



BOARD
BUSINESS MEETING

July 10, 2019

FRAMEWORK FOR DECISION MAKING

When evaluating decisions or determining what matters BHP should spend time on, in accordance with our fiduciary duties to always act in the best interest of the organization, we consider the following questions:

1. Does this idea/action item further the goals of the organization?
2. Is this relevant and helpful for our constituents/customers?
3. What is the impact on staff?
4. What is the impact on budgets?
5. Is it strategic or operational?
6. Is this within our span of control?



Board of Commissioners Meeting
Location: 4800 Broadway, Boulder, CO 80304
July 10, 2019 ▪ 9:00 am-11:30 am

AGENDA

		Page #
9:00-9:15	Standing Agenda	
	1. Call to Order and Determination of a Quorum	
	2. Public Participation	
	3. Approval of Minutes from June 12, 2019	2
	4. Finance and Operations Update	8
9:15-11:00	Meeting Agenda	
	1. Services for Seniors and People with Disabilities	
	2. MTW Annual Plan – Check-in on 2020 Activities	10
	3. Q2 Strategic Priorities Check-in	**
11:00-11:30	Board Matters	
	1. Resident Representative Council Update	
	2. Board Announcements	
	3. Additions to this Agenda	
	4. Future Board Items and Board Calendar	14
	5. Executive Session for Personnel Matters per C.R.S. 24-6-402(4)(f)	
11:30	Adjournment	

****Distributed under separate cover**

**BOULDER HOUSING PARTNERS
MEETING OF THE BOARD OF COMMISSIONERS
JUNE 12, 2019 9:00 AM
4800 BROADWAY, BOULDER COLORADO**

Commissioner Soraci	Jeremy Durham	Others Present:
Commissioner Levy	Penny Hannegan	Eric Schulz
Commissioner Adams	Jodi Bogen	Juanita Echeverri
Commissioner Klerman	Rene Brodeur	David Sutherland
Commissioner Walker	Laura Sheinbaum	Paulette Foss
Commissioner Harris (ABSENT)	Ian Swallow	Shelly Bobbins
Commissioner Griffin (DIAL IN)	Jessica Kenney	
Commissioner McCord	Melissa McGinley	
Commissioner Yates	Tim Beal	
	Claudia Perez	
	Amanda Maya	
	Sally Miller	
	Amy Schoffner	
	Jason Acuña	

I. Call to order and Determination of a Quorum

Commissioner Soraci called the meeting of the Board of Commissioners to order at 9:05 am. A quorum was declared.

II. Public Participation

Shelly Bobbins, a current resident at the Foothills Community (Market Rate), stated that since 2012, there have been 5% rental increases each year. Ms. Bobbins stated that she feels like she will be forced out of Boulder because of the increases. She mentioned that the restructuring of the Property Management Department has created inconsistencies.

A resident from one of the BHP properties, who wished to remain anonymous, stated that there's been violent incidents occurring in her neighborhood and the police have been called on numerous occasions. She mentioned that often the police do not show up to resolve the issues. Some of the lease violations include noise, smoking, marijuana, and harassment. The resident mentioned that there is a problem when residents are given eviction notices and they don't have support to ameliorate the situation. The commissioners asked whether the violence was instigated by residents, neighbors, or others. The resident said that the violence comes from multiples sources. The commissioners and BHP staff stated that our goal is make the community as best as possible.

III. Approval of the Meeting Minutes

Consent agenda items approved:

1. Minutes from 4-13-2019
 - a. Tony Adams said that he would like to be added to the Development Committee.
2. Minutes from 5-20-2019

COMMISSIONER LEVY MOVED TO APPROVE THE MINUTES FROM 4-13-2019 and 5-20-2019. COMMISSIONER KLERMAN SECONDED THE MOTION. The motion to approve the minutes passed unanimously.

IV. Finance and Operations Update

Financial Report

Jodi Bogen gave an overview of the April financial statements and answered questions from the Board. Jodi stated that we received \$200,000 of funding from the City of Boulder for additional vouchers, which we get to utilize over the course of a year. We also received funds from the City for 30Pearl for entitlement work.

Jodi explained that because we are a Moving to Work (MTW) entity, we are able to request money that was not spent the previous year from HUD and use it for new affordable housing.

Jodi said that the \$1M of gain on acquisition was from the Cornell House, which is still pending.

Unrestricted Cash; April column – Jodi explained that we reached our benchmark and we are exceeding our target for unrestricted cash.

The commissioners asked whether BHP has the right reserves levels. Jodi explained that compared to other Housing Authorities, the \$3M of operating reserves is in line. This was discussed in detail during the Finance Committee.

Finance Dashboard: Jodi stated that the new financial dashboard will be included with every Board packet going forward. The commissioners suggested increasing the size of the Unit Mix and switching the numbers with percentages. The commissioners also suggested showing the vacancies by AMIs.

V. Meeting Agenda

Partnership Awards:

Commissioner Soraci introduced the Partnership Awards recipients:

- Tim Beal presented the award to Eric Schulz, from Realities for Children Boulder

County, for his work in providing support to youth aging out of the foster care system.

- Ingrid Castro-Campos presented the award to Juanita Echeverri and David Sutherland, representing the City of Boulder Open Space and Mountain Parks (OSMP), which has worked with parents and children to explore and learn about local wildlife and parks.
- Sally Miller and Amy Schoffner presented the award to Paulette Foss for her many years volunteering at Northport as well as several other organizations.

Update from Kurt Firnhaber, City of Boulder

Kurt said that the City of Boulder is focused on connecting people with the right organization. The partnership with BHP and the Boulder Shelter has been crucial in strengthening this effort. The goal is to have organizations, that may have competed with each other in the past, on the same page to increase efficiency and collaboration. One of the focus areas has been the support of homeless work. BHP, the City, and Bridge House are working together to provide different services to individuals experiencing homelessness.

Kurt said that the Zero Diagonal and 1440 Pine are currently under construction. There is an effort to get more private landlords in place. The City is trying to implement a similar program that BHP has in regard to a landlord security deposit fund. The partnership between BHP and the City has enabled the work for 30Pearl to go incredibly well.

Ponderosa Community: The City is planning to bring the annexation to City Council in September or October. There are currently 68 families that live in this area and the City will be giving them choices. At the end of the project, the City expects that all homes will be small single-family units, duplexes, triplexes, and fourplexes. Habitat for Humanity is a partner in the project, and they will be working to do the construction offsite to eliminate as much disruption as possible. The City is doing a survey with the residents to gather data. The majority of the residents qualify; one does not because of financial reasons. The City is working on a rent-to-own system to allow households that have undocumented individuals to have their children be able to purchase their homes when they turn 18 years of age. Kurt explained that residents will have the choice to continue living in their mobile homes. If residents chose to, they will have the option to sell their mobile homes to the City and use the money toward a down payment for their home.

Moving To Work (MTW) Annual Plan – Ideas for 2020 Check in with the Board

In the MTW program, BHP is required to submit an annual plan detailing the initiatives that it plans to implement and the statutory changes that are deemed necessary. The submission date with Board approval is due on October 15, 2019, followed by a 30-day public review period. Karen explained that the plan for 2020 is to simplify and streamline the rent and escrow calculation for the Family Self Sufficiency (FSS) program at the Woodlands site. The goal is to bring rent calculations in line with the rent calculation for work-able families. This will create more transparency and understanding for residents. There was a Participant Focus Group where the team collected data and ideas. Karen stated that if individuals in the 5-year program are successful and graduate, then they get the escrow check. Since 2009, 47% were successful and escrows averaged at \$4,700.

The Commissioners were all in favor for moving forward with continuing to refine the details of this activity for the 2020 MTW Annual Plan.

Resolution #19-7 Approval of Set Aside Vouchers

Karen stated that the plan for the set aside preference has been out for public review (on the Daily Camera, the BHP website, and an email blast to partners). There was one comment from a concerned individual but is now in favor of the change.

COMMISSIONER YATES MADE A MOTION TO APPROVE RESOLUTION #19-7, COMMISSIONER KLERMAN SECONDED THE MOTION. The motion passed unanimously.

Resolution #19-8- Approval of BHP Audit

Jodi stated that we had an audit of the BHP financial statements. The auditors didn't find any problems and gave BHP the best qualification possible. There was a new requirement this year, which was to record pension liability through PERA. Jodi said that during the Finance Committee meeting, the external auditors called to present their opinions and discuss what they did in the audit.

COMMISSIONER KLERMAN MADE A MOTION TO APPROVE RESOLUTION #19-8, COMMISSIONER WALKER SECONDED THE MOTION. The motion passed unanimously.

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 WALKER SECONDED THE MOTION. The motion passed unanimously.

The Board recessed at 11:16 am into Executive Session as per Colorado Statute C.R.S. 26-6-402(4)(a) to discuss Real Estate Matters.

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

The Board met in executive session for 5 minutes at which time the only matters discussed were those related to Real Estate matters.

COMMISSIONER KLERMAN MADE A MOTION FOR THE AUTHORIZATION TO EXECUTE THE SALE OF 101 CANYON BLVD., THE CORNELL HOUSE, TO ANY QUALIFIED BUYER FOR THE PURCHASE PRICE OF \$1,000,000 OR ABOVE. COMMISSIONER YATES SECONDED THE MOTION.

VI. Board Matters

Resident Representative Council Update

Commissioner Griffin reported for the Resident Representative Council (RRC). The RRC received a \$2,000 check from the City for a composter at Canyon Pointe. There have been discussions regarding personal art in the public hallways. Laura Sheinbaum stated that with the upgrades to the building, the artwork currently there will need to come down for renovations. Laura suggested waiting until the work is done, and then the community can decide.

Commissioner Griffin said residents are happy with the garden at Canyon Pointe and the new Membership Chairman is meeting with residents, so people can meet the RRC. The lights have not been fixed at Walnut Place yet. Rene Brodeur stated that Joshua McVay, the Maintenance Supervisor, went today with the City Code Compliance Supervisor to see what needs to be done to stay in code.

Commissioner Griffin said that there was a problem with the wall heater in the north stairwell. Residents requested improved communication over issues like that. Rene explained that the heating mechanics depend on temperature changes outside; BHP has taken note of this issue and will follow up.

The RRC decided to not get involved with the vending machine contract and will turn it over to BHP staff.

Board Announcements

Commissioner Soraci said that she attended the Poverty Simulation hosted by the Boulder County Circles at Sister Carmen in Lafayette. She gave positive feedback and mentioned how this is an important theme and its relevance in our society and community.

Additions to the Agenda

There were no additions to the agenda

Future Board Items

There were no additions to the Future Board Items.

VII. Adjourn

COMMISSIONER HARRIS 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 11:45 am.

Seal

DATE: 6/12/2019

Valerie Soraci,
Chairperson, Board of Commissioners
Boulder Housing Partners

Jeremy Durham
Executive Director

Jason Acuña
Recording Secretary

FINANCE SUMMARY

As of May 2019

Boulder Housing Partners Benchmark Report as of May-2019

Net Income

	YTD Actual	YTD Budget	% Diff
Income	12,648,711	13,399,748	-6%
Expense	12,444,436	13,600,267	8%
Net Income	204,275	(200,519)	

Debt Service Coverage Ratio

1.48

BHP Target 1.15

Balance Sheet Summary

	Actual May-19	Actual Dec-18	Net Change YTD
Assets	182,470,721	181,066,073	1,404,647
Liabilities	(95,237,626)	(94,029,273)	(1,208,353)
Equity	87,233,094	87,036,800	196,295

BHP Quick Ratio

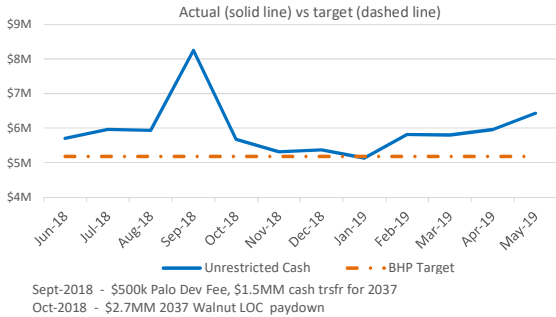
2.98



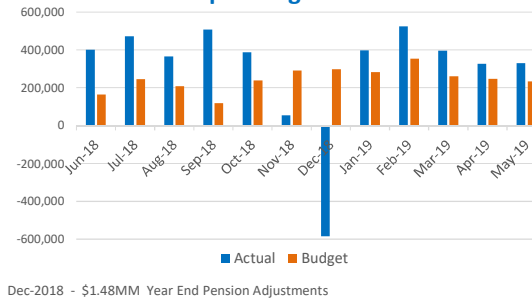
Maintenance

Unit Turns: 9.40 Average days to complete **123** turns YTD **Work Orders: 2.7** Average days to complete **4975** work orders YTD

BHP Unrestricted Cash, Last 12 Month



2019 Net Operating Income for BHP



PUPA

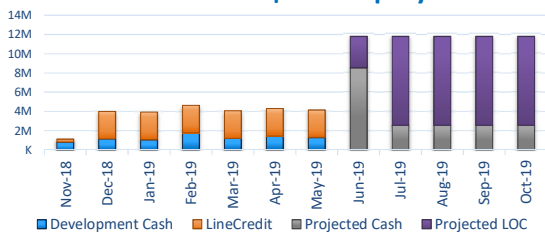
\$6880

BHP & TC Units

Unit Mix

AMI	BHP	LIHTC
PH/PB	163	0
30%	12	48
40%	38	65
45%	0	17
50%	114	186
60%	145	300
Market	284	0
Total	756	616
All Units	1372	

BHP Development Equity



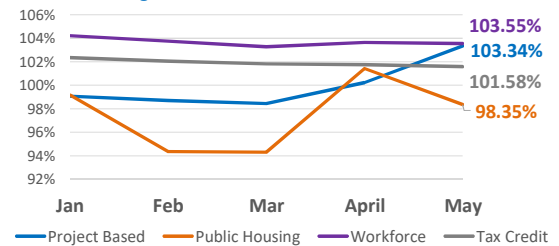
Operating Reserves

Current Operating Reserves
3,370,194

2019 Annual Expenses
17,513,178

2.3 Months
of annual operating expenses are covered by the current operating reserves.
BHP Target is 2 Months

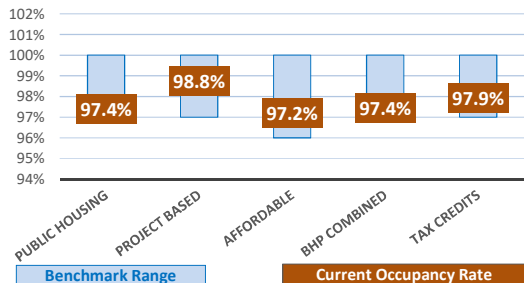
% of Budgeted Net Tenant Rental Income Received



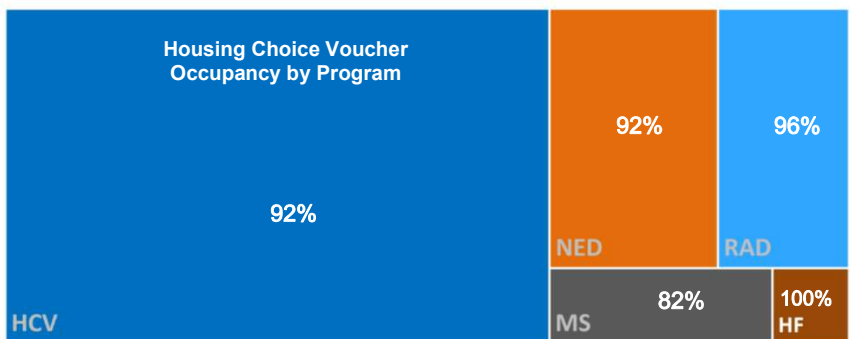
Development Equity Notes

Nov '18 - Rec'd \$450K Developer Fees from Palo & Ciclo, Purchased 2037 Walnut
Dec '18 - Received \$550K COB for Cedar Casey
Feb '19 - Received \$1MM from COB for 30 Pearl
Jun '19 - Closing on Trout Farms, West End and Conopy
Jul '19 - Pay of \$6M Line of Credit with closing proceeds from West End

BHP Occupancy Rates YTD



Housing Choice Voucher Occupancy by Program



Housing Choice Voucher Notes

HCV - 756 Housing Choice Vouchers
RAD - 135 Rental Assistance Demonstration Vouchers
NED - 181 Non-Elderly Disabled Vouchers
MS - Mainstream 50 + 28 Vouchers
HF - 22 Housing First Vouchers



MEMO

To: Board of Commissioners

From: Karen Kreutzberg

Date: July 10, 2019

**Re: 2020 MTW Proposed Activity
Family Self-Sufficiency Rent and Escrow Modification**

Moving to Work Program

In the Moving to Work (MTW) Program, we are required to submit an annual plan proposing the initiatives we wish to implement, and the statutory changes needed. The 2020 MTW Annual Plan is due to HUD with Board approval by October 15. Board approval must follow a 30-day public review period, which will begin in early September. We are proposing one new activity in 2020 to simplify and streamline the rent and escrow calculations for participants in our Family Self Sufficiency (FSS) Program at Woodlands.

Background

Boulder Housing Partners works in partnership with Boulder County Housing Authority (BCHA) to offer the Family Self Sufficiency (FSS) Program to all 35 households at Woodlands. BHP provides the voucher assistance while BCHA provides case management to increase participants' self-sufficiency and decrease their dependency on assistance and rental subsidies. Part of the FSS program includes an interest-bearing escrow (savings) account that is funded by any increases in the family's rent as a result of increased earned income during the family's participation in the program. Earned income is from increases in employment salary and not from Social Security Income, unemployment, child support, Temporary Aid to Needy Families, etc. Upon successful graduation from the program, a family receives their escrow, which they can use for any purpose.

To date, BHP has made no changes under the Moving to Work Program to the rent calculation for families participating in the FSS program.

Proposed activity details

With this 2020 MTW Activity, we are proposing to change both the rent and the escrow calculations for the FSS participants for all new participants who are admitted to the program after January 1, 2020. Current participants would have the choice to opt into the new rent and escrow structure or stay on the current system.

Rent structure: the proposed rent structure will be the same as the current flat tiered rent structure that BHP put in place for work-able families as part of the 2014 MTW Annual Plan. Applying the current flat tiered rent structure to FSS participants would allow BHP to have one rent structure for all work-able families and provide consistency for FSS participants who remain on the program after graduating from FSS. Elements include:

- Rent based on gross income, total number of household members and unit size

- Recertification every two years
- Income based on current, stable income or a two-year historical average projected forward
- Flat fee per ineligible family member of \$125 per member per month
- No interim recertifications for income increases or decreases unless:
 - A participant experiences a decrease in income, an exception due to extenuating circumstance may be made. If they are not eligible for an interim to reduce their rent, the participant may be referred to the Safety Net Program depending on the nature of the decrease
 - A participant experiences an increase in income and chooses to report the increase as it may result in a higher escrow amount, however, a corresponding increase in rent will also occur
- Minimum rent based on bedroom size

Escrow structure: The current escrow calculation is complex and often difficult for participants to understand. When a participant enters the program, rent is based on household income from all sources. Escrow is then based solely on increases in earned income, provided the amount of rent has also increased. For families who have been steadily working when they enter the program, their ability to increase earned income to a high enough amount to earn escrow is greatly reduced.

For example, a participant enters the program with a total household income of \$20,000 that is comprised of child support (\$9,000) and wages (\$11,000). If at some point during their five-year participation in the program, the participant no longer receives child support, the wage income would need to increase to more than \$20,000 in order for escrow to be earned.

The goals of the proposed escrow calculation are to simplify the calculation, allow for escrow based on goals achieved, and reward increases in earned income. We've completed research into successful programs adopted by other MTW Agencies and recommend moving forward with a simple, clear, and effective achievement-based approach similar to the program utilized in Tacoma and Vancouver.

The chart below shows the escrow amount that participants would earn based on goals achieved:

Goals Achieved (for new participants who enter the program starting in 2020 and current participants who chose to opt in)		Maximum escrow
1	Complete FSS Year 1 Requirements	\$200
2	Complete FSS Year 2 Requirements	\$200
3	Complete FSS Year 3 Requirements	\$300
4	Complete FSS Year 4 Requirements	\$400
5	Complete FSS Year 5 Requirements	\$500
6	Complete Educational Goals listed below (by any adult household member):	
	GED	\$500

	Post-Secondary Certification	\$500
	Associate degree	\$1,000
	Bachelor's Degree or higher	\$2,000
7	Maintain employment of (calculated once per participation year per adult household member)	
	a. at least 32 hours per week for 6 consecutive months	\$250
	b. at least 32 hours per week for 12 consecutive months	\$500
8	6-month Work Force paid internship	\$250
9	12-month Work Force paid internship	\$500
10	Receive health benefits from employer	\$100
11	Graduation without voucher assistance	\$2,500
12	Purchase of home upon graduation (within 6 months of graduation)	\$5,000

Certifications will be conducted upon entry to the program, with recertifications only required at the beginning of Year 3 and the beginning of Year 5. Starting in Year 3, participants would begin to earn a monthly escrow based on the amount of earned income that is included in the rent calculation. The escrow amount would remain stable for Years 3 and 4, except in the case of income increases that the participant chooses to report, which would also result in an increase in the rent. The monthly escrow would be based on the following chart:

Beginning in Year 3, households will receive escrow based on earned income included in the rent calculation:	
Income Range	Monthly Escrow
\$10,000 - 14,999	\$50
\$15,000 - 19,999	\$75
\$20,000 - 24,999	\$100
\$25,000 - 29,999	\$125
\$30,000 - 34,999	\$150
\$35,000 - 39,999	\$175
\$40,000 - 44,999	\$200
\$45,000 - 49,999	\$225
\$50,000 - 54,999	\$250
\$55,000 - 59,999	\$275
\$60,000 - 64,999	\$300
\$65,000 - 69,999	\$325
\$70,000 - 74,999	\$350
\$75,000 - 79,999	\$375
\$80,000 and above	\$400
*If household graduates early, escrow would be paid out as if they were graduating at the end of year 5	

Data analysis

Past history shows that 52% of participants graduate from the FSS program. Of those, 53% are still in need of voucher assistance and 47% leave the program without voucher assistance. Average escrow per graduate is \$4,700, and not all participants earn escrow. Over the last 10 years, 76% of those who have graduated had escrow, with an average escrow of \$6,100.

Since the new escrow calculation allows for more households to earn escrow, we believe it will increase costs to the program. It is hard to predict the actual amount of increase. Based on the data from past graduates, the average household would graduate with approximately \$10,000. Based on the average number of families to graduate, this would result in a cost of \$50,000 annually, compared to an average total escrow paid per year of \$26,000. This increased cost can be supported with current funding levels.

Implementation schedule and next steps

Based on FSS participants' feedback during a June focus group, the new rent and escrow calculation would apply to:

- New participants entering the program after January 2020
- Current participants who choose to opt in after further education and review of individual circumstances and impact

BHP and BCHA FSS staff will hold another focus group in mid to late July to hear from additional FSS participants. A meeting will be held in August to share the details with all current FSS participants prior to the plan being released for public review in early September.

Requested action

Staff is requesting approval to continue refining the details of this Activity and seeking participant feedback, with the intent of incorporating changes to rent and escrow calculations for the FSS participants into the 2020 MTW Annual Plan. Commissioner feedback is welcome at any time during this process as we continue to refine this MTW Activity.

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>
• Property Management Structure	September 2019
• MTW Annual Plan – Draft for Release	September 2019
• Record Retention Policy	September 2019
• Solar Garden	October 2019
• MTW Annual Plan – Approval for HUD Submission	October 2019
• MTW Program Overview Presentation	October 2019
• 2020 Budget Draft	November 2019
• Market Rate Property Operations Policy	November 2019
• Admin Plan Annual Updates	November 2019
• 2020 Budget Adoption	December 2019
• LIHTC and 60% Area Median Income Averaging	As Time Allows
• Property Tax Exemption	As Time Allows

2019 BHP Commissioners' Calendar

Date	Group	Time
Mon. Jan. 7	Finance Committee	3:00-4:00
Mon. Jan. 7	Development Committee	4:00-5:00
Wed. Jan 9	Board Meeting	9:00-11:30
Mon. Feb. 11	Finance Committee	3:00-4:00
Mon. Feb. 11	Development Committee	4:00-5:00
Wed. Feb. 13	Board Meeting	9:00-11:30
Thurs. Mar. 7	NPG Committee	3:30-5:00
Mon. Mar. 11	Finance Committee	3:00-4:00
Mon. Mar. 11	Development Committee	4:00-5:00
Wed. Mar. 13	Board Meeting	9:00-11:30
Mon. Apr. 8	Finance Committee	3:00-4:00
Mon. Apr. 8	Development Committee	4:00-5:00
Wed. Apr. 10	Annual Board Meeting	9:00-11:30
Mon. May 6	Finance Committee	3:00-4:00
Mon. May 6	Development Committee	4:00-5:00
Wed. May 8	Strategic Plan Retreat	9:00-11:30
Thurs. Jun. 6	NPG Committee	3:30-5:00
Tues. Jun. 11	Finance Committee	3:00-4:00
Tues. Jun. 11	Development Committee	4:00-5:00
Wed. Jun. 12	Board Meeting	9:00-11:30
Mon. Jul. 8	Development Committee	4:00-5:00
Tues. Jul. 9	NPG Committee	12:00-2:00
Wed. Jul. 10	Board Meeting	9:00-11:30
August	Board Recess	N/A
Thurs. Sept. 5	NPG Committee	3:30-5:00
Mon. Sept. 9	Finance Committee	3:00-4:00
Mon. Sept. 9	Development Committee	4:00-5:00
Wed. Sept. 11	Board Meeting	9:00-11:30
Mon. Oct. 14	Development Committee	4:00-5:00
Wed. Oct. 16	Board Meeting & Strategic Plan Retreat	9:00-2:30
Tues. Nov. 12	Finance Committee	3:00-4:00
Tues. Nov. 12	Development Committee	4:00-5:00
Wed. No. 13	Board Meeting	9:00-11:30
Thurs. Dec. 5	NPG Committee	3:30-5:00
Mon. Dec. 9	Finance Committee	3:00-4:00
Mon. Dec. 9	Development Committee	4:00-5:00
Wed. Dec. 11	Board Meeting	9:00-11:30