Authority of the city of Austin is in compliance with the Annual Contributions Contract; and

WHEREAS, the Board of Commissioners of the Housing Authority of the City of Austin hereby certify that the Housing Authority of the City of Austin is in compliance with the requirement of the Annual Contributions Contract, and that rents and utility allowance calculations have been, or will be, adjusted in accordance with current HUD requirements and regulations.

NOW, THEREFORE, BE IT RESOLVED that the Fiscal Year 2018 Revised Operating Budgets, copies of such budgets attached be hereby approved by the Board of Commissioners of the Housing Authority of the City of Austin.

PASSED, APPROVED AND ADOPTED this 21st day of November 2019.

Michael G. Gerber, Secretary

Carl S. Richie, Jr., Chairperson