



BOARD BUSINESS MEETING

July 11, 2018



Board of Commissioners Business Meeting

Location: 4800 Broadway, Boulder, CO

July 11, 2018 • 9:00 am-11:00am

AGENDA

		Page #
9:00-9:30	Standing Agenda	
	1. Call to Order and Determination of a Quorum	
	2. Public Participation	
	3. Approval of Minutes from June 13, 2018	2-6
	4. Finance and Operations Update	7-17
9:30-10:30	Business Agenda	
	1. Payment Standard Adjustment-Resolution #7	18-20
	2. MTW Annual Plan Proposal	21
	3. Executive Session for Personnel Matters per C.R.S. 24-6-402(4)(a) [Real Estate Matters]	**
	4. Waiver of Conflict of Interest	22-23
10:30-11:00	Board Matters	
	1. Resident Representative Council Update	
	2. Board Announcements	
	3. Additions to this Agenda	
	4. Future Board Items	24
11:00	Adjournment	

**** - Distributed Under Separate Cover**

**BOULDER HOUSING PARTNERS
QUARTERLY MEETING OF THE BOARD OF COMMISSIONERS
JUNE 13, 2018 9:00 AM
PALO PARK COMMUNITY CENTER, BOULDER COLORADO**

Commissioner Soraci
Commissioner Levy
Commissioner Ruzzin
Commissioner Klerman
Commissioner Walker(absent)
Commissioner Harris
Commissioner Griffin
Commissioner McCord
Commissioner Yates

Jeremy Durham
Penny Hannegan
Jim Koczela
Rene Brodeur
Laura Sheinbaum
Karin Stayton
Karen Kreutzberg
Tim Beal
Maria Ciano

Others Present:
Christina Warner, Counsel
Lincoln Miller, Boulder
Housing Coalition
Alley Love, Boulder Housing
Coalition
Robert Latimer, Consultant

I.Call to order and Determination of a Quorum

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

II.Public Participation

There were no members of the public who wished to address the Commissioners

III.Partnership Awards

The BHP Partnership Awards were given to the following recipients:

- **Non-Profit Partner:** Boulder Public Library-Book Rich Environments Initiative
- **Non-Profit Partner:** Harvest of Hope-Pop-Up Pantry
- **Non-Profit Partner:** City of Boulder Human Services Department-Senior Services

IV.Approval of the Minutes Agenda

Consent agenda items approved:

1. Minutes from 5-9-2018

**COMMISSIONER LEVY MOVED TO APPROVE THE MINUTES FROM 5-9-2018.
COMMISSIONER KLERMAN SECONDED THE MOTION.** The motion passed unanimously.

V. Finance Update

Financial Report

Jim Koczela gave an overview of the April financial statements and answered questions from the Board.

VI. Business Agenda

Financial Audit: Resolution #6, Series 2018

Jim Koczela stated that the Finance Committee had spent time at their monthly meeting discussing the financial audit with auditors, Plante Moran. Commissioner Harris commended the finance staff on the internal controls at BHP and the completion of a successful audit.

COMMISSIONER YATES MOVED TO APPROVE RESOLUTION #6 AUTHORIZING THE SUBMISSION OF THE 2017 AUDIT REPORT TO HUD. COMMISSIONER KLERMAN SECONDED THE MOTION. The motion passed unanimously.

Boulder Housing Coalition-Property Tax Exemption

Jim Koczela introduced Lincoln Miller, Executive Director of Boulder Housing Coalition (BHC). Jim explained how Colorado law recognizes that housing authorities like BHP can confer the benefit of property tax exemption ("PTE") on partnerships when the housing authority is a partner, partial owner, or a lessee of a property. Jim explained the recommendation that the Board authorize staff to work with BHC on a legal ownership structure related to the Ingram Court property to facilitate authorization of property tax exemption to the property while protecting BHP from liability.

Commissioner Soraci disclosed her past involvement on the Board with BHC.

Commissioner Klerman recused herself from the vote given her position at Wells Fargo Bank which might finance the project.

COMMISSIONER RUZZIN MOVED TO APPROVE STAFF PROCEEDING WITH THE EXPLORATION OF AN OWNERSHIP STRUCTURE WITH BOULDER HOUSING COALITION. COMMISSIONER GRIFFIN SECONDED THE MOTION. The motion passed 6-1. Commissioner Soraci recused herself from the vote. Commissioner McCord voted against the motion.

Discussion: Expanding Access to Housing

Rene Brodeur explained the proposed policy changes to the eligibility policy for Property Management operations. BHP staff recommend reducing an applicant's general criminal background history check for the past three years rather than five years. Rene also explained that BHP staff recommend adopting a procedure to avoid automatically denying applicants housing based on criminal history and instead requesting a "review session" with the applicant to discuss any additional information regarding his or her situation.

The Board provided their input and guidance and agreed with the recommended approach.

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

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

Commissioner Soraci recused herself from the discussion.

The Board recessed at 10:40 am into Executive Session as per Colorado Statute C.R.S. 26-6-402(4)(a) to discuss Real Estate Matters.

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

The Board met in executive session for 50 minutes at which time the only matters discussed were those related to Real Estate matters.

COMMISSIONER LEVY MOVED TO AUTHORIZE STAFF PROCEEDING WITH A PURCHASE AND SALE AGREEMENT FOR THE PROPERTY DISCUSSED IN

EXECUTIVE SESSION AND AUTHORIZED STAFF TO PROCEED WITH LISTING CORNELL HOUSE FOR SALE SHOULD BHP GO UNDER CONTRACT FOR THE PURCHASE OF THE PROPERTY DISCUSSED IN EXECUTIVE SESSION. COMMISSIONER YATES SECONDED THE MOTION. The motion passed 6-1. Commissioner Soraci recused herself from the vote. Commissioner McCord voted against the motion.

VIII. Board Matters

Resident Representative Council Report

Commissioner Griffin gave a report for the Resident Representative Council.

Board Announcements

Commissioner Yates reported that the City housing fund is currently low on cash and will be for the next 12-18 months due to builders steering away from the Cash in Lieu program and instead developing affordable units on site.

Commissioner Yates also reported that City Council has postponed their vote on requiring landlords to accept Housing Choice vouchers from prospective tenants.

Commissioner Yates also reported that the city wide Broadband initiative is moving forward and looks forward to working with BHP to help bring internet to Boulder's low-income residents.

Commissioner Levy reported that she had attended the National Fair Housing conference.

Commissioner McCord reported on the lessons learned at the National Organization of African American's in Housing conference.

Commissioner Klerman read a brief statement related to her mediation session with Robert Lattimer and Commissioner McCord:

"Nikki and I met with Bob Latimer yesterday. I agree to continue to work collaboratively with all Board Members and Staff and to accept similarities and differences in support of BHP's missions, goals, and vision"

Additional Agenda Items

Commissioner Ruzzin and Soraci expressed the importance of approving the Board Working Agreements.

Call for Future Informational Items

Commissioner McCord was interested in learning about the availability of additional housing choice vouchers.

IX. Adjourn

COMMISSIONER KLERMAN MADE A MOTION TO ADJOURN THE QUARTERLY MEETING OF THE BOARD OF COMMISSIONERS. COMMISSIONER GRIFFIN SECONDED THE MOTION. The motion passed unanimously.

The meeting of the Board of Commissioners adjourned at 12:05 PM

Seal
DATE: 6/13/18

Dick Harris, VICE CHAIR
Boulder Housing Partners Board of Commissioners

JEREMY DURHAM
Executive Director

Penny Hannegan
Recording Secretary

Finance and Operations Update

BHP
Statement of Activities
Year to date - May 31, 2018

	YTD Actual	YTD Revised budget	Variance \$	% Var	Ref	Variance Explanation
REVENUE						
Operations Revenue						
Tenant Dwelling Rental	\$ 4,270,659	\$ 4,279,613	\$ (8,954)	0%		
Non Dwelling Rental Income	35,616	32,200	3,416	11%		
HUD-Operating Subsidy	(18,349)	33,825	(52,174)	-154%	A	Reflects repayment to HUD of previously authorized funds HUD paid to BHP as revenue in 2017.
Total Operations Revenue	4,287,925	4,345,638	(57,713)	-1%		
Fee Revenue						
Property Mgmt & Asset Mgmt Fees	297,489	298,256	(768)	0%		
Development Fees	1,281,290	1,281,290	0	0%		
Mgmt Fees - Tax Credits & S8	306,893	279,278	27,615	10%		
Res Svc Income	160,699	159,207	1,492	1%		
Total Fee Revenue	2,046,371	2,018,031	28,339	1%		
Grants and Subsidies						
HCV-HAP/Admin Revenue	4,394,060	4,251,481	142,579	3%		
Non Federal Grants and Donations	132,856	46,860	85,996	184%	B	City funds for PSH vouchers and forgiveness of FHLB debt on BMM land
Non Federal Capital Grants and Donations	700,000	500,000	200,000	40%	C	Worthy Cause grant for Cedar/Casey \$200K favorable to budget
Federal Capital Grants	535,912	535,912	0	0%		
Federal Service Grants	225,088	226,538	(1,451)	-1%		
Total Grants and Subsidies	5,987,916	5,560,791	427,125	8%		
Other Revenue						
Tenant Fees and Utility Reimbursements	172,197	128,169	44,028	34%	D	Admin Fees, Pet Rent, Legal fee charges primarily at market rate units
Interest Income	667,335	659,717	7,618	1%		
Laundry Vending	34,473	29,787	4,686	16%		
Maint Charges to Prop	715,171	678,485	36,686	5%		
Miscellaneous Revenue	31,386	9,917	21,469	216%	E	Unbudgeted Insurance Dividend -\$5.2K, BHP Foundation fees - \$3.5K, Fraud recoveries - \$7.5K, Solar rebates - \$3.3K, Expense Reimbursement from Frasier Meadows - \$6.7K, Property tax adjustment \$1K
Total Other Revenue	1,620,562	1,506,075	114,487	8%		
Total Revenue	13,942,774	13,430,536	512,238	4%		
EXPENSES						
Salaries and Benefits						
Salaries and Benefits	2,527,035	2,596,390	69,355	3%		
Total Salaries and Benefits	2,527,035	2,596,390	69,355	3%		
Property Costs						
Management Fees	131,035	105,748	(25,286)	-24%	F	Includes correcting adjustment of \$20K for HCV admin fees
Maintenance Materials	116,248	196,222	79,974	41%	G	Combination of budget timing differences and savings on materials based on first year budget for Tantra
Contract Labor & Repairs	319,190	467,533	148,343	32%	H	Combination of budget timing differences and savings from unit turns at Tantra which are capitalized as one large project rather than expensed.

BHP
Statement of Activities
Year to date - May 31, 2018

	YTD Actual	YTD Revised budget	Variance \$	% Var	Ref	Variance Explanation
BHP Contract Labor	386,735	399,967	13,232	3%		
Garbage and Trash Removal	71,579	69,427	(2,152)	-3%		
Water and Sewer	133,548	122,565	(10,983)	-9%		
Electricity	60,066	61,761	1,695	3%		
Gas	90,824	87,555	(3,269)	-4%		
Utility Billing	4,521	5,500	979	18%		
PILOT	9,102	7,877	(1,225)	-16%		
HOA Fees	60,850	59,777	(1,074)	-2%		
Total Property Costs	1,401,345	1,583,931	182,586	12%		
Operating Expenses						
Audit Fees	28,274	26,033	(2,241)	-9%		
Bad Debt Expense - Tenants	44,390	8,222	(36,168)	-440%	I	\$20K Tantra and \$7K Bridgeway all related to significant unit turnover.
Board Expense	10,459	3,700	(6,759)	-183%		
Consultants & Contract Labor	77,310	114,562	37,251	33%		
Depreciation & Amortization	1,731,803	1,728,103	(3,700)	0%		
Dues and Fees	41,669	36,547	(5,122)	-14%		
Expendable Equipment	51,214	69,372	18,158	26%		
Financing Costs	45,994	0	(45,994)	100%	J	Cedar/Casey loan costs
HCV-HAP Expense	3,854,630	3,919,577	64,947	2%		
Insurance Expense	154,690	146,161	(8,529)	-6%		
Interest Expense	17,459	202	(17,257)	-8543%		
Legal Expense	10,387	16,961	6,575	39%		
Mileage & Vehicle Expense	35,279	40,667	5,388	13%		
Miscellaneous - Expense	29,110	43,159	14,049	33%		
Mortgage Interest Expense	1,115,616	1,119,534	3,918	0%		
Advertising/Marketing	2,602	20,058	17,456	87%		
Office Supplies	13,820	22,328	8,507	38%		
Other Administrative Expenses	11,525	13,431	1,907	14%		
Phone Expense	35,291	37,929	2,638	7%		
Printing & Postage Expense	26,105	25,661	(444)	-2%		
Property Mgmt & Asset Mgmt Fees	297,539	298,256	718	0%		
Resident Services Fees	48,114	44,865	(3,249)	-7%		
Staff Training	65,266	82,270	17,004	21%		
Service Grant Expense	224,299	204,130	(20,169)	-10%		
Total Operating Costs	7,972,845	8,021,729	48,884	1%		
Total Expenses	11,901,225	12,202,050	300,825	2%		
Income before Gain on Acq./Disp. Of Assets	\$ 2,041,550	\$ 1,228,486	\$ 813,063	66%		
Gain (Loss) on Acq./Disp. of Assets	4,149	0	4,149	100%		
TOTAL NET INCOME (LOSS)	\$ 2,045,698	\$ 1,228,486	\$ 817,212	67%		

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

BHP
Balance Sheet
May 31, 2018 and December 31, 2017

	Actual May-18	Actual December-17	Net Change YTD	Ref	Comments
ASSETS					
Current Assets					
Unrestricted Cash and Cash Equivalents	\$ 7,297,637	\$ 7,496,983	\$ (199,346)		
Reserved Cash - Replacements and Other	2,723,852	2,302,114	421,738	K	Includes net deposit of \$410,000 for Cedar/Casey capital improvements
Accounts Receivable	323,235	376,429	(53,194)		
Accounts Receivable-Tax Credits	1,302,918	656,965	645,953	L	Increase reflects recognition of Palo Park developer fee of \$960K less amounts received from 2017 waterfall for other TC properties
Notes Receivable – Current	19,316	178,258	(158,943)	M	Payments received from TC waterfalls for 2017 applied against notes receivable.
Prepaid Expenses	118,606	246,428	(127,822)	N	Prepaid insurance. Balance will decline monthly until Sept 2018 renewal
Supplies-Inventory	5,695	3,741	1,953		
Total Current Assets	11,791,258	11,260,919	530,339		
Restricted Cash					
Restricted Cash - Other	1,072,003	1,448,693	(376,690)	O	Spending of \$601K on Tantra roof and wiring projects as planned offset by \$178K received for COB voucher program and normal reserve deposits
Restricted Cash - Section 8	37,244	13,007	24,238		
Restricted Cash - Tenant Security Deposits	455,896	460,604	(4,708)		
Total Restricted Cash	1,565,144	1,922,304	(357,160)		
Capital Assets					
Construction in Progress	633,371	508,006	125,365	P	Predevelopment costs for Canopy at ROP
Furniture Fixtures and Equipment	887,800	830,693	57,108		
Real Estate Assets-Land and Buildings	129,701,979	129,230,203	471,776	Q	Capitalized solar battery backup at 4800 Broadway and capital improvements at Tantra Lake and Cedar/Casey
Less: Accum Depreciation Real Estate Assets	(35,588,157)	(33,860,820)	(1,727,338)	R	Normal Activity
Total Capital Assets	95,634,993	96,708,082	(1,073,089)		
Other Assets					
Notes Receivable	57,245,602	57,242,187	3,415		
Development Fees Receivable	3,622,522	3,027,530	594,992	S	Increase reflects long term portion of Developer fee for Palo Park.
Interest Receivable Notes	4,224,609	3,573,739	650,870	T	Normal Activity
Partnership Investments	398,602	398,754	(152)		
Net Amortized Costs	3,293,206	3,297,671	(4,465)		
Total Other Assets	68,784,540	67,539,881	1,244,659		
TOTAL ASSETS	177,775,935	177,431,186	\$ 344,749		

BHP
Balance Sheet
May 31, 2018 and December 31, 2017

	Actual May-18	Actual December-17	Net Change YTD	Ref	Comments
LIABILITIES & EQUITY					
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 480,431	\$ 762,922	\$ (282,491)	U	Reduction includes payment of \$249K accrued for Tantra roof replacement and other normal activity.
Accrued Payroll	84,549	109,719	\$ (25,169)		
Accrued Payroll Taxes and Benefits	124,876	122,387	\$ 2,489		
Accrued Compensated Absences	272,942	249,325	\$ 23,618		
Other Accrued Expenses	139,116	247,139	\$ (108,023)	V	Payment of accrued property taxes for Tantra and Cedar/Casey for 2017 (pre BHP)
Deferred Revenue	285,905	0	\$ 285,905	W	Reclass of City PSH voucher funds and Habitat funds to unearned revenue at advice of auditors
Current Portion of Long Term Debt	4,716,806	7,930,673	\$ (3,213,867)	X	Year end balance included adjustment of \$3.4M for Canyon Pointe loan with 12/18 maturity that is now classified as current and the outstanding LOC balance. YTD reduction in balance includes LOC payment in full from permanent loan proceeds and BHP funds.
Prepaid Rent	29,444	25,012	\$ 4,432		
Security Deposits	464,122	461,295	\$ 2,827		
Total Current Liabilities	6,598,191	9,908,472	-3,310,281		
Long-Term Liabilities					
Notes Payable	3,000,000	3,058,340	\$ (58,340)		
Accrued Interest Payable	13,223	39,446	\$ (26,223)		
Mortgages Payable	70,309,839	68,402,442	\$ 1,907,396	Y	Increase from new Cedar/Casey loan of \$2.4M offset by normal amortization
Net Pension Liability	9,533,111	9,533,111	\$ -		
Deferred Inflows	(0)	213,502	\$ (213,502)	Z	Reclass of City funds for vouchers and habitat to unearned revenue at advice of auditors
Total Long-Term Liabilities	82,856,173	81,246,841	1,609,332		
TOTAL LIABILITIES	89,454,364	91,155,313	(1,700,949)		
EQUITY					
Total Equity	88,321,571	86,275,873	2,045,698		
TOTAL LIABILITIES AND EQUITY	\$ 177,775,935	\$ 177,431,186	\$ 344,749		

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 - May 31, 2018

	For the month of May 31, 2018	Year to Date	Ref	Current Month Comments
Reconciliation of Net Income to Net Cash Provided (Used) by Operating Activities				
Net Income (Deficit)	\$ 1,219,361	\$ 2,045,698		
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities				
Increase (Decrease) in Accum. Depreciation	348,591	1,731,803		
(Increase) Decrease in Accounts Receivable	(584,568)	(475,951)		
(Increase) Decrease in Prepaid Expenses	16,865	127,822		
Increase (Decrease) in Prepaid Rent and Security Deposits	6,067	7,259		
(Increase) Decrease in Supplies/Inventory	(2,799)	(1,953)		
(Increase) Decrease in Reserved Cash	2,037	(421,738)		
(Increase) Decrease in Restricted Cash	50,370	357,160		
Increase (Decrease) in Payables and Accrued Expenses	(15,211)	(506,385)		
Increase (Decrease) in Deferred Revenue	285,905	285,905		
Increase (Decrease) in Deferred Inflows	(294,162)	(213,502)		
Increase (Decrease) in Pension Liability	0	0		
Total Adjustments	(186,905)	890,420		
Net Cash Provided (Used) by Operating Activities	1,032,456	2,936,118		
Cash Flows from Investing Activities				
(Increase) Decrease in Construction in Progress	160,073	(125,365)		
(Increase) Decrease in Furniture Fixtures and Equipment	0	(57,108)		
(Increase) Decrease in Real Estate Assets	(236,869)	(471,776)		
(Increase) Decrease in Notes and Interest Receivable	(615,276)	(1,090,182)	AA	Includes developer fee receivable for Palo Park and interest on notes.
Net Cash Provided (Used) by Investing Activities	(692,072)	(1,744,430)		
Cash Flows from Financing Activities				
Increase (Decrease) in Current Portion of Long Term Debt	(14,217)	(3,213,867)	AB	YTD Payments on LOC for Cedar/Casey
Increase (Decrease) in Notes Payable	(58,340)	(58,340)		
Increase (Decrease) in Mortgages and Bonds Payable	(110,350)	1,881,173	AC	YTD new loan for Cedar/Casey
Net Cash Provided (Used) by Financing Activities	(182,906)	(1,391,034)		
Net Increase (Decrease) in Cash and Cash Equivalents				
Net Increase (Decrease) in Cash and Cash Equivalents	157,478	(199,346)		
Unrestricted Cash and Cash Equivalents - Beginning	7,140,159	7,496,983		
Unrestricted Cash and Cash Equivalents - Ending	7,297,637	7,297,637		

BHP CASH Report**December-17****April-18****May-18**

<u>Unrestricted Cash Available for Operations</u>	Balance	Balance	Balance	Board Target	Surplus (Deficit)
BHP Operating Reserves	2,826,509	2,722,810	2,872,228	3,000,000	(127,772)
BHP Replacement Reserves	2,302,114	2,725,889	2,723,852	2,176,500	547,352
BHP Development Reserve	2,486,623	2,167,465	2,143,395	2,000,000	143,395
Total Unrestricted BHP Cash	7,615,246	7,616,165	7,739,475	7,176,500	562,975

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

<u>Unrestricted Cash - Restricted by Property/Program</u>	Balance	Balance	Balance	Board Target	Surplus (Deficit)
Project Based Operating Reserve	402,984	466,184	495,085	165,000	330,085
MTW Reserves ⁽¹⁾	1,677,117	1,783,699	1,786,929	0	1,786,929
Total Unrestricted Cash Restricted by Program	2,080,101	2,249,883	2,282,014	165,000	2,117,014

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

<u>Replacement Reserved - Restricted by Bank or HUD</u>	Balance	Balance	Balance
Canyon Pointe	183,478	206,289	212,089
Other Restricted Funds		0	0
Tantra Rehab Funds ⁽²⁾	1,094,332	539,430	492,748
Habitat Funds	213,502	108,755	107,925
S8/FSS Escrow	61,131	187,835	178,477
Section 8 NED NRA(HAP)	13,006	40,940	80,765
Total Restricted Cash Other	1,565,449	1,159,634	1,109,247

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

June 2017 - May 2018

Property	Address	Units	PUPA EGI	PUPA OpEx	Reserves	PUPA NOI Net of Reserves	PUPA Debt	Adjusted DSCR
Arapahoe Court	951,953 Arapahoe	14	\$ 5,074	\$ (7,325)	\$ -	\$ (2,250)	\$ -	-
Madison	1130-1190 35th St.	33	\$ 9,296	\$ (9,528)	\$ -	\$ (233)	\$ -	-
Public Housing I Sub Total:		47	\$ 8,038	\$ (8,872)	\$ -	\$ (834)	\$ -	-
Canyon Pointe	700 Walnut	82	\$ 11,869	\$ (6,259)	\$ (745)	\$ 4,865	\$ 3,598	1.35
Glen Willow (2)	301-333 Pearl St.	34	\$ 12,479	\$ (8,222)	\$ (300)	\$ 3,957	\$ -	-
Project Based Sub Total:		116	\$ 12,048	\$ (6,835)	\$ (615)	\$ 4,599	\$ 3,598	1.35
Arapahoe East	4610 Arapahoe	11	\$ 12,391	\$ (8,433)	\$ (300)	\$ 3,657	\$ 1,747	2.09
Dakota Ridge	4900 10th St.	13	\$ 17,671	\$ (4,043)	\$ (300)	\$ 13,328	\$ 7,512	1.77
Sanitas Place	3640 Broadway	12	\$ 11,247	\$ (6,699)	\$ (300)	\$ 4,248	\$ 3,020	1.41
Twin Pines	1700 22nd St.	22	\$ 11,654	\$ (5,355)	\$ (300)	\$ 5,999	\$ 3,083	1.95
Combine Loan One Subtotal		58	\$ 13,058	\$ (5,923)	\$ (300)	\$ 6,835	\$ 3,809	1.79
101 Canyon	101-103 Canyon	6	\$ 27,113	\$ (7,492)	\$ (300)	\$ 19,321	\$ 7,666	2.52
Hayden Place	34th & Hayden Place	24	\$ 10,172	\$ (6,391)	\$ (300)	\$ 3,481	\$ 3,285	1.06
Whittier	1946 Walnut St.	10	\$ 12,013	\$ (7,040)	\$ (300)	\$ 4,673	\$ 2,628	1.78
Woodlands (4)	2600 Block of Mapleton	35	\$ 12,691	\$ (8,470)	\$ (300)	\$ 3,921	\$ 5,069	0.77
Combine Loan Two Subtotal		75	\$ 12,948	\$ (7,536)	\$ (300)	\$ 5,112	\$ 4,381	1.17
Bridgeway	602-698 Walden Circle	123	\$ 19,193	\$ (6,100)	\$ (550)	\$ 12,543	\$ 9,950	1.26
Foothills	4500 block of 7th/8th	74	\$ 14,207	\$ (6,830)	\$ (300)	\$ 7,077	\$ 4,958	1.43
Hayden Place 2 (3)	3480 Hayden Place	6	\$ 11,152	\$ (8,822)	\$ (300)	\$ 2,030	\$ 5,914	0.34
Tantra Lakes	807-999 Moorhead	185	\$ 17,495	\$ (7,722)	\$ (300)	\$ 9,473	\$ 7,929	1.19
Midtown (2)	837 20th St.	13	\$ 11,924	\$ (6,592)	\$ (300)	\$ 5,032	\$ -	-
Vistoso	4500 Baseline	15	\$ 13,224	\$ (10,732)	\$ (275)	\$ 2,125	\$ 1,615	1.32
Workforce Sub Total:		534	\$ 16,475	\$ (7,290)	\$ (365)	\$ 8,817	\$ 6,867	1.28
Portfolio Totals:		697	\$ 15,169	\$ (7,321)	\$ (382)	\$ 7,464	\$ 5,860	1.27

June 2017 - May 2018

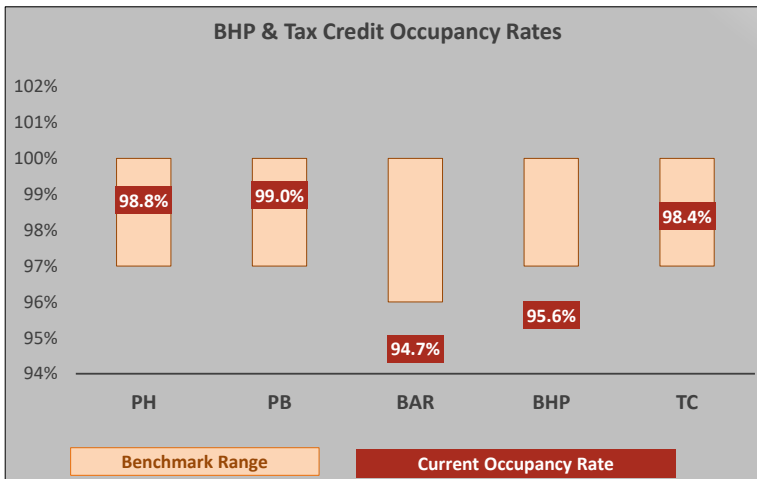
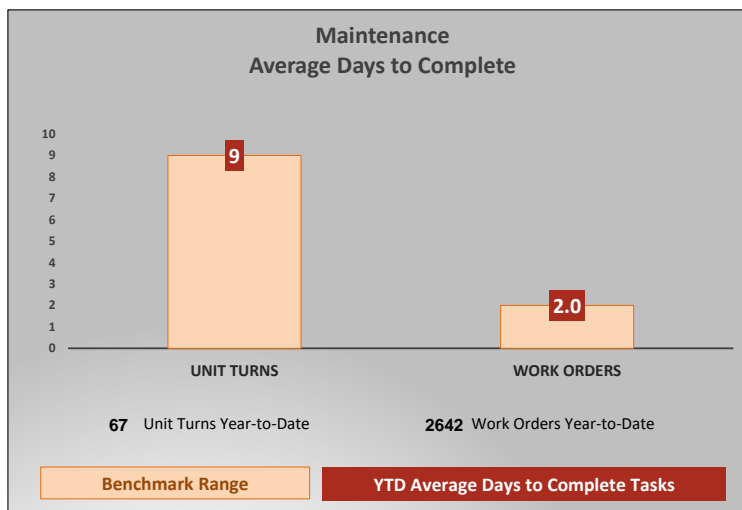
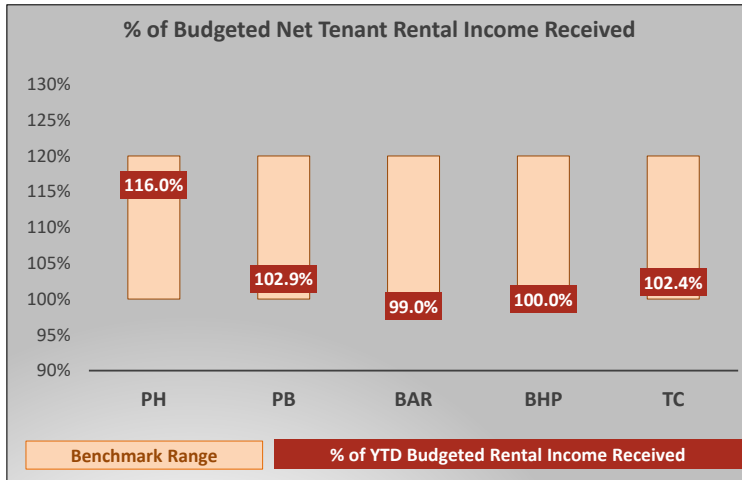
Tax Credit Properties	Address	Units	PUPA EGI	PUPA OpEx	Reserves	PUPA NOI Net of Reserves	PUPA Debt	Adjusted DSCR
Broadway East	3160 Broadway	44	\$ 11,588	\$ (6,686)	\$ (330)	\$ 4,572	\$ 2,876	1.59
Broadway West	3120 Broadway	31	\$ 11,160	\$ (7,456)	\$ (330)	\$ 3,374	\$ 2,463	1.37
High Mar	4990 Moorhead Ave	59	\$ 11,442	\$ (5,733)	\$ (258)	\$ 5,452	\$ 3,868	1.41
Holiday	1500 Lee Hill	49	\$ 10,733	\$ (6,113)	\$ (200)	\$ 4,419	\$ 3,254	1.36
Lee Hill (5)	1175 Lee Hill	31	\$ 12,672	\$ (11,883)	\$ (375)	\$ 414	\$ -	-
Red Oak Park	27th & Valmont	59	\$ 11,621	\$ (6,704)	\$ (338)	\$ 4,579	\$ 3,884	1.18
WestView	4600 Broadway	34	\$ 12,311	\$ (5,134)	\$ (300)	\$ 6,878	\$ 5,567	1.24
Tax Credit Properties excluding Boulder Communities		307	\$ 12,095	\$ (7,211)	\$ (318)	\$ 4,433	\$ 3,246	1.37
Boulder Communities (5)	Various	279	\$ 11,400	\$ (6,280)	\$ (520)	\$ 4,600	\$ 2,838	1.62
Tax Credit Sub Total:		586	\$ 11,492	\$ (6,576)	\$ (404)	\$ 4,512	\$ 3,073	1.47

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) Woodlands affected by \$23K roof and gutter repairs between Nov-Mar.
 (5) Lee Hill does not have permanent debt so DSCR does not apply.

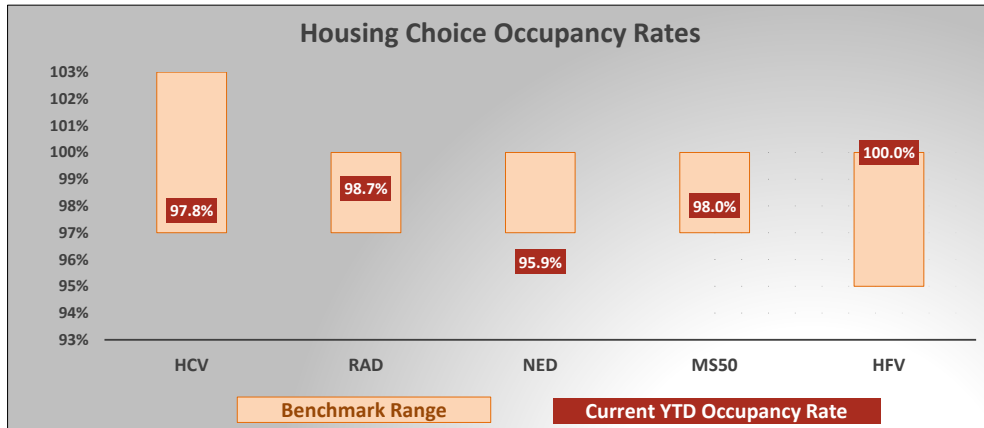
Property Management Benchmarks



NOTES: We experienced higher than expected turnover and average number of days vacant at Tantra and Bridgewalk in the first four months of 2018. We are back on track with more resources as we enter the traditional leasing season (May – August) for 2018. May Occupancy is 95.5%

PH - Public Housing Sites
 PB - Project Based Contract Sites
 BAR - Boulder Affordable Rentals
 BHP - Combined PB, PH & BAR Sites
 TC - Tax Credit Sites

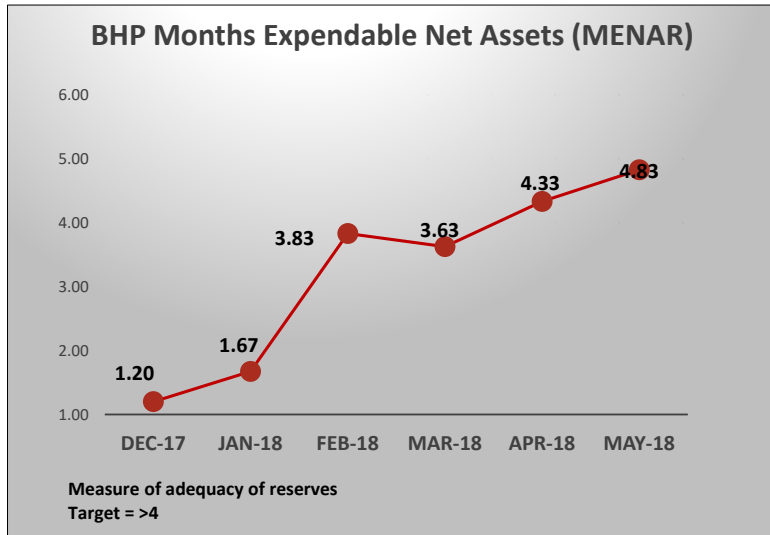
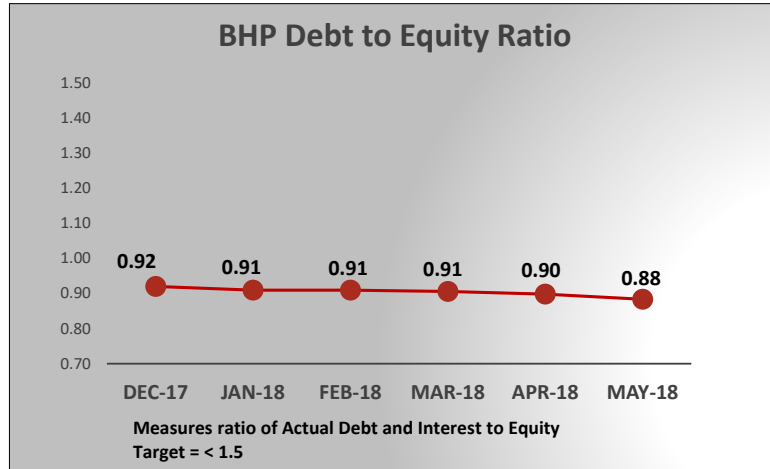
Housing Choice Benchmarks



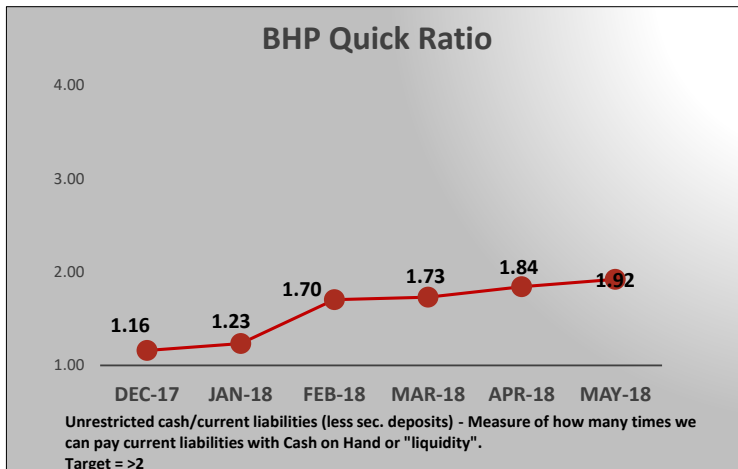
NOTES: NED has 172 of 181 leased
 MS50 has 49 of 50 vouchers leased.

HCV - Housing Choice Voucher
 RAD - Rental Assistance Demonstration Vouchers
 NED - Non-Elderly Disabled Vouchers
 MS50 - Mainstream 50 Vouchers
 HFV - Housing First Vouchers

Financial Benchmarks



NOTES: 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.



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-June as cash from TC partnerships is received..

MEMO

To: Board of Commissioners
From: Karen Kreutzberg and Jim Koczela
Date: July 11, 2018
Re: **Housing Choice Voucher Payment Standards**

Background

Each year, HUD issues a new set of data describing the Fair Market Rents (FMR) by geographic area. The FMR establishes the basis for how much assistance is paid in the Housing Choice Voucher Program. FMRs are set at the 40th percentile rent based upon data that are 2+ years old. As a result, in a market with rising rents the FMRs increase lags behind the market rent increase.

The local “payment standard” is a program innovation that allows each housing authority to establish a rent limit that is no less than 90% and no more than 110% of FMR for their local jurisdiction. The limiting factor becomes our ability to balance program funding while maximizing the number of families we can assist.

Based on the annual HUD FMR, staff brings the Board a proposal for our voucher program. We have for the last few years attempted to align our payment standard with the Boulder County and Longmont Housing Authorities. Based upon our conversations we expect the County to follow this proposal. We are uncertain what Longmont intends to do.

Analysis

In October 2017, the Board approved our 2018 payment standards to be set between 92 – 100% of FMRs based on number of bedrooms. This small increase was based on our estimate of funding for 2018. In May 2018, HUD provided us with our 2018 budget authority which included a much larger than expected funding increase. This unexpectedly large increase allows us the opportunity to revisit the 2018 payment standard and how it relates to the new FMRs.

Staff is currently processing the 2016 lottery winners and has submitted an application for 75 – 120 additional Mainstream Vouchers (which are vouchers dedicated to households who are young (less than 62) and persons living with a disability). HUD will be awarding these vouchers in early August. With the increase in budget authority and the possibility of new vouchers we want to give our new voucher holders the best opportunity possible to lease up. Therefore, we are proposing that we increase the 2018 payment standards to be set between 100 – 105% of FMRs based on number of bedrooms, effective immediately. These increases result in rents at no less than 60% AMI equivalent rents, ensuring that voucher holders can rent in LIHTC and other affordable properties in the Boulder community.

This chart shows the difference between the current payment standards and proposed new standards based on bedroom size:

	0 bedroom	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms
Current 2018 Payment Standards	\$ 996	\$ 1,129	\$ 1,365	\$ 1,981	\$ 2,355
100% Fair Market Rents	\$ 1,084	\$ 1,195	\$ 1,461	\$ 2,056	\$ 2,350
Proposed Payment Standard	\$ 1,141	\$ 1,222	\$ 1,467	\$ 2,056	\$ 2,355
Percent of FMR	105%	102%	100%	100%	100%
Increase amount	\$ 145	\$ 93	\$ 102	\$ 75	\$ -

Recommendation

Staff recommends that the 2018 payment standards be adjusted to the following amounts effective immediately for any current voucher holder who is moving to a new unit, for new applicants leasing up with a voucher for the first time, and any rent increases for those who are leased up and remain in place:

Voucher Size	0 bedroom	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms
Payment Standard	\$ 1,141	\$ 1,222	\$ 1,467	\$ 2,056	\$ 2,355

Action Requested

Approval of Resolution #7 Increasing the 2018 Payment Standards.

**RESOLUTION NUMBER 7
SERIES OF 2018**

A RESOLUTION FOR THE PURPOSE OF INCREASING THE 2018 PAYMENT STANDARDS

WHEREAS, the Department of Housing and Urban Development (HUD) establishes the Fair Market Rents (FMR) to be used by housing agencies for the establishment of Housing Choice Voucher Payment Standards; and

WHEREAS, Boulder Housing Partners (BHP) uses the Payment Standard in the administration of its Housing Choice Voucher Program; and

WHEREAS, HUD allows housing authorities to establish their Payment Standard anywhere between 90% and 110% of the HUD published FMR; and

WHEREAS, the Payment Standards were at 92-100% of the FMR for 2018; and

WHEREAS, the 2018 budget authority and the local Area Median Income (AMI) have increased more than expected in 2018; and

WHEREAS, setting the Payment Standard at between 100 – 105% of FMRs will allow participants more opportunities to find housing they can afford.

NOW, THEREFORE, be it resolved that the Board of Commissioners approves an increase in the Payments Standards for the Housing Choice Voucher Program effective July 12, 2018 to:

Voucher Size	0 bedroom	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms
Payment Standard	\$ 1,141	\$ 1,222	\$ 1,467	\$ 2,056	\$ 2,355

Adopted this 11th day of July 2018.

(SEAL)

Dick Harris
Vice Chair, Board of Commissioners
Boulder Housing Partners,
Housing Authority of the City of Boulder

ATTEST:

JEREMY DURHAM
Executive Secretary

MEMO

To: Board of Commissioners
From: Karen Kreutzberg and Jim Koczela
Date: July 11, 2018
Re: 2019 MTW Annual Plan

Background

As a Moving to Work agency, we are required to submit an annual plan which includes proposing any new initiatives we will pursue in the coming year. 2019 will be our eighth year participating in the demonstration program and we currently have 16 existing activities. There is significant administrative cost to implement and report annually on each activity. In addition, most new activities have a direct impact on our residents or participants.

Analysis

To propose an activity, it must be well thought out, clearly articulated, customer impacts and program costs analyzed, and hardship provisions defined. It is important to note that HUD does not require new activities each year and we are proposing to forgo any new activities in 2019 while we work on an initiative to redefine “income” for implementation in 2020. This is a big undertaking. The goal is to simplify the verification documentation requested from a participant, while using a consistent definition of income. If possible, we would like to better coordinate what is “income” across our various programs. This activity is much more complex than originally anticipated and therefore will be pushed back to 2020 to allow staff to fully explore the details.

Recommendation

Submit the 2019 MTW Annual Plan with no new activities proposed to HUD in October with Board approval. The Board will see the draft plan at the September Board meeting.

MEMO

To: Board of Commissioners
From: Ruth Becker, Legal Counsel
Date: July 11, 2018
Re: **Waiver of Conflict of Interest**

This Waiver of conflict of interest waives any potential conflict of interest that Board President, Valerie Soraci, may have based on her existing contracts for landscaping services with properties that may be acquired by BHP or a BHP affiliate.

This Waiver must be approved by a 2/3 vote of all appointed Board members, not including Ms. Soraci who must abstain.

Waiver of Potential Conflict of Interest

Pursuant to Section IV of the Boulder Housing Partners' Ethical Standards of Conduct Policy, the Board of Commissioners hereby waives any potential conflict of interest that Board President, Valerie Soraci, may have based on her existing contracts for landscaping services with properties that may be acquired by BHP or a BHP affiliate. This waiver is for Ms. Soraci's existing contracts and expires on December 31, 2018.

Ms. Soraci abstained from consideration of this waiver request and was not present for the Board's deliberations and decision. The Board was fully informed of the nature and extent of Ms. Soraci's current contracts and the properties where Ms. Soraci has business interests. The Board determined this waiver was appropriate in light of the rare and unique circumstances of Ms. Soraci having existing landscaping contracts for the current season that otherwise would need to be terminated. A waiver is permissible for a contract conflict pursuant to Section V.B.1. of the Ethical Standards of Conduct Policy.

This Waiver was approved by a 2/3 vote of all appointed Board members.

Approved July 11, 2018.

(SEAL)

Adopted this 11th day of July 2018.

Dick Harris
Vice Chair, Board of Commissioners
Boulder Housing Partners,
Housing Authority of the City of Boulder

Future Board Items

We've gathered the requested informational items the Board has asked to either learn more about or discuss. This is our current list and approximate timeline.

	<u>Anticipated Date</u>
• Board Working Agreements	August
• Presentation from and Meeting with Kurt Firnhaber	August
• Ciclo Closing Resolutions	August
• Meeting Recording Retention Policies	3 rd Quarter
• Permanent Supportive Housing Voucher Update	3 rd or 4 th Quarter
• Walnut Place Homeless Preference	3 rd or 4 th Quarter
• Increased Section 8 Voucher Capacity	3 rd or 4 th Quarter
• Property Tax Exemption Policy	3 rd or 4 th Quarter
• LIHTC and 80% Area Media Income Averaging	TBD – Pending CHFA Implementation
• Foundation for Leaders Organizing for Water and Sustainability (FLOWS)	TBD – As Time Allows
• Waitlists and Preferences	TBD – As Time Allows
• MTW and Housing Choice Voucher Overview	TBD – As Time Allows
• Services for Families	TBD – As Time Allows
• Services for Seniors and People with Disabilities	TBD – As Time Allows