



BOARD BUSINESS MEETING

April 11, 2018



Board of Commissioners Regular Meeting

Location: 4800 North Broadway, Boulder, CO

April 11, 2018 • 9:00 am-11:00pm

AGENDA

- **Call to Order and Determination of Quorum**
- **Public Participation**
- **Approval of Minutes from February 14, 2018**
- **Resident Representative Council Update**
- **Board Elections**
- **Resident Presentation – Walk to 1175 Lee Hill**
- **Business Agenda**
 1. Finance Update
 2. Canyon Pointe and Glen Willow Inducement Memo and Resolution #3
 3. Federal Budget Update
- **Board Announcements**
- **Additions to this Agenda**
- **Call for Discussion and Informational Items for Quarterly Meeting**
- **Adjournment**

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Business Items

- **Finance Update** **8**
- **Canyon Pointe and Glen Willow Inducement Memo and Resolution #3** **19**
- **Federal Budget Update** **24**

**BOULDER HOUSING PARTNERS
BUSINESS MEETING OF THE BOARD OF COMMISSIONERS
FEBRUARY 14, 2018 9:00 AM
BHP OFFICE, 4800 N. BROADWAY, BOULDER COLORADO**

Commissioner Klerman
Commissioner McCord
Commissioner Ruzzin
Commissioner Soraci
Commissioner Walker
Commissioner Harris
Commissioner Griffin
Commissioner Levy
Commissioner Yates

Jeremy Durham
Penny Hannegan
Jim Koczela
Rene Brodeur
Laura Sheinbaum
Ruth Becker
Karin Stayton

Public:

I. Call to order and Determination of a Quorum

Commissioner Klerman called the regular meeting of the Board of Commissioners to order at 9:00am. A quorum was declared.

COMMISSIONER MCCORD MADE A MOTION TO ADD TO THE MEETING AGENDA, A MOTION TO REMOVE COMMISSIONERS RUZZIN AND KLERMAN FROM THEIR OFFICER POSITIONS AS VICE CHAIR AND CHAIR OF THE BOARD OF COMMISSIONERS. COMMISSIONER GRIFFIN SECONDED THE MOTION. The motion passed with 8 in favor. Commissioner Klerman abstained.

II. Public Participation

There were no members of the public who wished to speak.

III. Approval of the Consent Agenda

Consent agenda items approved:

1. Minutes from 12-11-2017

COMMISSIONER LEVY MOVED TO APPROVE THE MINUTES FROM 12-11-2017. COMMISSIONER WALKER SECONDED THE MOTION. The motion passed unanimously.

IV. Resident Representative Council Report

Commissioner Griffin, reporting for the Resident Representative Council, stated that BHP staff member Jessica Kenney reported to the Council about the proposed Madison repositioning through a HUD Section 18 Disposition.

Commissioner Griffin also stated that the RRC is going to apply for funds from the Next Fifty Initiative to be used for dental assistance for residents.

V. Business Agenda

Resolution #1: Madison Public Housing Disposition

Laura Sheinbaum explained the proposed Madison repositioning via a Section 18 disposition application to HUD.

COMMISSIONER YATES MOVED TO APPROVE RESOLUTION #1: AUTHORIZING THE FILING OF AN APPLICATION FOR THE DISPOSITION OF THE MADISON APARTMENTS VIA SECTION 18. COMMISSIONER WALKER SECONDED THE MOTION. The motion passed unanimously.

Year-End Financial Report

Jim gave an overview of the 2017 year-end financial statements and answered questions from the Board.

Resolution #2: Cedar/Casey Financing

Jim gave an overview of the financing for the Cedar and Casey apartments which includes Boulder County Worthy Cause and City of Boulder funding as well as a proposal for issuing tax exempt debt.

COMMISSIONER LEVY MOVED TO APPROVE RESOLUTION #2: AUTHORIZING THE ISSUANCE OF TAX EXEMPT DEBT FOR PERMANENT FINANCING OF THE CEDAR AND CASEY PROPERTY. COMMISSIONER HARRIS SECONDED THE MOTION. The motion passed with eight in favor, Commissioner McCord abstained.

By-Laws Update

Ruth Becker, BHP's Legal Counsel, presented the proposed changes to the by-laws as reviewed by the Nominating, Personnel and Governance Committee.

COMMISSIONER YATES MADE A MOTION TO APPROVE THE CHANGES TO THE BY-LAWS. COMMISSIONER SORACI SECONDED THE MOTION. The motion passed unanimously.

VI. Executive Session per Colorado Statute C.R.S. 24-6-402(4)(a) Real Estate Matters.

COMMISSIONER GRIFFIN MADE A MOTION TO RECESS INTO EXECUTIVE SESSION PER COLORADO STATUTE CRS-24-402 (4)(a) TO DISCUSS REAL ESTATE MATTERS. COMMISSIONER SORACI SECONDED THE MOTION. The motion passed unanimously.

The Board recessed at 10:10 am into Executive Session as per Colorado Statute C.R.S. 26-6-402(4)(a) to discuss Real Estate Matters.

COMMISSIONER GRIFFIN MADE A MOTION TO ADJOURN THE EXECUTIVE SESSION OF THE BOARD OF COMMISSIONERS. COMMISSIONER RUZZIN SECONDED THE MOTION. The motion passed unanimously.

The Board met in executive session for 20 minutes at which time the only matters discussed were those related to Real Estate matters.

COMMISSIONER HARRIS MADE A MOTION TO AUTHORIZE STAFF TO CONTINUE TO EXPLORE THE PURCHASE OF THE PROPERTY AS DISCUSSED IN EXECUTIVE SESSION IN PARTNERSHIP WITH THE CITY OF BOULDER. COMMISSIONER WALKER SECONDED THE MOTION. The motion passed unanimously.

VII. Board Announcements

Housing Board Update

Commissioner Yates gave an update on the City of Boulder's establishment of a Housing Board to advise City Council on housing related matters.

VIII. Additional Agenda Items

Commissioner Klerman asked if there were any requests to discuss other agenda items.

COMMISSIONER MCCORD MADE A MOTION TO REMOVE COMMISSIONERS RUZZIN AND KLERMAN FROM THEIR POSITIONS AS VICE CHAIR AND CHAIR OF THE BHP BOARD OF COMMISSIONERS. COMMISSIONER GRIFFIN SECONDED THE MOTION.

Commissioner McCord made a statement in support of her motion.

COMMISSIONER MCCORD MADE A MOTION TO CALL THE QUESTION. COMMISSIONER SORACI SECONDED THE MOTION. COMMISSIONER MCCORD CALLED FOR DIVISION.

The Board determined that Roberts Rules of Order provide the framework for meeting conduct, and it was decided that they are not followed strictly by the Board and a discussion ensued.

The Motion failed 7-1 with 1 abstention. Commissioners Walker, Levy, Ruzzin, Klerman, Harris, Yates, and Griffin voted no, Commissioner McCord voted yes, and Commissioner Soraci abstained from voting.

IX. Call for Future Informational Items

Commissioner Klerman asked for informational items to be discussed at future meetings

- Understanding affordable home ownership
- Clarification about abstaining from voting
- Planning for a retreat on the tools for Board interaction, rules of engagement, agenda planning
- Rules of Civility from City Council

X. Adjourn

COMMISSIONER WALKER MADE A MOTION TO ADJOURN THE BUSINESS MEETING OF THE BOARD OF COMMISSIONERS. COMMISSIONER LEVY SECONDED THE MOTION. The motion passed unanimously.

The meeting of the Board of Commissioners adjourned at 12:15 pm

Seal

DATE: 2/14/18

CHAIR

Boulder Housing Partners

JEREMY DURHAM

Executive Director

Penny Hannegan

Recording Secretary

BUSINESS ITEMS

1. Finance Update
2. Canyon Pointe and Glen Willow
Inducement Memo and Resolution #3
3. Federal Budget Update

FINANCE UPDATE

MEMO

To: Board/Committee
From: Jim Koczela/Finance Department
Date: April 11, 2018
Re: **February Finance Report**

BHP Line of Credit

BHP utilized its line of credit to finance the acquisition of the Cedar/Casey property in November 2017. We made a final payment on the outstanding balance of the Line of Credit on March 31, 2018, when we signed the County Worthy Cause documents. We expect reimbursement from the county in April 2018. The payments scheduled and future reimbursements are listed below.

Line Of Credit Tracking		
Borrowed	\$ 6,203,017.69	
12/22/2017	\$ (139,865.00)	MTW -BHP HAP reserve
12/23/2017	\$ (1,100,000.00)	BHP advance of City 2018 and 2019 grants
12/24/2017	\$ (800,000.00)	City Funds
12/28/2017	\$ (984,866.00)	MTW - HUD Held HAP
1/24/2017	\$ (534,712.00)	MTW - CFP
2/13/2018	\$ (1,200.00)	MTW - CFP
2/16/2018	\$ (2,420,239.21)	1st Bank Loan
3/31/2018	\$ (222,135.48)	BHP Advance of Worthy Cause funds
Balance	\$ 0.00	
Expected reimbursement of BHP funds		
Apr-18	\$ 700,000.00	County Worthy Cause
Oct-18	\$ 550,000.00	City Funds
Oct-19	\$ 550,000.00	City Funds
Total	\$ 1,800,000.00	

BHP Audit Report

The Finance Department, led by our Controller, Jodi Bogen, has been hard at work preparing the annual audit report. The auditors from Plante Moran will be here the week of April 9-13, 2018, to complete their field work and testing. We are on schedule to have a final report for approval at the June Board meeting.

Statement of Activities

Year to Date - February 28, 2018

	YTD Actual	YTD Revised budget	Variance \$	% Var	Ref	Variance Explanation
REVENUE						
Operations Revenue						
Tenant Dwelling Rental	\$ 1,719,060	\$ 1,707,733	\$ 11,327	1%		
Non Dwelling Rental Income	15,087	13,600	1,487	11%		
HUD-Operating Subsidy	9,641	13,530	(3,889)	-29%		
Total Operations Revenue	1,743,787	1,734,863	8,924	1%		
Fee Revenue						
Property Mgmt & Asset Mgmt Fees	119,052	119,303	(250)	0%		
Development Fees	0	0	0	0%		
Mgmt Fees - Tax Credits & S8	108,503	104,762	3,740	4%		
Res Svc Income	63,021	62,584	437	1%		
Total Fee Revenue	290,576	286,649	3,927	1%		
Grants and Subsidies						
HCV-HAP/Admin Revenue	1,737,007	1,700,592	36,415	2%		
Non Federal Grants and Donations	22,382	18,744	3,638	19%		
Non Federal Capital Grants and Donations	0	0	0	0%		
Federal Capital Grants	535,912	485,912	50,000	10%		
Federal Service Grants	90,287	90,502	(215)	0%		
Total Grants and Subsidies	2,385,588	2,295,751	89,837	4%		
Other Revenue						
Tenant Fees and Utility Reimbursements	62,457	48,611	13,846	28%		
Interest Income	258,756	263,700	(4,944)	-2%		
Laundry Vending	14,234	11,915	2,319	19%		
Maint Charges to Prop	241,215	261,870	(20,655)	-8%		
Miscellaneous Revenue	9,282	3,967	5,315	134%		
Total Other Revenue	585,943	590,063	(4,119)	-1%		
Total Revenue	5,005,894	4,907,325	98,569	2%		
EXPENSES						
Salaries and Benefits						
Salaries and Benefits	1,037,602	1,037,956	354	0%		
Total Salaries and Benefits	1,037,602	1,037,956	354	0%		
Property Costs						
Management Fees	44,213	42,299	(1,914)	-5%		
Maintenance Materials	52,028	71,798	19,770	28%		
Contract Labor & Repairs	108,023	136,718	28,695	21%		

A 2016 and 2017 MTW funds used to pay LOC for Cedar/Casey

Statement of Activities

Year to Date - February 28, 2018

	YTD Actual	YTD Revised budget	Variance \$	% Var	Ref	Variance Explanation
BHP Contract Labor	150,868	154,434	3,566	2%		
Garbage and Trash Removal	28,747	27,522	(1,225)	-4%		
Water and Sewer	48,676	51,215	2,539	5%		
Electricity	25,932	28,911	2,979	10%		
Gas	39,926	44,729	4,803	11%		
Utility Billing	1,861	2,200	339	15%		
PILOT	3,538	3,151	(388)	-12%		
HOA Fees	24,321	23,911	(410)	-2%		
Total Property Costs	559,502	586,887	27,384	5%		
Operating Expenses						
Audit Fees	10,000	10,413	413	4%		
Bad Debt Expense - Tenants	12,892	0	(12,892)	0%		
Board Expense	33	1,000	968	97%		
Consultants & Contract Labor	25,613	29,177	3,564	12%		
Depreciation & Amortization	690,291	682,379	(7,912)	-1%		
Dues and Fees	18,551	13,181	(5,370)	-41%		
Expendable Equipment	26,057	41,001	14,943	36%		
HCV-HAP Expense	1,544,937	1,567,831	22,894	1%		
Insurance Expense	61,637	58,400	(3,237)	-6%		
Interest Expense	16,930	30	(16,900)	-56334%	B	LOC Interest based on Dec and January balance. LOC Paid in full 3/31/18
Legal Expense	2,419	6,495	4,076	63%		
Mileage & Vehicle Expense	14,343	16,099	1,756	11%		
Miscellaneous - Expense	14,440	17,592	3,152	18%		
Mortgage Interest Expense	432,163	459,715	27,552	6%		
Advertising/Marketing	653	7,883	7,230	92%		
Office Supplies	6,136	8,899	2,763	31%		
Other Administrative Expenses	2,760	5,669	2,908	51%		
Phone Expense	14,709	15,172	463	3%		
Printing & Postage Expense	9,967	10,244	278	3%		
Property Mgmt & Asset Mgmt Fees	119,052	119,303	250	0%		
Resident Services Fees	17,584	17,946	362	2%		
Staff Training	16,178	17,615	1,437	8%		
Service Grant Expense	81,097	81,543	446	1%		
Total Operating Costs	3,167,563	3,187,585	20,022	1%		
Total Expenses	4,764,667	4,812,428	47,760	1%		
Income before Gain on Acq./Disp. Of Assets	\$ 241,227	\$ 94,897	\$ 146,329	154%		
TOTAL NET INCOME (LOSS)	\$ 245,375	\$ 94,897	\$ 150,478	159%		

Note: Explanations provided for positive variances >\$50,000 and 5% and for negative variances >-\$25,000 and 5%

BHP
Balance Sheet
February 28, 2018 and December 31, 2017

	Actual February-18	Actual December-17	Net Change YTD	Ref Comments
ASSETS				
Current Assets				
Unrestricted Cash and Cash Equivalents	\$ 6,876,054	\$ 7,521,688	\$ (645,635)	
Reserved Cash - Replacements and Other	2,776,802	2,302,114	474,688	C Includes deposit of \$495,000 for Cedar/Casey capital improvements
Accounts Receivable	401,829	376,429	25,400	
Accounts Receivable-Tax Credits	771,966	656,965	115,001	D Normal monthly activity due to BHP for management fees.
Notes Receivable – Current	178,258	178,258	0	
Prepaid Expenses	195,025	246,428	(51,403)	
Supplies-Inventory	3,332	3,741	(409)	
Total Current Assets	11,203,266	11,285,624	(82,358)	
Restricted Cash				
Restricted Cash - Other	1,268,056	1,552,442	(284,386)	E Cash reserved for Tantra improvements. Spending of \$483K on roof and wiring projects as planned offset by \$200K received for COB voucher program
Restricted Cash - Section 8	23,026	13,007	10,019	
Restricted Cash - Tenant Security Deposits	460,623	460,604	19	
Total Restricted Cash	1,751,704	2,026,053	(274,349)	
Capital Assets				
Construction in Progress	526,542	508,006	18,536	
Furniture Fixtures and Equipment	882,772	830,693	52,080	
Real Estate Assets-Land and Buildings	129,342,385	129,230,203	112,182	F Capitalized solar battery backup at 4800 Broadway and capital improvements at Tantra Lake
Less: Accum Depreciation Real Estate Assets	(34,549,324)	(33,860,820)	(688,505)	G Normal Activity
Total Capital Assets	96,202,375	96,708,082	(505,708)	
Other Assets				
Notes Receivable	57,242,187	57,242,187	0	
Development Fees Receivable	3,027,530	3,027,530	0	
Interest Receivable Notes	3,828,967	3,573,739	255,229	H Normal Activity
Partnership Investments	398,754	398,754	0	
Net Amortized Costs	3,295,885	3,297,671	(1,786)	
Total Other Assets	67,793,323	67,539,881	253,442	
TOTAL ASSETS	176,950,669	177,559,641	\$ (608,972)	

BHP
Balance Sheet
February 28, 2018 and December 31, 2017

	Actual February-18	Actual December-17	Net Change YTD	Ref Comments
LIABILITIES & EQUITY				
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 419,001	\$ 762,922	\$ (343,921)	I Reduction includes payment of \$249K accrued for Tantra roof replacement
Accrued Payroll	183,091	109,719	\$ 73,373	
Accrued Payroll Taxes and Benefits	157,386	122,387	\$ 34,999	
Accrued Compensated Absences	257,058	249,325	\$ 7,733	
Other Accrued Expenses	153,710	247,139	\$ (93,429)	
Current Portion of Long Term Debt	4,981,799	7,930,673	\$ (2,948,874)	J Year end and current balance includes adjustment of \$3.4M for Canyon Pointe loan with 12/18 maturity that is now classified as current. Balance also includes outstanding LOC balance. Reduction in balance includes LOC payment from MTW funds and permanent loan on Cedar/Casey.
Prepaid Rent	35,069	25,012	\$ 10,056	
Security Deposits	459,763	461,295	\$ (1,532)	
Total Current Liabilities	6,646,877	9,908,472	-3,261,595	
Long-Term Liabilities				
Notes Payable	3,058,340	3,058,340	\$ -	
Accrued Interest Payable	41,390	39,446	\$ 1,944	
Mortgages Payable	70,629,220	68,402,442	\$ 2,226,778	K Increase from new Cedar/Casey loan offset by normal amortization
Net Pension Liability	9,533,111	9,533,111	\$ -	
Deferred Inflows	392,027	213,502	\$ 178,526	L Deferral of COB Voucher funds offset by recognition of income from spending of Habitat funds at Palo
Total Long-Term Liabilities	83,654,089	81,246,841	2,407,248	
TOTAL LIABILITIES	90,300,966	91,155,313	(854,347)	
EQUITY				
Total Equity	86,649,703	86,404,328	245,375	
TOTAL LIABILITIES AND EQUITY	\$ 176,950,669	\$ 177,559,641	\$ (608,972)	

Note (1) : Explanations provided for balance sheet changes > \$100,000.

Note (2): BHP has a Line of Credit available for borrowing of up to \$8.1 Million.

BHP
Statement of Cash Flows
Year to Date - February 28, 2018

	For the month of February 28, 2018	Year to Date	Ref	Current Month Comments
Reconciliation of Net Income to Net Cash Provided (Used) by Operating Activities				
Net Income (Deficit)	\$ (88,467)	\$ 245,375		
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities				
Increase (Decrease) in Accum. Depreciation	346,227	690,291		
(Increase) Decrease in Accounts Receivable	(100,420)	(23,593)		
(Increase) Decrease in Prepaid Expenses	21,164	51,403		
Increase (Decrease) in Prepaid Rent and Security Deposits	(4,560)	8,524		
(Increase) Decrease in Supplies/Inventory	(491)	409		
(Increase) Decrease in Reserved Cash	(502,914)	(474,688)		
(Increase) Decrease in Restricted Cash	80,605	274,349		
Increase (Decrease) in Payables and Accrued Expenses	(22,334)	(438,053)		
Increase (Decrease) in Deferred Revenue	0	0		
Increase (Decrease) in Deferred Inflows	179,851	178,526		
Increase (Decrease) in Pension Liability	0	0		
Total Adjustments	(2,872)	267,167		
Net Cash Provided (Used) by Operating Activities	(91,339)	512,542		
Cash Flows from Investing Activities				
(Increase) Decrease in Construction in Progress	53,393	(18,536)		
(Increase) Decrease in Furniture Fixtures and Equipment	(34,080)	(52,080)		
(Increase) Decrease in Real Estate Assets	(105,708)	(112,182)		
(Increase) Decrease in Notes and Interest Receivable	(131,849)	(255,229)		
Net Cash Provided (Used) by Investing Activities	(218,243)	(438,026)		
Cash Flows from Financing Activities				
Increase (Decrease) in Current Portion of Long Term Debt	(2,386,631)	(2,921,343)		M Payments on LOC for Cedar/Casey
Increase (Decrease) in Notes Payable	0	0		
Increase (Decrease) in Mortgages and Bonds Payable	2,300,481	2,201,191		
Net Cash Provided (Used) by Financing Activities	(86,149)	(720,151)		
Net Increase (Decrease) in Cash and Cash Equivalents				
Net Increase (Decrease) in Cash and Cash Equivalents	(395,732)	(645,635)		
Unrestricted Cash and Cash Equivalents - Beginning	7,271,786	7,521,688		
Unrestricted Cash and Cash Equivalents - Ending	6,876,054	6,876,054		

BHP CASH Report

December-17

January-18

February-18

	Balance	Balance	Balance	Board Target	Surplus (Deficit)
<u>Unrestricted Cash Available for Operations</u>					
BHP Operating Reserves	2,826,509	2,530,129	2,718,509	3,000,000	(281,491)
BHP Replacement Reserves	2,302,114	2,273,888	2,776,802	2,176,500	600,302
BHP Development Reserve	2,486,623	2,487,522	1,839,462	2,000,000	(160,538)
Total Unrestricted BHP Cash	7,615,246	7,291,540	7,334,773	7,176,500	158,273

Board Target

2 Months of operating expenses (including HAP)
\$3,500 per Workforce Unit

	Balance	Balance	Balance	Board Target	Surplus (Deficit)
<u>Unrestricted Cash - Restricted by Property/Program</u>					
Project Based Operating Reserve	402,984	438,544	473,048	165,000	308,048
MTW Reserves ⁽¹⁾	1,677,117	1,687,135	1,716,480	0	1,716,480
Total Unrestricted Cash Restricted by Program	2,080,101	2,125,679	2,189,527	165,000	2,024,527

Board Target

2 Months of operating exp
HUD expects to hold all reserves so target reduced to zero

⁽¹⁾ Note MTW target changed to \$0 in 2017 budget due to change in HUD Cash Management which requires excess funds to be held at HUD rather than PHA

	Balance	Balance	Balance
<u>Replacement Reserved - Restricted by Bank or HUD</u>			
Canyon Pointe	183,478	189,147	194,811
Other Restricted Funds		0	0
Tantra Rehab Funds ⁽²⁾	1,094,332	886,690	610,686
Habitat Funds	213,502	212,176	192,027
S8/FSS Escrow	61,131	65,051	70,546
Section 8 NED NRA(HAP)	13,006	18,631	23,025
Total Restricted Cash Other	1,565,449	1,371,696	1,091,097

⁽²⁾ Amount held for specific capital items at Tantra as required by bank. Work is underway.

March 2017 - February 2018

Property	Address	Units	PUPA EGI	PUPA OpEx	Reserves	PUPA NOI Net of Reserves	PUPA Debt	Adjusted DSCR
Arapahoe Court	951,953 Arapahoe	14	\$ 4,775	\$ (6,972)	\$ -	\$ (2,197)	\$ -	-
Madison	1130-1190 35th St.	33	\$ 7,697	\$ (9,260)	\$ -	\$ (1,564)	\$ -	-
Public Housing I Sub Total:		47	\$ 6,826	\$ (8,579)	\$ -	\$ (1,752)	\$ -	-
Canyon Pointe	700 Walnut	82	\$ 11,718	\$ (6,566)	\$ (745)	\$ 4,406	\$ 3,599	1.22
Glen Willow (2)	301-333 Pearl St.	34	\$ 12,296	\$ (8,872)	\$ (300)	\$ 3,124	\$ -	-
Project Based Sub Total:		116	\$ 11,887	\$ (7,242)	\$ (615)	\$ 4,030	\$ 3,599	1.22
Arapahoe East	4610 Arapahoe	11	\$ 12,069	\$ (7,702)	\$ (300)	\$ 4,067	\$ 1,748	2.33
Dakota Ridge	4900 10th St.	13	\$ 17,525	\$ (4,386)	\$ (300)	\$ 12,840	\$ 7,513	1.71
Sanitas Place	3640 Broadway	12	\$ 11,448	\$ (5,963)	\$ (300)	\$ 5,185	\$ 3,020	1.72
Twin Pines	1700 22nd St.	22	\$ 11,465	\$ (4,746)	\$ (300)	\$ 6,418	\$ 3,084	2.08
Combine Loan One Subtotal		58	\$ 12,934	\$ (5,478)	\$ (300)	\$ 7,157	\$ 3,810	1.88
101 Canyon	101-103 Canyon	6	\$ 27,002	\$ (8,037)	\$ (300)	\$ 18,665	\$ 7,667	2.43
Hayden Place	34th & Hayden Place	24	\$ 10,102	\$ (5,876)	\$ (300)	\$ 3,926	\$ 3,286	1.19
Whittier	1946 Walnut St.	10	\$ 11,696	\$ (6,432)	\$ (300)	\$ 4,964	\$ 2,629	1.89
Woodlands	2600 Block of Mapleton	35	\$ 12,850	\$ (8,045)	\$ (300)	\$ 4,505	\$ 5,070	0.89
Combine Loan Two Subtotal		75	\$ 12,949	\$ (7,135)	\$ (300)	\$ 5,514	\$ 4,381	1.26
Bridgewalk	602-698 Walden Circle	123	\$ 19,497	\$ (7,659)	\$ (550)	\$ 11,288	\$ 9,189	1.23
Foothills	4500 block of 7th/8th	74	\$ 14,213	\$ (6,910)	\$ (300)	\$ 7,003	\$ 4,959	1.41
Hayden Place 2 (3)	3480 Hayden Place	6	\$ 11,390	\$ (8,889)	\$ (300)	\$ 2,201	\$ 5,915	0.37
Tantra Lakes	807-999 Moorhead	185	\$ 24,811	\$ (10,803)	\$ (275)	\$ 13,595	\$ 10,370	1.31
Midtown (2)	837 20th St.	13	\$ 11,761	\$ (7,003)	\$ (300)	\$ 4,458	\$ -	-
Vistoso (4)	4500 Baseline	15	\$ 12,279	\$ (10,211)	\$ (200)	\$ 1,725	\$ 944	1.83
Workforce Sub Total:		534	\$ 19,039	\$ (8,619)	\$ (355)	\$ 10,014	\$ 7,519	1.33
Portfolio Totals:		697	\$ 17,025	\$ (8,387)	\$ (374)	\$ 8,225	\$ 6,359	1.29

March 2017 - February 2018

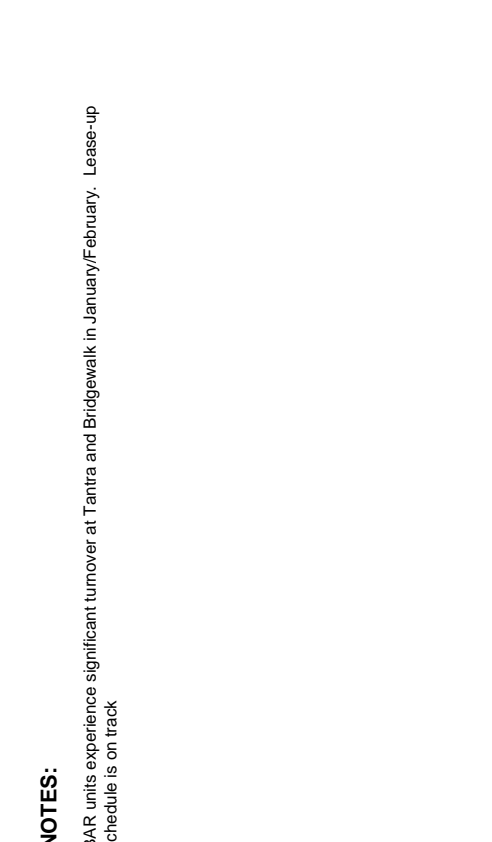
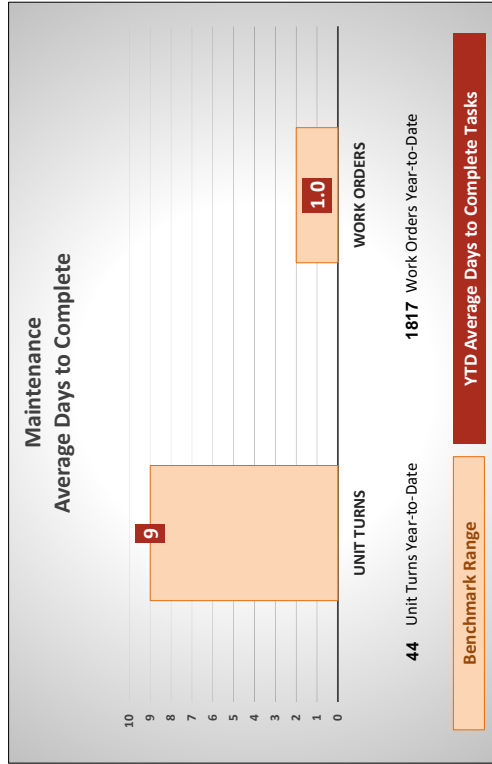
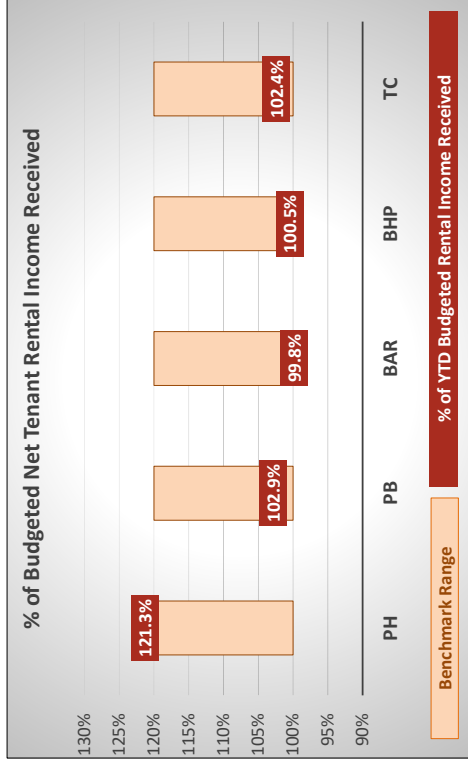
Tax Credit Properties	Address	Units	PUPA EGI	PUPA OpEx	Reserves	PUPA NOI Net of Reserves	PUPA Debt	Adjusted DSCR
Broadway East	3160 Broadway	44	\$ 11,530	\$ (6,631)	\$ (330)	\$ 4,569	\$ 2,859	1.60
Broadway West	3120 Broadway	31	\$ 11,133	\$ (7,189)	\$ (330)	\$ 3,614	\$ 2,464	1.47
High Mar	4990 Moorhead Ave	59	\$ 11,412	\$ (6,021)	\$ (258)	\$ 5,134	\$ 3,223	1.59
Holiday	1500 Lee Hill	49	\$ 10,708	\$ (6,469)	\$ (200)	\$ 4,039	\$ 3,254	1.24
Lee Hill (5)	1175 Lee Hill	31	\$ 12,088	\$ (11,785)	\$ (375)	\$ (72)	\$ -	-
Red Oak Park	27th & Valmont	59	\$ 11,673	\$ (6,556)	\$ (338)	\$ 4,779	\$ 3,884	1.23
WestView	4600 Broadway	34	\$ 12,271	\$ (5,043)	\$ (300)	\$ 6,928	\$ 5,567	1.24
Tax Credit Properties excluding Boulder Communities		307	\$ 12,020	\$ (7,239)	\$ (318)	\$ 4,330	\$ 3,120	1.39
Boulder Communities (5)	Various	279	\$ 11,378	\$ (6,261)	\$ (520)	\$ 4,597	\$ 2,694	1.71
Tax Credit Sub Total:		586	\$ 11,443	\$ (6,582)	\$ (404)	\$ 4,457	\$ 2,938	1.52

Properties in Transition	Address
Orchard House (2)	1603 Orchard St.
Valmont/Wallace	2625 Valmont Rd.
Orchard Grove	Valmont and 34th
Palo Park	4525 Palo Parkway
Tantra Lakes	

Index of terms
PUPA - Per Unit Per Annum
EGI - Effective Gross Income = (Total Revenue - Grant Revenue)
Op Ex - Operating Expenses = (Total Expenses-Capital Expenses-Extraordinary Maintenance and Non-Op Ex)
NOI - Net Operating Income = (Net Income + Non OpEx)
DSCR - Debt Service Coverage Ratio = NOI/Debt
ADJUSTED - For Capital Grants, Capital Exp. and Extraordinary Maint.

NOTES: (1) DSCR is calculated after required reserve contributions. Portfolio totals include NOI from properties with no debt. All excess cash from properties is used in BHP operations.
 (2) Glen Willow, Midtown and Orchard House are pledged as collateral for BHP Line of Credit
 (3) Hayden Place 2 does not have DSC requirement given the small number of units. One vacant can have substantial affect on ratio
 (4) Vistoso refinance closed in December. No payment yet required so DSCR calculation not applicable.
 (5) Lee Hill does not have permanent debt so DSCR does not apply.

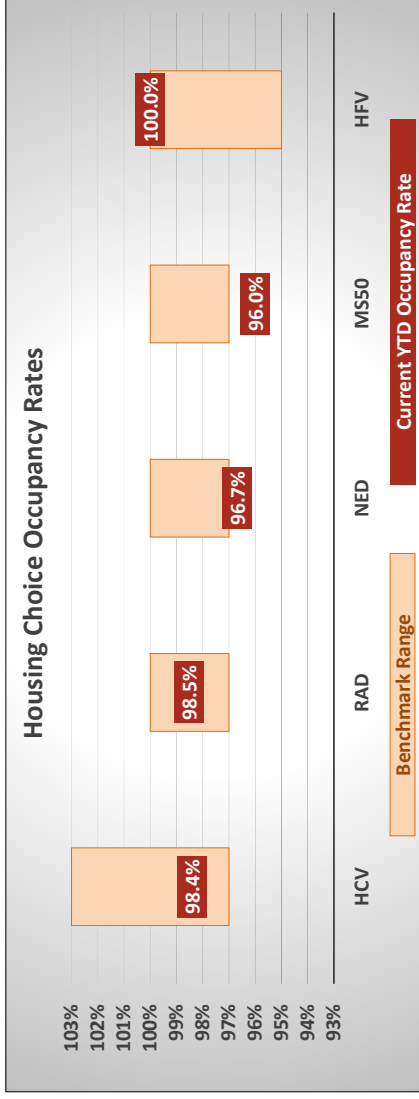
Property Management Benchmarks



NOTES:

BAR units experience significant turnover at Tantra and Bridgewalk in January/February. Lease-up schedule is on track

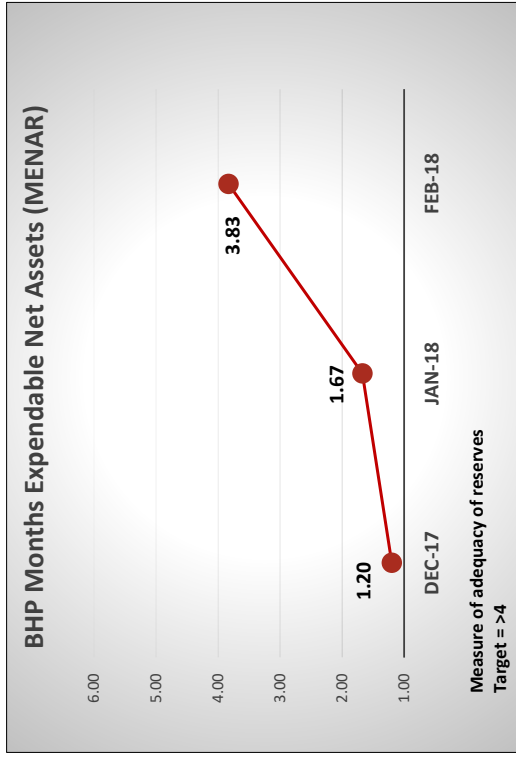
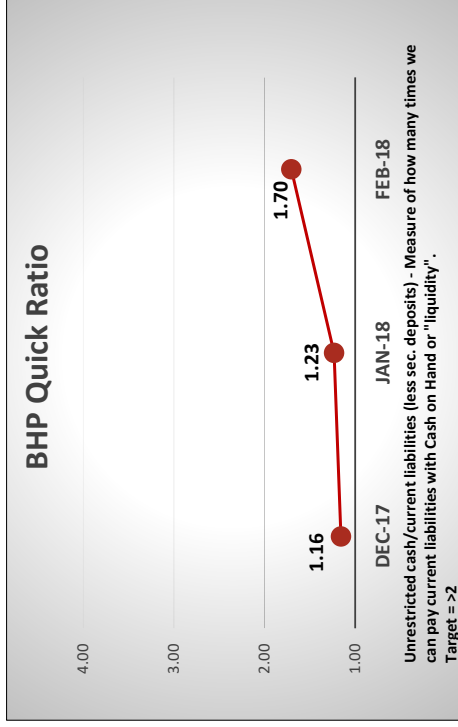
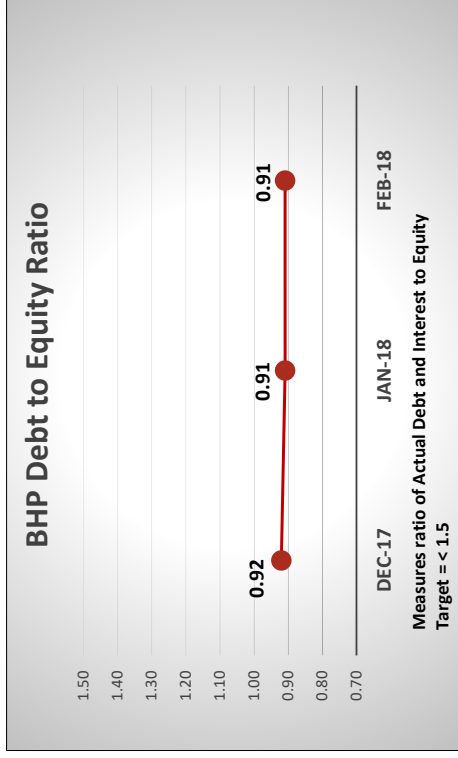
Housing Choice Benchmarks



NOTES:

NED has 175 of 181 leased
 MS50 has 48 of 50 vouchers leased.

Financial Benchmarks



NOTES:

Quick Ratio affected by outstanding Canyon Pointe Loan w/ Dec 2018 maturity and LOC balance at 1/31/2018. Will improve based upon LOC payment in February and again in March.

MENAR directly effected by the amount of current liabilities. As of December 31, 2017 this included the remaining balance of \$3.5M on our loan on Canyon Pointe which matures in December 2018 and the outstanding balance on the line of credit of \$3.1M at 12/31/2017. Ratio increase reflects payments made on LOC.

CANYON POINTE AND GLEN WILLOW INDUCEMENT RESOLUTION #3

MEMO

To: Board/Committee
From: Real Estate Development
Date: April 11, 2018
Re: **Canyon Pointe and Glen Willow Inducement Resolution Approval**

Background

This Inducement Resolution commences the process for BHP to be able to issue bonds for the Canyon Pointe and Glen Willow renovation project. Resolution #3, Series 2018, declares our present intention but does not obligate us to issue up to \$25 Million in Private Activity Bonds (PABs) on behalf of the planned LIHTC partnership. It establishes that the Bonds will not constitute debt or indebtedness of BHP and that the bonds shall be payable solely from and secured by a pledge of the revenues from the project. Once the Inducement Resolution is approved by the Board of Commissioners, future pre-development costs associated with the project, are eligible to be repaid to BHP from the bond proceeds at the financial closing of the project. Note that this does not obligate BHP to issue bonds. In fact, it clarifies that prior to the issuance of bonds, a final bond resolution must be adopted. That resolution will contain the detailed terms of the issuance. This simply starts the process and provides that we can be reimbursed for future costs.

Recommendation

We recommend that the Board of Commissioners approve Resolution #3, Series 2018, to declare our intent to issue Private Activity Bonds that will be used to finance the Canyon Pointe and Glen Willow renovation project.

**RESOLUTION NUMBER 3
SERIES 2018**

A RESOLUTION DECLARING THE INTENT OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF BOULDER, COLORADO D/B/A BOULDER HOUSING PARTNERS TO ISSUE ITS MULTIFAMILY HOUSING REVENUE BONDS FOR THE GLEN WILLOW CANYON POINTE PROJECT

WHEREAS, The Housing Authority of the City of Boulder, Colorado d/b/a Boulder Housing Partners (the “Authority”) was legally established with the Colorado Secretary of State on September 22, 1966; and

WHEREAS, the Authority is authorized and empowered by the “Housing Authorities Law,” Part 2, Article 4, Title 29 of the Colorado Revised Statutes, as amended (the “Act”) and the “Supplemental Public Securities Act,” Part 2, Article 57, Title 11 of the Colorado Revised Statutes, as amended (the “Supplemental Act”) to issue its revenue bonds for the purpose of providing dwelling accommodations, without regard to income, that substantially benefits persons of low income as determined by the Authority; and

WHEREAS, the Authority is the current owner of the properties located at 700 Walnut Street, Boulder, Colorado 80302 and 301, 303, 311, 313 and 333 Pearl Street, Boulder, Colorado 80302 (the “Properties”); and

WHEREAS, the Authority intends to issue and sell an aggregate principal amount not to exceed \$25,000,000 of its Multifamily Housing Revenue Bonds (Glen Willow Canyon Pointe Project) Series 2018 (the “Bonds”) pursuant to the Act and the Supplemental Act to finance a portion of (i) the renovation and improvement of the multifamily housing projects located at the Properties (the “Development”); (ii) the funding of any reserves; and (iii) the payment of the costs of issuance of the Bonds (the “Project”); and

WHEREAS, the Authority will enter into a loan agreement or other type of financing agreement (the “Financing Agreement”) pursuant to which the Authority will loan the proceeds of the Bonds to an affiliated entity (the “Borrower”); and

WHEREAS, the Development is located within the boundaries of the City of Boulder, Colorado; and

WHEREAS, the Project will qualify as a “project” within the meaning of the Act; and

WHEREAS, the Board of Commissioners of the Authority (the “Board”) has concluded that the Project is consistent with the goals and objectives of the Authority; and

WHEREAS, the Authority intends to enter into a partnership arrangement with the Borrower in order to facilitate the financing of the Project; and

WHEREAS, the Borrower will own and operate the Development.

NOW THEREFORE, be it resolved by the Board of Commissioners of the Housing Authority of the City of Boulder, Colorado d/b/a Boulder Housing Partners, as follows:

Section 1. In order to finance the Project, the Authority shall, subject to the provisions hereof, take all necessary and advisable steps to effect the issuance of the Bonds pursuant to the Act and Supplemental Act in an aggregate principal amount not to exceed \$25,000,000, which amount shall be determined by the Authority in a bond resolution to be considered for adoption at another meeting. The Bonds shall not constitute the debt or indebtedness of the Authority or a multiple-fiscal year direct or indirect debt or other financial obligation of the Authority whatsoever, within the meaning of any provision or limitation of the Constitution or statutes of the State of Colorado (the "State"), and shall not constitute nor give rise to a pecuniary liability or financial obligation of the Authority. The Bonds shall never be deemed to be an obligation of any officer, agent or employee of the Authority in such person's individual capacity, and no such person shall be subject to personal liability by reason of the issuance of the Bonds. The Bonds shall be special, limited obligations of the Authority and payable solely from and secured by a pledge of revenues derived from and payable by the Borrower pursuant to the Financing Agreement with the Authority. No Board member, officer, official, employee or agent of the Authority shall be subject to any personal liability in connection with the Bonds, the Project or the provisions of this Resolution.

Section 2. The Board hereby finds, determines, recites and declares the Authority's intent that this Resolution constitute an official indication of the present intention of the Authority to issue the Bonds as herein provided, subject to: (a) the delivery of an approving opinion of bond counsel to the Authority; (b) the Borrower obtaining sufficient debt and equity financing acceptable to the Authority; (c) the execution and delivery by the Borrower of indemnity agreements and agreements providing that the Borrower pay or reimburse the costs and expenses of the Authority, all to the satisfaction of the Authority; and (d) the adoption of a final bond resolution by the Board. The Authority's discretion to accept or not to accept items relating to the Project or additional financing therefor or relating to credit, security, sale or marketing aspects of the Bonds is intended for the protection of the Authority's interest, and any such acceptance shall not be construed to impose upon the Authority any duties to, nor to confer any rights against the Authority upon, any bondholders, investors or other third parties.

Section 3. No costs or expenses whether incurred by the Authority or any other party in connection with the issuance of the Bonds or the preparation or review of any documents by any legal or financial consultants retained in connection herewith shall be borne by the Authority. The Authority shall have the right to select and retain legal, financial and other consultants in connection with the proposed financing, and all fees, costs and expenses of such consultants, along with all other such costs and expenses shall be paid from the proceeds of the Bonds or otherwise borne by the Borrower regardless of whether the Bonds are issued. The Authority may require such deposits or advances as it deems desirable for such fees, costs and expenses, and may require reimbursement of any such fees, costs and expenses paid by the Authority.

Section 4. Prior to the execution of the Financing Agreement, any mortgage, indenture of trust, bond purchase agreement or any other necessary documents and agreements in connection with such Bonds, such documents and or agreements shall be submitted for approval to the

Authority, and, if satisfactory to the Authority, their execution shall be authorized by resolution of the Board pursuant to law.

Section 5. The Authority hereby desires to declare its official intent, pursuant to 26 C.F.R. § 1.150-2, to issue the Bonds and thereby permit the Authority to reimburse itself from proceeds of the Bonds for certain expenditures incurred in connection with the Project prior to issuance of the Bonds.

Section 6. The Authority hereby agrees to obtain a sufficient amount of private activity bond volume cap allocation to permit the issuance of the Bonds on a tax-exempt basis.

Section 7. The Board hereby appoints Kutak Rock LLP as bond counsel for the Bonds.

Section 8. All commitments of the Authority contained herein are subject to the condition that within 730 days of the date hereof, or such shorter period of time available under applicable law, unless otherwise extended by the Authority, the Bonds to be issued pursuant hereto shall be issued and sold. In the event that the Bonds to be issued pursuant hereto are not issued within 730 days, or such shorter period of time available under applicable law, the Authority shall be under no obligation to perform any of the terms and conditions contained herein.

Section 9. All actions not inconsistent with the provisions of this Resolution heretofore taken by the Board or any officer or employee of the Authority in furtherance of the issuance of the Bonds are hereby ratified, approved and confirmed.

Section 10. All resolutions or parts thereof concerning the subject matter hereof in conflict with this Resolution are hereby repealed to the extent of such conflict. This repeal shall not be construed to revive any resolution or part thereof, heretofore repealed.

Section 11. The agreements of the Authority set forth above are expressly conditioned upon the ability and willingness of the Authority to issue the Bonds as tax-exempt obligations under the Internal Revenue Code of 1986, as amended. Nothing contained in this Resolution shall be construed as requiring the Authority to issue the Bonds and the decision to issue the Bonds shall be in the complete discretion of the Authority.

Section 12. If any section, paragraph, clause or provision of this Resolution, with the exception of any section, paragraph, clause or provision limiting the Authority's financial obligation, shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 13. This Resolution shall take effect immediately upon its introduction and passage.

PASSED, ADOPTED AND APPROVED this __ day of _____, 2018.

HOUSING AUTHORITY OF THE CITY OF
BOULDER, COLORADO d/b/a BOULDER
HOUSING PARTNERS

[SEAL]

Chair, Board of Commissioners
Housing Authority of the City of Boulder

ATTEST:

Executive Director

FEDERAL BUDGET UPDATE

MEMO

To: Board/Committee
From: Jeremy Durham
Date: April 11, 2018
Re: **Federal Budget Update**

Background

In February 2018, the Trump Administration proposed a budget for fiscal year 2019 that would have cut the U.S. Department of Housing and Urban Development (HUD) funds by \$8.8 billion or 18.3 percent, thereby eliminating Community Development Block Grants (CDBR), the HOME Investment Partnership Program, and other programs. Affordable housing advocates strongly urged Congress to not only reject the proposed cut but expand investments in affordable homes.

Update

HUD Budget

On Friday, March 23, 2018, President Trump signed a \$1.3 trillion fiscal year (FY) 2018 omnibus spending bill. This bill includes an increase of \$4.7 billion or nearly 10 percent to the HUD budget. The legislation also extends the Rental Assistance Demonstration (RAD) program four more years until 2024 and almost doubles the RAD conversion cap to 455,000 units.

Low Income Housing Tax Credits

The bill provides a 12.5 percent increase in LIHTC allocations to states through 2021, making it the first expansion to the LIHTC program in ten years. Novogradac estimates that this provision will add 28,400 affordable rental homes over ten years compared to the current law. This will help offset some of the unit loss resulting from the decline in the corporate tax rate which reduced investor demand for the credits. Therefore, more credits will be available to CHFA to award, but we expect a lower price to be paid for each credit awarded.

An income averaging option was added to the Affordable Housing Credit Improvement Act, which allows certain apartments in a LIHTC property to be available to residents earning up to 80 percent of AMI, so long as the development-wide average is 60 percent or less. This

provision has the biggest impact in places where housing costs are high and low income neighborhoods need to be revitalized. There are very few details on this option included in the law, so it will take some time before we understand how this will be implemented for a specific project.