

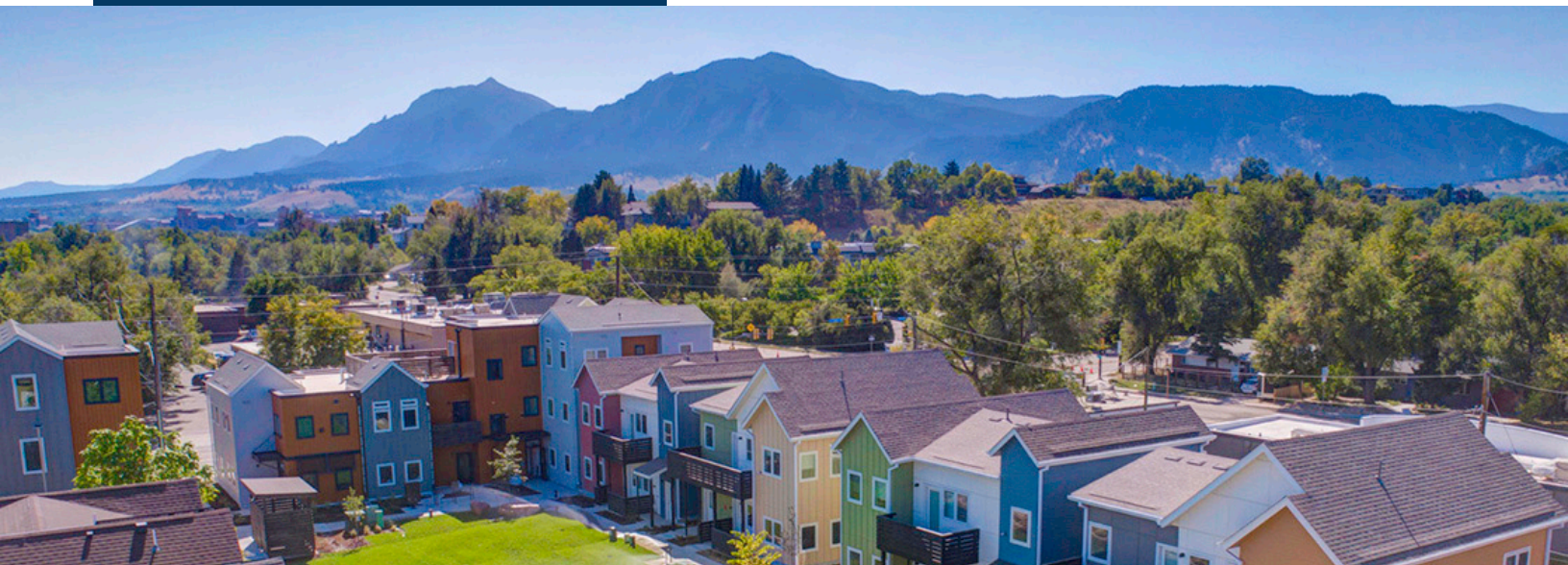


BOULDER
HOUSING
PARTNERS

BOARD OF COMMISSIONERS MEETING

November 9, 2022

*Diagonal Court
3265 30th St.
Boulder, CO 80301*





Board of Commissioners Meeting

Boulder Housing Partners
 Diagonal Court
 3265 30th St., Boulder, CO 80301
 November 9, 2022 | 9:00 a.m. - 11:00 a.m.

AGENDA

9:00-9:30	Standing Agenda and Meeting Items	Page #
	1. Call to Order and Determination of a Quorum	
	2. Public Participation	
	3. Approval of Minutes from September 14, 2022	5
	4. Finance and Operations Update	13
	5. Meet the Department: Information Technology	
9:30-11:10	Meeting Agenda	
	1. Foundations for Leaders Organizing for Water and Sustainability (FLOWS) Program Presentation	
	2. 2023 Budget Draft	14
	3. Resolution #2022-11 – Opting Out of Participation in Colorado’s Family and Medical Leave Insurance (“FAMLI”) Program	40
	4. Resolution #2022-12 – 2023 Housing Choice Voucher Payment Standards	43
	5. Resolution #2022-13 – Supplemental Resolution for the Mt. Calvary Senior Housing Tax Credit Project	47
11:10-11:30	Board Matters	
	1. Resident Representative Council Update	
	2. BHP Foundation Board Update	
	3. Announcements and Other Items from the Board	
	4. Upcoming Conference Opportunities	52
	5. Future Board Items and Board Calendar	53
	6. Reminder: Board Elections During the December Board Meeting	
11:30	Adjournment	



Reunión de la Junta de Comisionados

Boulder Housing Partners
Diagonal Court
3265 30th St., Boulder, CO 80301
9 de noviembre, 2022 | 9:00 a.m. - 11:00 a.m.

AGENDA

		Página
9:00-9:30	Agenda Permanente y Puntos de la Reunión	
	1. Llamado al Orden y Determinación de Quórum	
	2. Participación del Público	
	3. Aprobación del Acta del 14 de septiembre de 2022	5
	4. Actualización de Finanzas y Operaciones	13
	5. Conozca al Departamento: Tecnología de Información	
9:30-11:10	Agenda de la Reunión	
	1. Presentación del Programa Foundations for Leaders Organizing for Water and Sustainability (FLOWS por sus siglas en inglés)	
	2. Borrador del Presupuesto 2023	14
	3. Resolución #2022-11: Exclusión Voluntaria de la Participación en el Programa de Seguro de Licencia Familiar y Médica de Colorado ("FAMLI" por sus siglas en inglés)	40
	4. Resolución #2022-12: Normas de Pago de vales de Elección de Vivienda de 2023	43
	5. Resolución #2022-13 – Resolución Suplementaria para el Proyecto de Crédito Fiscal para Viviendas para Personas Mayores de Mt. Calvary	47
11:10-11:30	Asuntos de la Junta de Comisionados	
	1. Actualización del Consejo de Representantes de Residentes	
	2. Actualización de la Junta de Comisionados de la Fundación de BHP	
	3. Anuncios y Otros Elementos de la Junta de Comisionados	52
	4. Próximas Oportunidades de Conferencias	53
	5. Elementos Futuros de La Junta y Calendario de la Junta	
	6. Recordatorio: Elecciones de la Junta durante la Reunión de la Junta de Diciembre	
11:30	Aplazamiento	

Strategic Framework

BOULDER HOUSING PARTNERS



VISION To help create a **diverse, inclusive, & sustainable** Boulder.

MISSION To provide quality, affordable homes and foster thriving Boulder communities.

CORE BELIEFS

- We believe in the **power of having a home**.
- We believe in **opportunity for all**.
- We celebrate our **diversity**.
- We believe our work is **one part of a broader solution** to a thriving community.
- We believe in keeping our **impact on the environment small**.
- We believe in working as **one team**.

STRATEGIES.....

Support Residents & Strengthen Communities

We provide high-quality customer service, treating all people with kindness, respect, and dignity. We foster partnerships with residents, participants, and local organizations to increase opportunities and strengthen the broader community.

Increase Affordable Housing Opportunities

We seek to meet the changing housing needs of our community. Our expertise is affordable and attainable rental housing. We work in collaboration with the City of Boulder to address community housing goals and provide opportunities that would not otherwise be available in the local market. We are agile and responsive to opportunities, providing permanently affordable homes through development, acquisition, and vouchers.

Steward our Resources Effectively

We are diligent stewards of public resources and champions for those who need them. We manage our resources through effective business practices, strategic asset management, community collaborations, environmental stewardship, and innovative systems that bring clarity and focus to our work.

Cultivate an Outstanding Workplace

We create a positive workplace culture, striving to attract and retain the best employees. We support wellness and balance in employees' lives and we cultivate the creativity, passions, and unique skills of our team members.



4800 N. Broadway, Boulder, CO 80304
Phone: 720-564-4610
Fax: 303-939-9569
www.boulderhousing.org
Hearing Assistance: 1-800-659-3656

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?

BOULDER HOUSING PARTNERS
Meeting of the Board of Commissioners
September 14, 2022 | 9:00 a.m.
4800 N. Broadway, Boulder, CO 80304

Board meetings are held the second Wednesday of each month, beginning at 9:00 am, at the BHP main office (4800 Broadway, Boulder, CO 80304), unless otherwise noted. Board meetings are open to everyone and include time for public participation as provided on the agenda.

For Spanish interpretation during the Board of Commissioners meeting, please contact us at 720-564-4610 the Friday before the Board meeting to schedule the service.

Commissioner Walker	Jeremy Durham	Others Present:
Commissioner Adler	Daniel Nuñez	Anita Speirs
Commissioner Bissonette	Dean Rohr	Thom Krueger
Commissioner Block	Jason Acuña	Sheila Goetz
Commissioner Cooper	Jodi Bogen	Belinda Waldron
Commissioner Griffin	Karen Brunnemer	Mark Fearer
Commissioner Lord	Karin Stayton	David Heisterkamp
Commissioner Schoenfeld	Laura Sheinbaum	
Commissioner Wallach	René Brodeur	
	Julia Arencibia	
	Tory Livingston	
	Jessica Kenney	
	Tim Beal	

I. Call to order and Determination of a Quorum

Commissioner Walker called the meeting of the Board of Commissioners to order at 9:05 a.m. A quorum was declared.

II. Public Participation

The Board Meeting information was posted on the main BHP website (boulderhousing.org) in English and Spanish.

There was no public participation.

III. Partnership Awards

Commissioner Walker introduced the September Partnership Awards.

- **Resident Partner:** Anita Speirs
Presented By: Claudia Perez-Rogero
- **Legacy Partner:** Thom Krueger & Sheila Goetz
Presented By: Laura Sheinbaum & Jessica Kenney
- **Business Partner:** chfareach (represented by Belinda Waldron)
Presented By: Julia Arencibia

IV. Approval of the Meeting Minutes

Consent agenda items approved:

1. Minutes from July 13, 2022

COMMISSIONER WALLACH MOVED TO APPROVE THE MINUTES FROM JULY 13, 2022. COMMISSIONER GRIFFIN SECONDED THE MOTION. The motion to approve the minutes passed unanimously.

V. Financial Dashboard

Jodi Bogen, Chief Financial Officer, went over the financial dashboard for July 2022 and answered questions from the Board.

VI. Meeting Agenda

Colorado Election Law Overview by Dave Heisterkamp

Dave Heisterkamp, from Wagenlander & Heisterkamp, LLC, gave an overview of Colorado Election Law and answered questions from the Board.

Final 2023 Moving to Work (MTW) Annual Plan

Karen Brunner, MTW and Federal Policy Director, presented on the Final 2023 MTW Annual Plan and answered questions from the Board.

HUD was provided with \$200 million to fund approximately 19,700 new vouchers called 'Fair Share Vouchers.' BHP was offered 13 new vouchers, increasing the total number of BHP vouchers to 1,400 as of October 1, 2022.

COMMISSIONER COOPER MOVED TO APPROVE THE RESOLUTION. COMMISSIONER WALLACH SECONDED THE MOTION. The motion to approve the minutes passed unanimously.

Private Activity Bonds, Carryforward Resolution #2022-10

Laura Sheinbaum, Director of Real Estate and Development, presented the Private Activity Bonds, Carryforward Resolution #2022-10, and answered questions from the Board.

COMMISSIONER ADLER MOVED TO APPROVE RESOLUTION #2022-10. COMMISSIONER GRIFFIN SECONDED THE MOTION. The motion to approve the minutes passed unanimously.

VII. Board Matters

Resident Representative Council Update

Commissioner Griffin said that the RRC discussed the following items:

- The RRC is restructuring itself and working on its bylaws.
- RRC member, Anita Speirs did a great job during the community event at Broadway East on Friday.
- The number of RRC members has doubled in size; they are close to 20 members. In the past, the RRC consisted mostly of residents from senior sites, and now it has grown to more family site representation.
- Having hybrid meetings (in-person and zoom) has been helpful for families with children.

BHP Foundation Board Update

Commissioner Schoenfeld reported for the BHP Foundation Board. The Foundation discussed the following topics:

- The Foundation Board met in a hybrid format in mid-August
- Dr. Eliana Colunga gave an overview of the Building Up Pre-K Program, which has provided self-contained art and early learning activities to families during the pandemic. Families were able to connect through Zoom and other social media platforms.
- The Foundation voted to amend its bylaws to provide compensation for Board members for their time during regular and committee meetings. Members are able to opt-in for this opportunity.
- Resident Services along with Public Library is hosting an annual Book Rich Environment event. The program promotes literacy by increasing children's access to books. Residents from BHP and the Ponderosa mobile home park community have been invited. The event will take place on Friday, September 23 from 4:00-6:30 pm at 4929 Broadway #E, Boulder, CO 80304.
- Starting this year, the Foundation provided funds for residents through the Community Enrichment Grant Process. So far, residents from five different communities have gotten funds for different projects. Foundation Board member, Anita Speirs, applied for the grant to put together the event on Friday at the Broadway East Community. More than 80 people from six different BHP communities attended the event.
- There will be a tour for the Foundation Board members. Board members will invite friends and guests to educate them about the Foundation and have an opportunity to see the BHP sites.

Announcements and Other Items from the Board

There were no announcements from the Board.

Conference Opportunities

Commissioner Walker and Jeremy Durham, Executive Director, said that Commissioners can email Jason Acuña if they are interested in attending any conference opportunities.

Future Board Items

Jeremy mentioned that there won't be an October Board meeting due to the retreat. The next Board meeting will be in November.

Commissioner Schoenfeld mentioned that there will be a NAHRO webinar on 'Developing Effective Resident Councils.'

Jeremy said that Board elections will be in December 2022. In November/December, there will be a resolution for the Board to opt out from all participation in Colorado's Family and Medical Leave Insurance (FAMLI) Program. BHP currently provides three months of parental leave to our employees at full salary.

VIII. Adjourn

COMMISSIONER COOPER MADE A MOTION TO ADJOURN THE MEETING OF THE BOARD OF COMMISSIONERS. COMMISSIONER WALLACH SECONDED THE MOTION. The motion passed unanimously.

The meeting of the Board of Commissioners adjourned at 11:00 a.m.

Seal

DATE: 9/14/2022

Bob Walker
Chairperson, Board of Commissioners
Housing Authority of the City of Boulder

Jeremy Durham
Executive Director

Jason Acuña
Recording Secretary

BOULDER HOUSING PARTNERS
Reunión Anual de la Junta de Comisionados
14 de septiembre de 2022 | 9:00 a.m.
4800 N. Broadway, Boulder, CO 80304

Las reuniones de la junta se llevan a cabo el segundo miércoles de cada mes, a partir de las 9:00 am, en la oficina principal de BHP (4800 Broadway, Boulder, CO 80304), a menos que se indique lo contrario. Las reuniones de la junta están abiertas a todos e incluyen tiempo para participación pública según lo dispuesto en la agenda.

Para interpretación en español durante la reunión de la Junta de Comisionados, contáctenos al 720-564-4610 el viernes anterior a la reunión de la Junta para programar el servicio.

Comisionado Walker	Jeremy Durham	Otros Presente:
Comisionada Adler	Daniel Nuñez	Anita Speirs
Comisionado Bissonette	Dean Rohr	Thom Krueger
Comisionado Block	Jason Acuña	Sheila Goetz
Comisionada Cooper	Jodi Bogen	Belinda Waldron
Comisionada Griffin	Karen Brunnemer	Mark Fearer
Comisionada Lord	Karin Stayton	David Heisterkamp
Comisionada Schoenfeld	Laura Sheinbaum	
Comisionado Wallach	René Brodeur	
	Julia Arencibia	
	Tory Livingston	
	Jessica Kenney	
	Tim Beal	

I. Llamado al Orden y Determinación de un Quórum

El Comisionado Walker dio inicio a la reunión de la Junta de Comisionados a las 9:05 a.m. Se declaró un quórum.

II. Participación Pública

La información de la reunión de la Junta se publicó en el sitio web principal de BHP (boulderhousing.org).

No hubo participación pública.

III. Premios de Socios

El Comisionado Walker presentó los Premios de Asociación de Septiembre.

- Socia Residente: Anita Speirs
Presentado por: Claudia Pérez-Rogero
- Socio de Legado: Thom Krueger y Sheila Goetz
Presentado por: Laura Sheinbaum y Jessica Kenney
- Socio de Negocio: chfareach (representado por Belinda Waldron)
Presentado por: Julia Arencibia

IV. Aprobación del Acta de la Reunión

Puntos de la agenda de consentimiento aprobados:

1. Acta del 13 de julio de 2022

EL COMISIONADO WALLACH SE MOVIÓ PARA APROBAR EL ACTA DEL 13 DE JULIO DE 2022. LA COMISIONADA GRIFFIN APOYÓ LA MOCIÓN. La moción para aprobar el acta pasó por unanimidad.

V. Tablero Financiero

Jodi Bogen, directora financiera, revisó el tablero financiero de julio 2022 y respondió preguntas de la Junta.

VI. Agenda de la Reunión

Descripción General de la Ley Electoral de Colorado por Dave Heisterkamp

Dave Heisterkamp, de Wagenlander & Heisterkamp, LLC, brindó una descripción general de la Ley Electoral de Colorado y respondió preguntas de la Junta.

Plan Anual Final de 2023 de Moving to Work (MTW por sus siglas en inglés)

Karen Brunner, directora de MTW y póliza federal, presentó el Plan Anual Final 2023 MTW y respondió preguntas de la Junta.

HUD recibió \$200 millones para financiar aproximadamente 19,700 nuevos vales llamados "Vales de Participación Justa". A BHP se le ofrecieron 13 nuevos vales, aumentando el total de vales de BHP a 1,400 a partir del 1 de octubre de 2022.

LA COMISIONADA COOPER MOVIÓ APROBAR LA RESOLUCIÓN. EL COMISIONADO WALLACH APOYO LA MOCIÓN. La moción para aprobar el acta fue aprobada por unanimidad.

Bonos de Actividad Privada, Resolución de Traspaso #2022-10

Laura Sheinbaum, directora de bienes raíces y desarrollo, presentó los Bonos de Actividad Privada, Resolución de Traspaso #2022-10 y respondió preguntas de la Junta.

LA COMISIONADA ADLER MOVIMIENTO A APROBAR LA RESOLUCIÓN #2022-10. LA COMISIONADA GRIFFIN SECUNDÓ LA MOCIÓN. La moción para aprobar el acta fue aprobada por unanimidad.

VII. Asuntos de la Junta

Novidades del Consejo de Representantes de Residentes

La Comisionada Griffin informó para el Consejo de Representantes Residentes (RRC por sus siglas en inglés). El RRC discutió los siguientes temas:

- El RRC se está reestructurando y trabajando en sus estatutos.
- Anita Speirs hizo un gran trabajo durante el evento comunitario en Broadway East el viernes.
- El número de miembros del RRC se ha duplicado; son cerca de 20 miembros. En el pasado, el RRC consistía principalmente en residentes de sitios para personas de la tercera edad, y ahora ha crecido hasta convertirse en una mayor representación de sitios para familias.
- El tener reuniones híbridas (en persona y Zoom) ha sido útil para las familias con niños/as.

Novedades de la Fundación de la Junta

La Comisionada Schoenfeld informó para la Junta de la Fundación BHP. La Fundación discutió los siguientes temas:

- La Fundación se reunió en formato híbrido en agosto
- La Dra. Eliana Colunga brindó una descripción general del programa Building Up Pre-K, que ofrece actividades independientes de arte y aprendizaje temprano para las familias durante la pandemia. Las familias pudieron conectarse a través de Zoom y otras plataformas de redes sociales.
- La Fundación votó a favor de enmendar los estatutos para proporcionar compensación a los miembros de la Junta por su tiempo durante las reuniones ordinarias y de los comités.
- Los Servicios para Residentes junto con la Biblioteca Pública están organizando un evento anual de Book Rich Environment. El programa promueve la alfabetización aumentando el acceso de los niños/as a los libros. Los residentes de BHP y la comunidad del parque de casas móviles Ponderosa han sido invitados. El evento tendrá lugar el viernes 23 de septiembre de 4:00 pm a 6:30 pm en 4929 Broadway #E, Boulder, CO 80304.
- A partir de este año, la Fundación proporcionó fondos para los residentes a través del Proceso de Subvención de Enriquecimiento Comunitario. Hasta el momento, los residentes de cinco comunidades diferentes han obtenido fondos para diferentes proyectos. Anita Speirs solicitó la subvención para organizar el evento el viernes en la comunidad de Broadway East. Más de 80 personas de seis comunidades diferentes de BHP asistieron al evento.
- Habrá un recorrido para los miembros de la Fundación. Los miembros de la junta invitarán a amigos para educarlos sobre la Fundación y tener la oportunidad de ver los sitios de BHP.

Anuncios y Otros Elementos de la Junta

No hubo anuncios de la Junta.

Oportunidades de Conferencias

El Comisionado Walker y Jeremy dijeron que los Comisionados pueden enviar un correo electrónico a Jason Acuña si están interesados en asistir a alguna conferencia.

La Comisionada Schoenfeld dijo que CU Boulder está proyectando una película documental llamada 'A Decent Home' que se enfoca en cuestiones de clase y (in)movilidad económica a través de las vidas de los residentes del parque de casas móviles.

Elementos Futuros de la Junta

Jeremy mencionó que no habrá una reunión de la Junta en octubre debido al retiro. La próxima reunión de la Junta será en noviembre.

La Comisionada Schoenfeld mencionó que habrá un seminario web de NAHRO sobre 'Desarrollo de Consejos de Residentes Efectivos'.

Jeremy dijo que las elecciones de la Junta serán en diciembre de 2022. En noviembre/diciembre, habrá una resolución para que la Junta opte por no participar u optar por la Ley de Familia, la Ley de licencia médica familiar de Colorado. BHP actualmente proporciona tres meses de licencia parental a nuestros empleados con salario completo.

IX. Aplazar

LA COMISIONADA COOPER HIZO UNA MOCIÓN PARA APLAZAR LA REUNIÓN DE LA JUNTA DE

COMISIONADOS. EL COMISIONADO WALLACH APOYO LA MOCIÓN. La moción fue aprobada por unanimidad.

La reunión de la Junta de Comisionados terminó a las 11:00 am.

Sello

FECHA: 14 de septiembre de 2022

Bob Walker
Presidente de la Junta de Comisionados
Autoridad de Vivienda de la Ciudad de Boulder

Jeremy Durham
Director Ejecutivo

Jason Acuña
Secretario de Actas

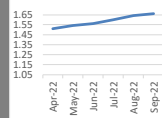
Boulder Housing Partners Benchmark Report as of September-2022

BHP Net Income

	YTD		%
	Actual	Budget	
Income	29,489,070	29,340,065	1%
Expense	(26,467,904)	(26,145,713)	-1%
Net Income *	3,021,166	3,194,342	

* excludes Gain on Sale; Tantra

BHP Debt Service Coverage Ratio



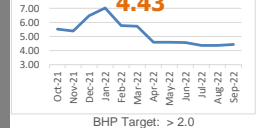
BHP Target 1.15

BHP Balance Sheet Summary

	Actual	Actual	Net Change
	Sep-22	Dec-21	YTD
Assets	235,492,939	254,506,542	(19,013,603)
Liabilities	(61,074,187)	(89,378,764)	28,304,577
Equity	174,418,752	165,127,778	9,290,974

April 2022; Purchased GSA property; \$10.3M, Sold Tantra Lake to LIHTC

BHP Quick Ratio



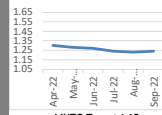
BHP Target: > 2.0
Unrestricted cash / current liabilities

LIHTC Net Income

	YTD		%
	Actual	Budget	
Income	10,357,737	10,024,764	3%
Expense	(18,535,228)	(17,966,353)	-3%
Net Income *	(8,177,490)	(7,941,589)	

* excludes Tantra Lake

LIHTC Debt Service Coverage Ratio



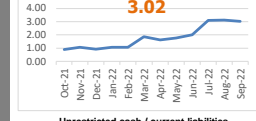
LIHTC Target 1.15
exclude Tantra Lake

LIHTC Balance Sheet Summary

	Actual	Actual	Net Change
	Sep-22	Dec-21	YTD
Assets	257,675,117	263,145,563	(5,470,446)
Liabilities	(192,936,698)	(211,274,446)	18,337,748
Equity	64,738,418	51,871,117	12,867,302

exclude Tantra Lake

LIHTC Quick Ratio

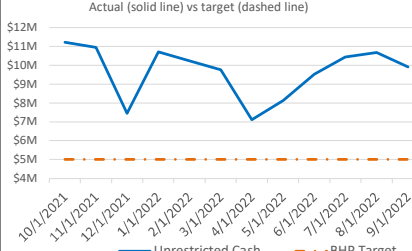


Unrestricted cash / current liabilities
exclude Tantra Lake

Maintenance

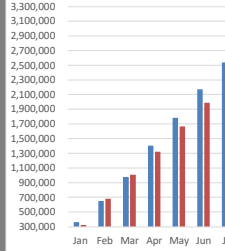
Unit Turns: **6.9** Average days to complete **146** turns YTD **Work Orders: 4.7** Average days to complete **9008** work orders YTD

BHP Unrestricted Cash, Last 12 Month



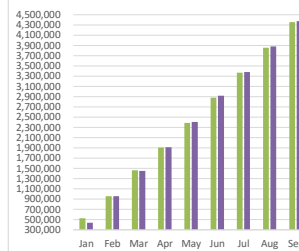
April 2022; used \$2.4M Reserves to pay down LOC for GSA acquisition; will be reimbursed from Development funds Q3

BHP NOI - YTD

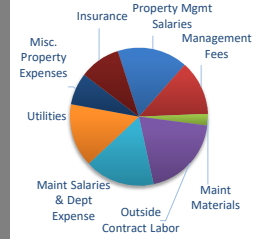


Excludes Tantra Lake from BHP NOI and TC NOI

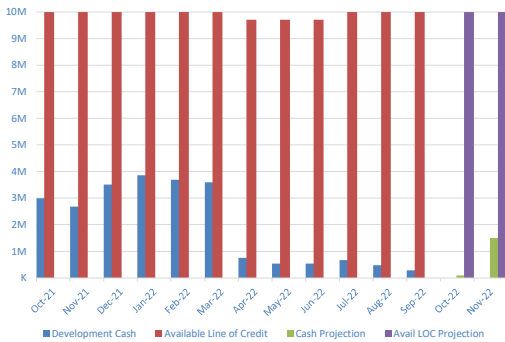
Tax Credit NOI - YTD



PUPA \$6993 BHP & TC



BHP Development Funds; Available Resources



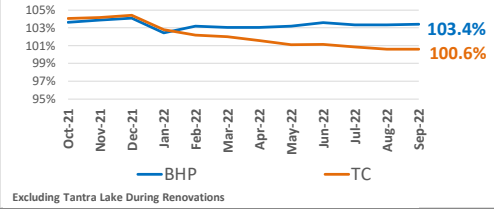
Operating Reserves

Current Operating Reserves
4,559,078

2022 Annualized Expenses
14,769,410

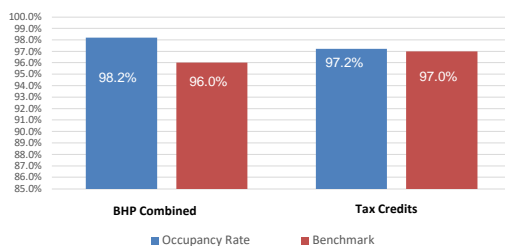
3.7 Months
of annual operating expenses
are covered by the current
operating reserves.
BHP Target is 2 Months

% of Budgeted Net Tenant Rental Income

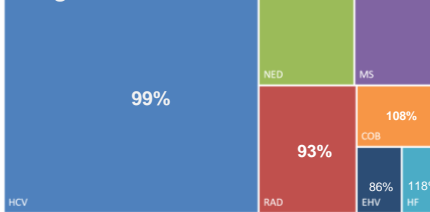


Excluding Tantra Lake During Renovations

BHP & LIHTC Occupancy Rates



Housing Choice Voucher Occupancy by Program



Housing Choice Voucher Notes

- HCV - 788 Housing Choice Vouchers
- RAD - 135 Rental Assistance Demonstration Vouchers
- NED - 181 Non-Elderly Disabled Vouchers
- MS - 178 Mainstream
- HFP - 22 Housing First Vouchers
- COB - 48 COB PSH Vouchers
- EHV - 35 Emergency Housing Vouchers (Awarded mid 2021)

Unit Mix

AMI	BHP	LIHTC
Public Housing	14	
Vouchers*	54	524
30%	12	19
40%	57	53
45%	-	16
50%	109	167
60%	117	312
Market	143	-
Total	506	1091

* project based vouchers, project based contracts and CDOH

Unique Households Served

2382



MEMO

To: Board of Commissioners
From: Jeremy Durham, Executive Director
 Jodi Bogen, Chief Financial Officer
Date: November 9, 2022
Re: 2023 Draft Operations Budget

Summary

We present our 2023 draft budget for review at both the Finance Committee meeting, Monday, November 7, and at the Board Meeting, Wednesday, November 9.

BHP uses a Generally Accepted Accounting Principles presentation format with both property-specific and consolidated financial statements ending with Net Income (Loss). Supplemental information is provided “below the line” to provide the Board and management with a more complete operating cash presentation.

The consolidated BHP draft budget for the calendar year 2023 shown below is compared to rolling 12 months actuals (September 2021 through August 2022). The rolling 12 months actuals reflected adjusts for the Tantra property transition to a LIHTC-owned entity in April 2022 to provide a comparable analysis to the 2023 Budget.

BHP Consolidated Budget	2023 BUDGET	Rolling 12 months actuals; Sept. 2021 - Aug. 2022 (excludes Tantra)	Change in Income; Incr (Decr) Change in Expense; (Incr) Decr	% Change
Operating Revenue	\$ 15,758,002	\$ 14,493,960	\$ 1,264,042	9%
Operating Expenses	\$ (15,090,680)	\$ (13,193,538)	\$ (1,897,142)	-14%
Net Operating Income	\$ 667,322	\$ 1,300,422	\$ (633,100)	-49%
Voucher Revenue - Federal / Local	\$ 17,140,855	\$ 14,768,567	\$ 2,372,288	16%
Voucher Expense - Federal / Local	\$ (17,140,855)	\$ (15,227,880)	\$ (1,912,975)	-13%
Capital Grants	\$ 15,493,768	\$ 4,939,691	\$ 10,554,077	214%
Development Fees	\$ 5,508,536	\$ 7,272,420	\$ (1,763,884)	-24%
Interest Income	\$ 3,922,753	\$ 3,279,087	\$ 643,666	20%
Depreciation Expense	\$ (2,325,117)	\$ (2,833,779)	\$ 508,662	18%
Non Capital Reserve Spending	\$ (392,100)	\$ (214,803)	\$ (177,297)	-83%
Mortgage and Other Interest Expense	\$ (1,766,970)	\$ (1,667,538)	\$ (99,433)	-6%
Gain (Loss) on Sale of Capital Assets	\$ 1,250,000	\$ -	\$ 1,250,000	100%
Total Non-Operating Rev/Exp	\$ 21,690,870	\$ 10,315,766	\$ 11,375,104	110%
Net Income	\$ 22,358,192	\$ 11,616,188	\$ 10,742,004	92%
Debt Principal	\$ (962,215)	\$ (916,355)	\$ (45,860)	5%
Tax Credits cash flow; reduces soft debt	\$ 1,647,244	\$ 1,633,494	\$ 13,750	-1%
Replacement Reserves Funding	\$ (229,116)	\$ (214,116)	\$ (15,000)	-7%
Expenditures funded by Reserves	\$ 1,045,444			
Other Adjustments to Operating Cash Basis Reporting	\$ (23,848,175)	\$ (12,386,887)	\$ (11,461,288)	-93%
Contribution to Operating Cash	\$ 11,375	\$ (267,675)	\$ 279,050	-104%

The dark yellow highlighted items shown in the 2023 column above are the main contributors deriving the contribution to Operating Cash.

Development Equity funds are separated from Operating Cash. Developer Fees and Capital Grants funds are significant sources of revenue, \$19,863,768 and \$12,022,420 for 2023 and 2022, respectively, that are transferred to the Development Equity fund and are used to fund gap financing for Low-Income Housing Tax Credit (LIHTC) closings or the acquisition of real estate.

The below table provides additional detail of adjustments from Net Income to derive the Contribution to Operating Cash:

Adjustments to Operating Cash Basis Reporting	2023 BUDGET	Rolling 12 months actuals; Sept. 2021 - Aug. 2022 (excludes Tantra)	Change in Income; Incr (Decr) Change in Expense; (Incr) Decr	%
Net Income	\$ 22,358,192	\$ 11,616,188	\$ 10,742,004	92%
Adjustments to Net Income				
Plus:				
Amortization & Depreciation	\$ 2,325,117	\$ 2,833,779	\$ (508,662)	-18%
Tax Credits cash flow; pay down of soft debt	\$ 1,647,244	\$ 1,633,494	\$ 13,750	1%
Expenditures funded by Reserves	\$ 1,045,444	\$ 445,350	\$ 600,094	135%
Less:			\$ -	
Soft Debt interest from Tax Credits	\$ (3,920,987)	\$ (3,432,719)	\$ (488,268)	-14%
Notes Receivable; Tantra, Mt Calvary	\$ (9,250,000)	\$ (4,750,000)	\$ (4,500,000)	-100%
Fixed Asset Expenditures	\$ (5,138,768)	\$ (189,691)	\$ (4,949,077)	
Gain (Loss) on Sale of Capital Assets	\$ (1,250,000)	\$ (21,185)	\$ (1,228,815)	
Replacement Reserves Funding	\$ (229,116)	\$ (214,116)	\$ (15,000)	-7%
Debt Principal	\$ (962,215)	\$ (916,355)	\$ (45,860)	-5%
Transfers to Development Equity Fund	\$ (6,613,536)	\$ (7,272,420)	\$ 658,884	9%
BHP net change in OPERATING Cash	\$ 11,375	\$ (267,675)	\$ 279,050	104%

We are pleased to report that our 2023 budget (draft) shows a projected Net Income of \$22,358,192 and a balanced, net-positive Operating Cash of \$11,375. This compares to the rolling 12 months actuals net income of \$11,616,188 and a decrease in Operating Cash of \$267,675.

Our 2023 budget reflects a 3% average rent increase at affordable units and up to 5% increases at market-rate units. In addition, at two properties, Broadway East and Holiday, that have project-based vouchers, we have higher increased the rents due to payment standard increased rates that do not impact the resident portion of rent. Vacancy projections range from 3-5% across the portfolio, for a projected net increase to workforce operating rental revenue of \$494,104 compared with trailing 12 months actuals. The BHP consolidated budget factors in resuming higher expenditure levels of property maintenance, increases in other non-discretionary expenditures, and 4% salary increases. This conservative approach anticipates a \$1,027,144 reduced net operating income compared to the 12 months actuals presented.

Property transitions reflected in this report include the conversion of Tantra Lake Apartments' 185 units from BHP workforce to Tax Credit ownership at the beginning of the second quarter of 2022. The 12 months actual data has been adjusted to exclude Tantra Lake Apartments to provide apples-to-apples comparisons.

Summary & Questions for the Board

This budget will meet our needs in 2023. The work ahead continues to be managing expenses, increasing revenue as the conditions allow, monitoring cash position, and continuing to reposition assets to be able to sustain our mission over the long term.

With this budget we are asking the Board to approve the following:

- 2023 budgeted BHP operating expenses level of \$32,231,535 including Housing Assistance Payments (before depreciation) – Exhibit 1
- 2023 Mortgage Interest Expense of \$1,766,970
- Reserve funding and target levels – described in Section 9
- 2023 Tax credit budgets with operating expense level in aggregate of \$8,228,705 - Exhibit 2 (note: Excludes Tantra Lake Apartments)

The Board is asked to consider the following at the November draft review recommendations, hence are in agreement with:

1. The general budget assumptions are appropriate.
2. The Board supports the Operating Reserve target of \$2,750,000 and the Replacement Reserve target of \$3,500 per unit consistent with prior years.
3. The Board supports continuing the separate Insurance Reserve that currently exceeds \$900,000 to mitigate risk due to higher insurance deductibles.

1. Section 1 – Design and Process Overview

1.1. 2023 Budget Design

A dominant design characteristic of the BHP budget continues to be the challenge of reflecting the impact of Moving to Work (MTW). HUD requires us to account for all MTW programs and related net assets separately from non-MTW HUD programs and BHP programs. While each area will be discussed separately in this document, we are providing color coding for ease of understanding. The columns with gold headings represent MTW programs. Non-MTW voucher programs are columns with blue headings. BHP-owned properties are columns with purple headings, BHP cost centers are in pink, and the total BHP budget is in green. The Tax Credit properties are separate legal entities and have individual budgets that are not included in the BHP budget. The individual Tax Credit budgets are attached as Exhibit 2 for your consideration.

The following chart provides the details of what is included in each program using the color coordination described above.

Moving to Work		Non MTW Programs		BHP Properties	
Program	Units/Vouchers	Program	Units/Vouchers	Program	Units/Vouchers
Public Housing		Non MTW Vouchers		Workforce	
Arapahoe Court	14	Mainstream	178	Holiday	49
Total PH:	14	NED	181	2037 Walnut	26
Section 8 (HCVP)		RAD	135	Arapahoe East	11
HCVP	802	EHV	35	Cedar / Casey	19
		Housing First	22	Bridgewalk	123
		City of Boulder	48	Broadway East	44
		Total Non MTW:	599	Dakota Ridge	13
Tax Credit Properties not included in BHP budget				Foothills	74
30Pearl	120			Hayden Place 1&2	30
Boulder Communities	279			Midtown	13
Broadway West	26			Sanitas Place	12
Canopy	41			Twin Pines	22
Canyon Pointe	82			Trout Farms	31
Ciclo	38			Vistoso	15
Glen Willow	34			Whittier Apts	10
HighMar	59			Total Workforce Units	492
Lee Hill	31			Central Office Cost Center	
Madison	33			Administration/IT	Property Management
Palo Park	35			Finance	Resident Services
Red Oak Park	59			Development	Maintenance
Tantra	185			Human Resources	Sustainability
Westview	34			Asset Management	4800 Broadway Building
Woodlands	35				
Total Tax Credit:	1091				

SUMMARY	BHP Owned Units	Tax Credit Units	Total Units	Vouchers	Total Units and Vouchers
Total Portfolio 2023	506	1091	1597	1401	2998
Total Portfolio 2022	506	1091	1597	1347	2944
Increase (decrease)	0	0	0	54	54

1.2. Assumption Relating to New Units

Unit changes included in 2023:

- 14 vouchers for Section 8’s Housing Choice Voucher Program (HCVP)
- 40 vouchers for the non-MTW program, Mainstream

1.3. Budget Process

The 2023 budget was prepared property by property using the assumptions outlined in each program discussion below. The budget includes:

- BHP Financial Management Policies which govern the creation of this budget,
- Detailed budgets for each HUD program are segregated into Moving to Work (MTW) programs and non-MTW voucher programs,
- Detailed budgets for each BHP-owned property,
- Central office cost center budgets including administration, human resources, technology, finance, asset management, property management, maintenance, resident services, sustainability, development projects, and development administration,
- Five-year capital reserves plan, and
- Thirteen Tax Credit Budgets (not included in the BHP consolidated budget).

The Board's approval of the 2023 Budget will adopt all documents by reference.

1.4. BHP Financial Management Policies

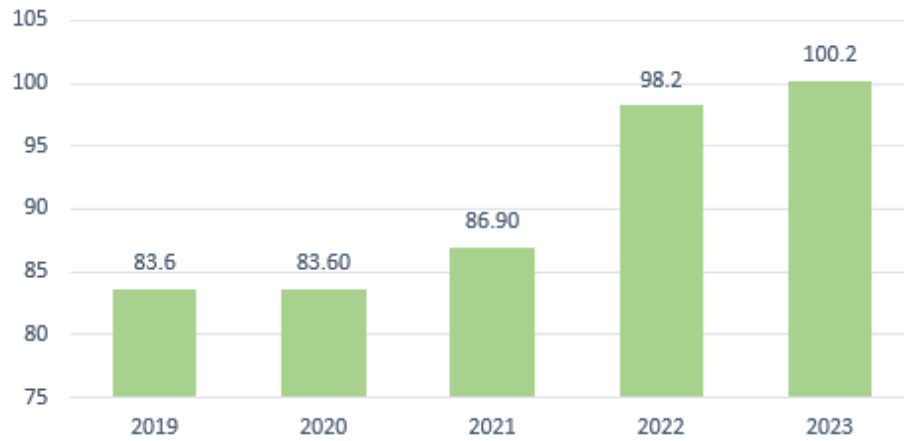
The financial policies that govern the creation of the budget include Revenues, Fixed Assets, Reserves, Debt, and Investments. The following terms and provisions of BHP's Financial Management Policies apply to this budget.

- Fiscal Year – Boulder Housing Partners has adopted the calendar year ending December 31 for its fiscal year.
- Annual Budget Process – The preparation process shall be established by the Executive Director and Chief Financial Officer. The budget process for the next fiscal year shall be timed such that a first reading is presented to the Board of Commissioners (“Board”) no later than the November meeting of the Board and a second and final reading and presentation of a resolution of acceptance and approval is presented at the December meeting of the Board. Board approval of the budget is deemed approval of the associated expenses. No specific appropriation of funds is required for specific programs or budget line items.
- Budget Submittal – Net income will be adjusted to an operating cash basis by excluding non-cash revenues and expenses and including cash receipts and disbursements not affecting revenue or expense. After adjustment to cash basis, the annual budget shall be balanced. That is, budgeted operating cash expenditures will not exceed the reasonable projection of current-year cash receipts, including the use of reserves as specified in the Reserves section 9.
- Management Authority to Act – Management has the authority to act within the overall spending limits of the operating budget. Management is not constrained by individual line items, only by the overall budgeted operating expenditures.
- Changes to Adopted Budget – Changes to the adopted budget should be rare and limited to material changes in the direction or focus of the organization rather than line-item adjustments unless a material error in the budget process is discovered after approval by the Board, or the Board approves a material additional use of operating reserves for unbudgeted operating expense in the current year. “Material” as used in Section 2.6 is defined as \$100,000. Any proposed change will be clearly documented and brought to the Finance Committee of the Board for discussion prior to presentation to the Board for approval. Upon approval, a revised submission to HUD of form 52574 is required in the event there is a material change to the Public Housing budget.

2. Section 2 - Overview of Staffing Related to Number of all Managed Units & Vouchers

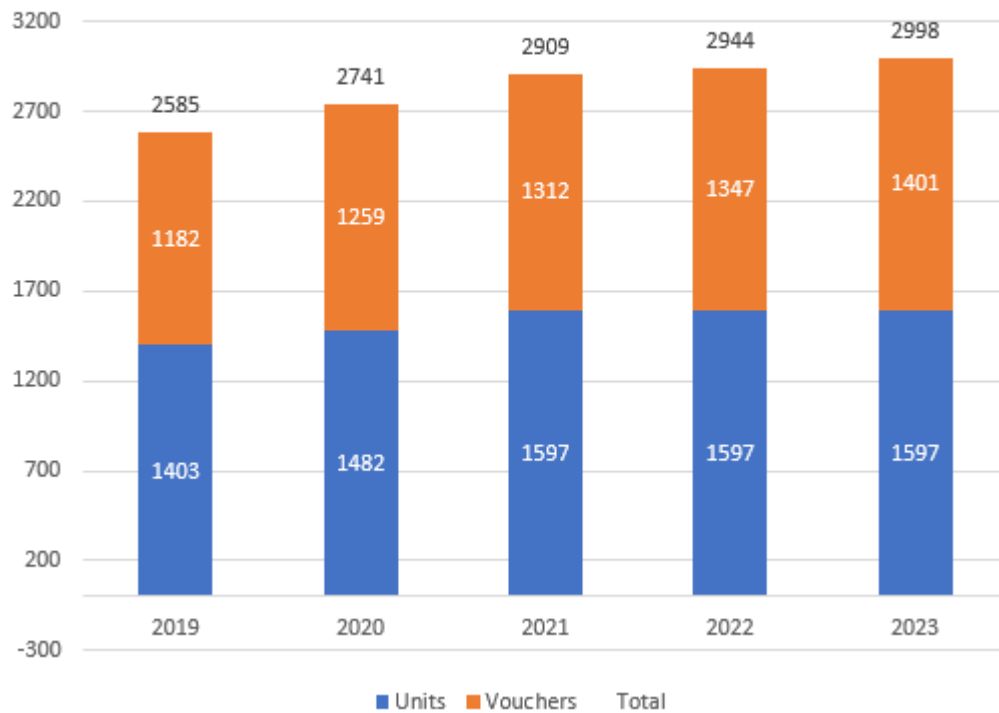
FTE by Year

5 Years Comparison



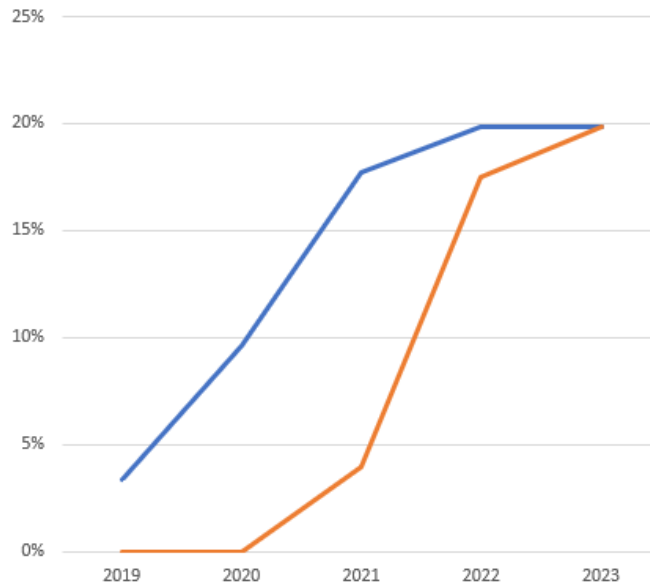
Units and Vouchers by Year

5 Years Comparison



The following chart shows the cumulative percentage increase in staff and the percentage increase in units and vouchers over the last 5 years.

Cumulative % Increase: **Units/Vouchers** vs **FTE**
2018 baseline



	2019	2020	2021	2022	2023
Full Time Employees	83.6	83.6	86.90	98.20	100.20
Cumulative % Increase	0%	0%	4%	17%	20%
Total Units/Vouchers	2585	2741	2909	2944	2998
Cumulative % Increase	3%	10%	16%	18%	20%
Units per FTE	30.9	32.8	33.5	30.0	29.9

In the past year, the services we have provided to our families and seniors have required an increase to our staffing. The Full-Time Employee (FTE) growth is among several departments: HCV team, Finance/IT, and Maintenance. In addition, as a strategy to curb inflation in 2022, 6 new maintenance positions were approved to internalize painting and cleaning services. The goal is to control 1) escalating costs and 2) scheduling for unit turns. In addition, HQS inspections are now performed by Maintenance staff to support our Housing Choice Voucher programs previously procured by outside contractors.

Other increases in staffing are the result of increased vouchers awarded that the Housing Choice Voucher team manages, increased Wi-Fi technology services provided to residents, and additional financial reporting due to adding new LIHTC entities.

As a rule of thumb, for each 90-100 units added we project 2.5 additional FTE; 1 property manager, 1 maintenance support, and 0.5 resident services coordinator (or approximately \$180,000 of salary and benefits). This ratio will be affected by the number of units per property, the geographic area of the property, and the population served. Additional FTEs have revenue sources from property operations to offset the additional expense.

3. Section 3 – Moving to Work
3.1. General Description

Moving to Work	
Program	Units/Vouchers
Public Housing	
Arapahoe Court	14
Total PH:	14
Section 8 (HCVP)	
HCVP	802

MTW is currently composed of 802 Housing Choice Vouchers, 14 units of Public Housing, the Public Housing Capital Fund Program (CFP), and administrative costs of MTW. These programs are each funded by HUD, but once we receive the funds, they can be spent on any of the MTW programs. The unfunded administrative costs of certain MTW activities can be paid for with revenues from the other MTW programs (e.g., CFP can pay for unfunded administrative costs) to bring the total to net zero cash flow.

3.2. Financial Summary

MOVING TO WORK PROGRAMS	Public Housing/CFP	S8 HCVP	MTW Admin	2023 Total Budget	Rolling 12 months actuals; Sept. 2021 - Aug. 2022 (excludes Tantra)	Diff
Total Rental/HAP Income	155,095	\$ 10,687,916	\$ 54	\$ 10,843,065	\$ 9,694,605	\$ 1,148,460
Total Expenses	(143,002)	\$ (10,685,253)	\$ (95,562)	\$ (10,923,817)	\$ (9,853,729)	\$ (1,070,087)
Net Income (Loss)	12,093	2,663	(95,508)	(80,752)	(159,125)	78,373
Adjustments for Cash Basis						
Plus:						
Amortization & Depreciation	8,638	\$ -	\$ -	\$ 8,638	\$ 10,103	\$ (1,464)
Capital Grants	523,992	\$ -	\$ -	\$ 523,992	\$ -	\$ 523,992
MTW Reserves	74,792	\$ -	\$ -	\$ 74,792	\$ -	\$ 74,792
Less:						
Fixed Asset Expenditures	(523,992)	\$ -	\$ -	\$ (523,992)	\$ -	\$ (523,992)
Net Operating Transfers	(95,508)	\$ -	\$ 95,508	\$ -	\$ (4,904)	\$ 4,904
Net Increase (Decrease) to Cash	15	\$ 2,663	\$ 0	\$ 2,679	\$ (153,927)	\$ 156,605

3.3. Budget Assumptions

- Housing Choice Voucher Housing Assistance Payments (HAP) funding based on 2022 budget authority and forecasted HAP expense.
- Housing Choice Voucher administrative fee funding based on estimated vouchers leased and an assumption of 90% proration of published rates based on HUD notices.
- HUD Capital Fund Program (CFP): 2023 anticipates using all available \$619,000 CFP funds, due to the planned disposition of the remaining 14 units of public housing in early 2024.
 - \$96,000 is planned for the Operating Grant to fund the operating deficit of MTW administrative costs.
 - \$523,000 will be utilized to modernize the 14 units of senior public housing units, prior to the 2024 public housing disposition, converting the public housing program to become a BHP-owned property.

4. Section 4 – Non-MTW Voucher Programs

4.1. General Description

Non MTW Voucher Programs	Vouchers
Mainstream	178
NED	181
RAD	135
EHV	35
Housing First	22
City of Boulder	48
Total Non-MTW Vouchers:	599
Non MTW Grants	Grant \$
SNAP Consolidated Grant *	\$ 622,695

*This grant serves 22 scattered site vouchers with supportive services. It also supports Lee Hill security costs and supportive services at Holiday.

The non-MTW Voucher Programs consist of vouchers and grant programs funded by HUD and the locally funded vouchers from the City of Boulder, which is outside the MTW program and required to be reported separately from the MTW program. For the purposes of voucher count, we have included 48 permanently supportive housing vouchers that are currently funded by the City of Boulder.

4.2. Financial Summary

NON-MTW VOUCHER AND GRANT PROGRAMS	2023 Total	Rolling 12 months actuals; Sept. 2021 - Aug. 2022	Diff
Total Revenue	\$ 7,830,964	\$ 6,666,431	\$ 1,164,533
Total Expenses	\$ (7,830,964)	\$ (6,820,338)	\$ (1,010,626)
Net Income (Loss)	\$ -	\$ (153,907)	\$ 153,907
Net Increase (Decrease) to Cash	\$ -	\$ (153,907)	\$ 153,907

Budget Assumptions:

- All HAP revenue is spent on HAP, and administrative costs are allocated to each of these non-MTW voucher programs from the HCV team to offset administrative fees earned. They are projected to operate at net zero income and cash flow for 2023. 2022's actuals reflect a negative \$153,907 impact on cash due to income pre-funding for the newly issued Emergency Housing Voucher program at the end of 2021 and catch-up funding of the Non-Elderly Disabled (NED) vouchers and Housing First Program vouchers in 2021.
- HCV-HAP non-MTW funding increased over the actuals presented due to additional voucher awards for both the Mainstream/HUD program and the new EHV program.
- Administrative fees increased due to a higher number of Mainstream and EHV vouchers along.
- Service grant funding is consistent with 2022's actuals for the SNAP grant program.

5. Section 5 – BHP Workforce Properties

5.1. General Description

The Workforce portfolio includes BHP-owned affordable and market-rate units:

- 185 units at Tantra Lake Apartments were converted to Tax Credit ownership from BHP ownership in April 2022, hence are excluded from this analysis to provide an apples-to-apples comparison.

Workforce Properties			
Program	Units	Program	Units
Holiday	49	Midtown	13
2037 Walnut	26	Sanitas Place	12
Arapahoe East	11	Twin Pines	22
Cedar / Casey	19	Trout Farms	31
Bridgewalk	123	Vistoso	15
Broadway East	44	Whittier Apts	10
Dakota Ridge	13	Hayden Place 1&2	30
Foothills	74	TOTAL:	492

5.2. Financial Summary

BHP Workforce Budget	2023 BUDGET Workforce	Rolling 12 months actuals; Sept. 2021 - Aug. 2022	Change in Income Increase (Decrease)	%
Operating Revenue	\$ 8,638,666	\$ 8,180,117	\$ 458,549	6%
Operating Expenses	\$ (4,444,202)	\$ (4,147,396)	\$ (296,806)	-7%
Operating Transfers to COCC	\$ -	\$ (33,201)	\$ 33,201	100%
Net Operating Income	\$ 4,194,464	\$ 3,999,520	\$ 194,943	5%
Capital Grants	\$ -	\$ 7,079	\$ (7,079)	-100%
Interest Income	\$ 854	\$ 1,574	\$ (720)	-46%
Depreciation Expense	\$ (2,096,054)	\$ (2,603,751)	\$ 507,697	19%
Non Capital Reserve Spending	\$ (333,000)	\$ (198,714)	\$ (134,286)	-100%
Mortgage and Other Interest Expense	\$ (1,736,135)	\$ (1,652,894)	\$ (83,241)	-5%
Gain (Loss) on Sale of Capital Assets	\$ 1,250,000	\$ -	\$ 1,250,000	0%
Total Non-Operating Rev/Exp	\$ (2,914,334)	\$ (4,446,705)	\$ 1,532,371	\$ (0)
Net Income	\$ 1,280,129	\$ (447,185)	\$ 1,727,314	386%
Adjustments to Operating Cash				
Plus:				
Amortization & Depreciation	\$ 2,096,054	\$ 2,603,751	\$ (507,697)	-19%
Non Capital Expenditures funded by Reserves	\$ 333,000	\$ 198,714	\$ 134,286	100%
Less:			\$ -	
Fixed Asset Expenditures	\$ -	\$ (7,079)	\$ 7,079	100%
Gain (loss) on Sale of Assets; Bluff non cash	\$ (1,250,000)	\$ -	\$ (1,250,000)	-100%
Replacement Reserves Funding	\$ (181,116)	\$ (166,116)	\$ (15,000)	-100%
Debt Principal	\$ (962,215)	\$ (916,355)	\$ (45,860)	-5%
Contribution to Operating Cash	\$ 1,315,852	\$ 1,265,730	\$ 50,123	4%

The Workforce portfolio is showing a budgeted net income of \$1,280,129 and a positive cash contribution after adjustments for depreciation, debt principal payments, and reserve funding from the cash flow of \$1,315,852.

5.3. Budget Assumptions

- The rolling 12 months actuals reflect no new acquisitions of units identified at this time.
- Affordable Units:
 - Rent increases at affordable units reflect a range of increases from 2.8% to 4%.
- Market-Rate Units:
 - Currently, Boulder Housing Partners operates 148 market-rate rental units spread over 5 properties. Rent increases for market-rate units are budgeted at 5%. Each 1% increase produces approximately \$56,000 in revenue. Accordingly, a 5% increase produces approximately \$280,000.
- All Units:
 - The projected overall net increase to operating revenue of \$417,878 as compared with trailing 12 months actuals. This amount includes market rate increases.

- Vacancy Loss:
 - All affordable units are projected at an average of 3% vacancy with the exception of the few sites with lease-up referral programs. These are budgeted at 5% due to program constraints which can create longer lease-up timelines.
 - Market-Rate units are budgeted at 5%, consistent with our operating history and a relatively conservative projection in this market.
- Property and operating costs as a whole increased by 13%:
 - Maintenance costs for unit turns are expected to be flat due to funding a large portion of unit turn costs from 2021 refinance proceeds to upgrade flooring and appliances, plus hiring staff to do painting and cleaning.
 - Average utility increases are budgeted at 14% based on expected increases in Gas, Electricity, Water, and Garbage removal.
 - Insurance costs increased 13% overall for property and liability policies.
 - Property management payroll costs increased 7.4% due to annual merit increases and because the budget assumes full employment.

6. Section 6 – Central Office Cost Center

6.1. General Description

The central office departments consist of:

Central Office Cost Center	
Administration/IT	Property Management
Finance	Resident Services
Development	Maintenance
Human Resources	Sustainability
Asset Management	4800 Broadway Building

6.2. Financial Summary

BHP Central Office Cost Center Budget	2023 BUDGET; COCC	Rolling 12 months actuals; Sept. 2021 - Aug. 2022 (excludes Tantra)	Change in Income Increase (Decrease)	%
Operating Revenue	\$ 5,586,175	\$ 4,721,376	\$ 864,799	18%
Operating Expenses	\$ (9,041,193)	\$ (7,599,956)	\$ (1,441,237)	-19%
Operating Transfers In (from MTW/WF)	\$ -	\$ 38,105	\$ (38,105)	-100%
Net Operating Income	\$ (3,455,018)	\$ (2,840,475)	\$ (614,543)	-22%
	\$ -		\$ -	
	\$ -		\$ -	
Capital Grants	\$ 14,969,776	\$ 4,932,612	\$ 10,037,164	203%
Development Fees	\$ 5,508,536	\$ 7,272,420	\$ (1,763,884)	-24%
Interest Income	\$ 3,921,887	\$ 3,277,603	\$ 644,285	20%
Depreciation Expense	\$ (220,425)	\$ (219,925)	\$ (500)	0%
Mortgage and Other Interest Expense	\$ (30,834)	\$ (14,642)	\$ (16,192)	-111%
Non Capital Reserve Spending	\$ (59,100)	\$ (16,089)	\$ (43,011)	-267%
Operating Transfers In (out)	\$ -	\$ (31,989)	\$ 31,989	100%
Total Non-Operating Rev/Exp	\$ 24,089,841	\$ 15,199,990	\$ 8,889,851	58%
Net Income	\$ 20,634,823	\$ 12,359,515	\$ 8,275,308	67%
Adjustments to Operating Cash				
Amortization & Depreciation	\$ 220,425	\$ 219,925	\$ 500	0%
Tax Credits cash flow; reduces soft debt	\$ 1,647,244	\$ 1,633,494	\$ 13,750	1%
Non Capital Expenditures funded by Reserves	\$ 58,864	\$ 16,089	\$ 42,775	266%
Development Equity Funding	\$ 338,788	\$ 88,422	\$ 250,366	283%
Fixed Asset Expenditures	\$ (4,614,776)	\$ (434,994)	\$ (4,179,782)	
Soft Debt Interest From Tax Credits	\$ (3,920,987)	\$ (3,277,603)	\$ (643,385)	-20%
Replacement Reserves Funding	\$ 192,000	\$ 192,000	\$ -	0%
Notes Receivable; Tantra, Mt Calvary, 30Pearl	\$ (9,250,000)	\$ (4,750,000)	\$ (4,500,000)	
Transfers to Development Equity Fund	\$ (6,613,536)	\$ (7,272,420)	\$ 658,884	9%
BHP net change in OPERATING Cash	\$ (1,307,156)	\$ (1,225,572)	\$ (81,584)	-7%

The central office departments combined show a 2023 net income of \$20,634,823 and a negative cash flow of (\$1,307,156). Net Income for the rolling 12 months actuals is higher than 2023 as a result of:

- A large increase in Capital Grants awarded in 2023. Refer to section 8 for a detailed chart of Capital Grants for 2023 and 2022.
- A decrease in Developer Fee income, \$5,508,536, is due to the timing of construction projects.

Expenses have increased 11% across most areas due to inflation and increased hiring of staff.

- Salary and Benefits increased 14% compared to actuals as a result of a full-year impact due to incremental hires during 2022. As noted in Section 2, the full-year impact of new hires during 2022, annual merit increases, and 2 new hires for 2023 contribute to the increases along with associated benefit costs.

6.3. Budget Assumptions

- The Development Fee income of \$5,508,536; consists of \$4,317,536 from Tantra Lake Apartments earned upon construction completion and \$1,191,000 from Rally property earned at LIHTC closing.
- Operating Grant revenue of \$114,000 from the BHP foundation and Boulder County continues to fund 1.5 term positions for Bringing School Home.
- Continuation of the fee-for-service approach to maintenance billing, resulting in 100% recapture of Maintenance Department costs from the properties.
- Employee benefit costs increased 27% due to additional hires, 7% policy renewal increases, and PERA employer contribution increases. The overall impact to the organization including tax credits is a \$350,000 increase.
- Employee benefit costs generally continue with the split 70/30; whereby, BHP incurs 70% of the costs of the majority of benefits premiums.
- The Resident Services department is supported by property fees based on the level of service provided to each property.
- Contributions to replacement reserves for 4800 Broadway is \$48,000 based on estimated replacement schedules for technology improvements to continue efforts for a paperless environment and necessary software upgrades.

Section 7 – Organizational Debt

Below is a summary of the existing BHP debt in order of loan maturity.

BHP Mortgage / Bond Summary Schedule					
Property	Interest Rate	Maturity	Original Loan amt	Balance projected @ 12/31/2022	Annual Debt service 2023
**Arap East, Dak Ridge, Midtown, Sanitas Pl, Twin Pines	3.30%	4/1/2031	\$ 7,200,000	\$ 7,014,524	\$ 349,530
***Hayden Pl, Whittier	3.85%	7/1/2027	\$ 1,436,265	\$ 1,340,859	\$ 98,070
Hayden Place 2	4.20%	8/1/2027	\$ 600,000	\$ 529,181	\$ 35,524
Cedar & Casey	3.25%	2/1/2028	\$ 2,449,358	\$ 2,251,154	\$ 117,887
Foothills	3.25%	8/31/2028	\$ 7,000,000	\$ 5,514,963	\$ 367,345
Trout Farms	3.97%	6/1/2029	\$ 3,362,052	\$ 3,256,854	\$ 182,647
Bridgewalk	3.86%	4/1/2032	\$ 23,460,000	\$ 21,499,475	\$ 1,224,859
Vistoso	4.79%	12/1/2047	\$ 600,000	\$ 551,067	\$ 38,086
Broadway East	Variable	9/1/2024	\$ 1,715,000	\$ 1,485,000	\$ 145,860
Holiday	3.67%	7/1/2031	\$ 2,720,000	\$ 2,665,138	\$ 139,167
		Totals	\$ 50,542,675	\$ 46,108,215	\$ 2,698,975

* BHP also has a line of Credit with First Bank for \$10 million at a rate of 3.5% collateralized by the office building at 4800 Broadway and 2037 Walnut. The LOC matures 4/15/2023

The debt service coverage ratio measures the net operating income (NOI) divided by the amount of the debt payment for each property. A ratio of 1:1 means that the NOI supports the debt. These properties are all projected to perform with a debt service coverage ratio of 1.15:1 or better as required by our lenders. The weighted average debt service coverage ratio for these properties is 1.4:1. The additional NOI in excess of the 1:1 ratio provides an income that is used to (1) fund replacement reserves, (2) support the Central Office Cost Center (COCC), and (3) fund operating reserves.

Section 8 – Consolidated Financial Statements

We have worked diligently to present a budget for 2023 that produces a positive net income of \$22,358,192 with a nominal \$11,375 increase in cash. Excluding the \$1,250,000 Rally gain on sale would result in a 2023 net income of \$21,108,192. The rolling 12 months actuals presented had a net income of \$11,616,188. We project to maintain an operating reserve target of \$2,750,000. We will continue our per unit minimum replacement reserve at \$3,500 per unit and will bolster replacement reserves from excess cash flows provided by LIHTC entities to provide additional funding for expected capital improvements.

The consolidated statements with a comparison to 2022 rolling 12 months actuals (September 2021 through August 2022) are attached; **Exhibit 1**. Using actuals vs. the prior year's budget provides the reader with an equivalent comparison and excludes the significant conversion of 185 units at Tantra Lake Apartments to a Tax Credit ownership in April 2022.

- A net increase in operations revenue of \$1,264,042:
 - Affordable rent increases averaging 3.0%; Market rent increases averaging 5%; Increase in payment standards for project-based voucher subsidies at Broadway East & Holiday averaging an increase of 12%. The 2023 Tenant Dwelling Rental reflects an increase of \$494,104 or 6%. A \$118,722 decrease in Public Housing HUD-funded operating subsidy is due to catch up with Madison exiting public housing.
 - Asset Management Fee Revenue increasing a net \$86,340 from CIP projects in lieu of hiring a General Contractor; Tax Credit and Section 8 Management fees increasing \$151,247 attributed to a full year of Tantra Lake Apartments at \$77,000, Madison Woodlands at \$14,000 and 30PRL at \$11,000; Section 8 management fee increasing \$31,000.
 - Increased voucher admin fee revenue of \$53,000 due to additional vouchers in the Mainstream, Emergency Housing Vouchers, and MTW programs for a full year.
 - Increased BHP maintenance billing to all properties; \$704,163. This reflects a new program of hiring internal painters and cleaners versus third-party contractors at a cost of \$500,000. Excluding this new program nets an increase of 10% due to; Vehicle costs increasing by \$48,000 (insurance, fuel, additional vehicles); plus one additional new staff hire.
- Developer Fees of \$5,500,000 for 2023 relate to Tantra Lake Apartments \$4,400,000 and Rally \$1,100,000. Construction project timelines create vast disparity in Development Fee timing, which is earned at four milestones of each project. BHP is the developer of two ongoing construction projects with project milestones overlapping 2023 and 2024: Tantra Lake Apartments and Mount Calvary. Dependent upon the approval of a CHFA award, construction could begin on the Rally property during 2023. Development Fees fund a separate Development Equity Reserve, the purpose being to fund acquisitions of affordable housing and predevelopment costs.

- An increase in voucher Housing Assistance Payments (HAP) revenue of \$2,372,288. HCV revenue is based on the 2022 budget authority. HAP expense is expected to increase by \$1,912,975, based on increased vouchers leased to units that the housing choice team has been diligently working on during 2022. This increase also reflects the following additional funding:
 - An increase of 40 vouchers for the Mainstream program projects an increase in revenue of \$567,000.
 - HCV program revenue increase of \$1,000,000 mainly due to increasing subsidies at project-based voucher sites and new 14 vouchers added during 2022.
 - Increases in the payment standards and expected higher utilization expect to increase revenues of the NED program by \$226,000, EHV of \$277,000
- An increase in salaries and benefits of \$1,431,442 related to changes in staffing is discussed in Section 2.
- An increase in property costs of \$185,229 attributed to \$30,000 higher costs for the Section 8 program; maintenance costs, trash, recycling, utilities, and HOA/PILOT fees account for \$160,000 of the increase due to rising costs of inflation.
- An increase in Capital Grants of \$10,554,077 for 2023 vs 2022, broken down below:

2023 Grants	Total	COB Inclusionary Housing	Boulder County Worthy Cause Grant	CDOH Grant	CFP Grant	COB ARPA Grant	Boulder County; ARPA
Tantra Lake;	2,750,000	2,750,000					
Public Housing project	523,992				523,992		
Bluff	6,500,000	3,000,000	700,000	1,800,000			1,000,000
Alpine Balsam	1,105,000	1,105,000					
Diagonal Plaza	4,000,000	4,000,000					
Wifi Projects	614,776					614,776	
Total 2023 Grants	15,493,768	10,855,000	700,000	1,800,000	523,992	614,776	1,000,000
2022 Grants; 12 months; 09/2021 - 08/2022	Total	COB Inclusionary Housing	Boulder County Worthy Cause Grant	CDOH Grant	CFP Grant	COB ARPA Grant	
Tantra Lake	\$ 2,750,000	2,750,000	-	-	-	-	
30Pearl	2,000,000	2,000,000	-	-	-	-	
Public Housing project	-	-	-	-	-	-	
Wifi projects	189,691	-	-	-	-	189,691	
Total 2022 Grants	\$ 4,939,691	\$ 4,750,000	\$ -	\$ -	\$ -	\$ 189,691	

- A \$99,433 increase in Mortgage and Other Interest Expenses mostly attributed to a non-cash interest rate swap of \$111,000.
- Interest income from soft debt notes from Tax Credit entities increased by \$643,666. This is mainly the result of full-year loans from the Tantra Lake Apartments LIHTC entity, plus Mount Calvary for a full year during 2023.

Section 9 - Five Year Capital Plan and Reserves

The Five-Year Capital Budget has been analyzed with the current and planned status of our reserves in five areas:

9.1 . BHP Operating Reserves

BHP Operating Reserves - Unrestricted	2023 Budget	2024 Projected	2025 Projected	2026 Projected	2027 Projected
Operating Reserves - Projected Beginning Balance	\$ 3,047,952	\$ 3,059,327	\$ 3,084,327	\$ 3,109,327	\$ 3,134,327
Sources:					
Cash Surplus/Deficit from Operations	\$ 11,375	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Total Sources	\$ 11,375	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Uses:					
Total Uses	\$ -	\$ -	\$ -	\$ -	\$ -
Balance - End of Year	\$ 3,059,327	\$ 3,084,327	\$ 3,109,327	\$ 3,134,327	\$ 3,159,327
Designations:					
Board Designated Reserve	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000
Surplus /(Deficit) vs Reserve Goal	\$ 309,327	\$ 334,327	\$ 359,327	\$ 384,327	\$ 409,327

BHP recommends maintaining operating reserves at \$2,750,000 based on the 2023 operating budget which provides greater than 2 months of operating cash for BHP.

9.2 . Development Equity Fund

During the year as development opportunities arise, the Finance Committee and Board of Commissioners review and approve activities for utilizing those funds.

The Development Equity fund is mainly used to fund:

- Pre-development expenditures for new acquisitions or LIHTC deals.
- Acquisition of real estate

The projected source of funds over the next 2 years are:

2023	\$ 5,400,000
2024	\$ 2,600,000

9.3 . Replacement Reserves

BHP Replacement Reserves - Unrestricted	2023 Budget	2024 Projected	2025 Projected	2026 Projected	2027 Projected
Projected Beginning Balance	\$ 4,449,000	\$ 3,191,516	\$ 1,920,632	\$ 1,849,748	\$ 1,803,864
Sources:					
Capital Reserve addition; Tax Credit cash flow	\$ 400,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Replacement Reserves - Workforce Properties	\$ 181,116	\$ 181,116	\$ 181,116	\$ 181,116	\$ 181,116
Replacement Reserves - COCC	\$ 48,000	\$ 48,000	\$ 48,000	\$ 48,000	\$ 48,000
Total Sources	\$ 629,116	\$ 429,116	\$ 429,116	\$ 429,116	\$ 429,116
Uses:					
Capital Needs - Workforce Properties (estimate)	\$ 1,650,500	\$ 1,500,000	\$ 400,000	\$ 400,000	\$ 400,000
Capital Needs - COCC (estimate)	\$ 236,100	\$ 200,000	\$ 100,000	\$ 75,000	\$ 75,000
Total Uses	\$ 1,886,600	\$ 1,700,000	\$ 500,000	\$ 475,000	\$ 475,000
Balance - End of Year	\$ 3,191,516	\$ 1,920,632	\$ 1,849,748	\$ 1,803,864	\$ 1,757,980
Designations:					
Board Designated Reserve	\$ 1,722,000	\$ 1,771,000	\$ 1,617,000	\$ 1,617,000	\$ 1,358,000
Surplus /(Deficit) vs Reserve Goal	\$ 1,469,516	\$ 149,632	\$ 232,748	\$ 186,864	\$ 399,980

Our current funding levels averaging \$368 per unit per year for 2023 in addition to the 2021 refinanced loans provided funding to plan for major renovations at several properties. We continue to maintain a target minimum balance of \$3,500 per unit. We believe this level of funding and balances is appropriate for these units. We recommend a Board target of \$3,500 per unit for 2023. Additions to reserves during 2023:

- \$400,000 one-time surplus waterfall from 2022’s Tantra Lake Apartments’ LIHTC entity distributed in 2023. The excess cash flow is due to this property not having debt service during the construction period.

9.4 . MTW Operating Reserves

MTW Operating Reserves (restricted to MTW)*	2023 Budget	2024 Projected	2025 Projected	2026 Projected	2027 Projected
MTW Operating Reserve - Beginning Balance	\$ 928,555	\$ 951,233	\$ 841,233	\$ 731,233	\$ 621,233
Sources:					
Net 2023 Operating budget	\$ 2,679	\$ (130,000)	\$ (130,000)	\$ (130,000)	\$ (130,000)
Total Sources	\$ 2,679	\$ (130,000)	\$ (130,000)	\$ (130,000)	\$ (130,000)
Uses:					
Funding Landlord Initiatives	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Total Uses	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Balance - End of Year	\$ 951,233	\$ 841,233	\$ 731,233	\$ 621,233	\$ 511,233

Moving to Work Reserves are fungible within MTW, but not available for the central office departments or other properties. These reserves are available for any MTW activity including funding Public Housing operations, Housing Choice Voucher HAP, and administrative needs or other unfunded MTW activities which include the acquisition or development of affordable units. We are projecting to start the year with an MTW reserve balance of \$928,555. Attrition of approximately \$130,000 will be used annually after the disposition of public housing, due to the elimination of the Capital Funds Program that currently supports the MTW program expenses.

9.5 . Externally Restricted Reserves

These fund balances vary depending on the nature of the restrictions and designated timelines. Below summarizes the composition of restricted reserves as of September 2022.

- \$456,882 in tenant security deposits fluctuates per resident move-ins or move-outs and property acquisitions.
- \$490,484 for non-MTW voucher programs (NED/RAD/Mainstream/COB) funds which can only be used for housing assistance payments:
 - The COB prepaid a full year of funds of \$921,875 in 2022 and we anticipate the same funding to occur in 2023. As of September 2022, \$504,438 in funds remain from the 2022 prepayment.
 - NED (non-Elderly Disabled), RAD (Rental Assistance Demonstration) HUD, and Mainstream programs; These programs are overspent by \$13,954 HAP expense in excess of revenue. This is due to the ramp-up of leasing new Mainstream vouchers and the typical timing delay for HUD to fund HAP at the current spend levels.

9.6 . Insurance Reserve: 2023 - \$746,127

Natural disasters continue to drive insurance industry economics, resulting in higher premium costs. To mitigate the risk of the higher deductibles, including a \$25,000 deductible for Property and General Liability policies, a \$50,000 deductible for Pollution policy, and a 2% of replacement value for wind/hail events, we have established this Insurance Reserve.

This reserve has been funded by Operating Reserves, Development Equity Reserves, and one-time cash flow from Tax Credit entities transitioning from BHP ownership to Tax Credit ownership with a period of time where no principal payments are due on the mortgage. Beginning this year, BHP anticipates receiving \$150,000 annually from the City of Boulder to cover extraordinary expenses to add to this reserve.

Expenditures: an estimated \$150,000 annual depletion per year from this reserve has been planned. BHP will continue to fund this reserve out of one-time cashflow and positive budget variances each year.

Section 10 – Tax Credit Budgets

At the end of 2023 BHP will be the general partner and 0.01% owner of the following thirteen Tax Credit entities:

Tax Credit Properties not included in BHP budget	
30Pearl	120
Boulder Communities	279
Broadway West	26
Canopy	41
Canyon Pointe	82
Ciclo	38
Glen Willow	34
HighMar	59
Lee Hill	31
Madison	33
Palo Park	35
Red Oak Park	59
Tantra	185
Westview	34
Woodlands	35
Total Tax Credit:	1091

Each of these properties is managed by BHP in accordance with the requirements of the Limited Partnership Agreement. Annual budgets for the properties are provided and approved by the Investor Limited Partner. The budgets must meet the required debt service coverage limit. The assumptions for these budgets match the BHP affordable properties:

- A vacancy rate of 3.4% is projected for 2023.
- Average rent increases are 5.4% for 2023. The increases above 3% are due to an increased subsidy for units with project-based vouchers.
- Overall insurance increased by 8.7%, Property accounted for 8% of this increase, General Liability insurance increased by 22%, and the Umbrella insurance policy increased by about 12% for Tax Credit entities.

A detailed budget for each property is included in **Exhibit 2**. These properties are separate legal entities and therefore never consolidated into the financial statements of BHP.

Section 11 – Organizational Summary

Below is a summary to show the scale of the whole organization. The financials statements of the tax credits are not consolidated with BHP. Note: Tax Credits exclude Tantra due to the property being operated under construction during 2023.

Total Organization Summary	Total Tax Credits	% of Total All	BHP	% of Total All	Total ALL
Total Operating Revenue	14,128,112	30%	32,898,857	70%	47,026,970
Salaries and Benefits	1,173,723	12%	8,521,913	88%	9,695,636
Total Property Costs	5,291,555	59%	3,609,626	41%	8,901,181
Total Operating Costs	1,763,428	8%	20,099,996	92%	21,863,423
Total Operating Expense	8,228,705	20%	32,231,535	80%	40,460,240
Net Operating Income	5,899,407	90%	667,322	10%	6,566,729
Non Operating Income and (Expense)	(3,240,876)	-19%	20,440,870	119%	17,199,995
Total NET INCOME (LOSS)	2,658,532	11%	21,108,192	89%	23,766,724
Net Increase (Decrease) to Cash	1,124,407	99%	11,375	1%	1,135,782
Units	1,091	68%	506	32%	1,597
Vouchers	-	0%	1,401	100%	1,401

Attachments:

Exhibit 1- BHP Summary Budget

Exhibit 2 - Tax Credit Budget Summary

Boulder Housing Partners
2023 Budget Summary

	MTW PH & Sec 8	Non MTW Vouchers	Workforce Properties	Central Office Departments	2023 Budget	Adjusted Rolling 12 mos Actuals 9/2021-08/2022	Income; Incr (Decr) Expenses; (Incr) Decr \$	Income; Incr (Decr) Expenses; (Incr) Decr %
Operations Revenue								
Tenant Dwelling Rental	\$ 48,000	\$ -	\$ 8,450,349	\$ 50,000	\$ 8,548,349	8,054,245	\$ 494,104	6%
HUD-Operating Subsidy	\$ 11,000	\$ -	\$ -	\$ -	\$ 11,000	129,722	\$ (118,722)	-92%
Total Operations Revenue	\$ 59,000	\$ -	\$ 8,450,349	\$ 50,000	\$ 8,559,349	\$ 8,183,967	\$ 375,382	5%
Fee Revenue								
Asset Mgmt Fee Revenue	\$ -	\$ -	\$ -	\$ 160,720	\$ 160,720	\$ 74,380	\$ 86,340	116%
Property Mgmt & Bkpg Fee	\$ -	\$ -	\$ -	\$ 442,649	\$ 442,649	\$ 434,055	\$ 8,594	2%
Mgmt Fees - Tax Credits & S8	\$ -	\$ -	\$ -	\$ 1,367,391	\$ 1,367,391	\$ 1,216,143	\$ 151,247	12%
Resident Services/Grant Mgmt. Fees	\$ 4,200	\$ -	\$ -	\$ 490,233	\$ 494,433	\$ 481,919	\$ 12,514	3%
Total Fee Revenue	\$ 4,200	\$ -	\$ -	\$ 2,460,993	\$ 2,465,193	\$ 2,206,497	\$ 258,695	12%
Grants and Subsidies								
Admin Revenue; voucher programs	\$ 837,357	\$ 535,140			\$ 1,372,497	\$ 1,319,302	\$ 53,195	4%
Non Federal Op Grants and Donations	\$ 557		\$ -	\$ 126,925	\$ 127,482	\$ 115,590	\$ 11,892	10%
Federal Operating Grants	\$ 95,508	\$ -	\$ -	\$ -	\$ 95,508	\$ 43,951	\$ 51,557	117%
Total Grants and Subsidies	\$ 933,422	\$ 535,140	\$ -	\$ 126,925	\$ 1,595,487	\$ 1,478,844	\$ 116,643	8%
Other Revenue								
Tenant Fees and Utility Charges	\$ 22	\$ -	\$ 185,392	\$ 62,100	\$ 247,514	\$ 275,252	\$ (27,738)	-10%
Maint Charges to Prop	0	\$ -	\$ -	\$ 2,783,444	\$ 2,783,444	\$ 2,079,281	\$ 704,163	34%
Miscellaneous Revenue	\$ 1,378	\$ -	\$ 2,925	\$ 102,713	\$ 107,016	\$ 270,119	\$ (163,104)	-60%
Total Other Revenue	\$ 1,400	\$ -	\$ 188,317	\$ 2,948,257	\$ 3,137,974	\$ 2,624,652	\$ 513,321	20%
Total Operating Revenue EXcluding HAP/Voucher funding	\$ 998,022	\$ 535,140	\$ 8,638,666	\$ 5,586,175	\$ 15,758,002	\$ 14,493,960	\$ 1,264,042	9%
Operating Expenses								
Salaries and Benefits	\$ 515,735	\$ 371,352	\$ 651,376	\$ 6,983,449	\$ 8,521,913	\$ 7,090,471	\$ (1,431,442)	-20%
Property Costs								
Management Fees	\$ 236,773	\$ 153,760	\$ -	\$ -	\$ 390,533	\$ 360,200	\$ (30,333)	-8%
Maintenance Materials	\$ 4,707	\$ -	\$ 134,804	\$ 113,304	\$ 252,815	\$ 178,448	\$ (74,367)	-42%
Contract Labor & Repairs	\$ 22,171	\$ -	\$ 831,661	\$ 107,360	\$ 961,192	\$ 1,083,757	\$ 122,565	11%
BHP Contract Labor	\$ 83,463	\$ -	\$ 768,492	\$ 64,706	\$ 916,661	\$ 799,348	\$ (117,313)	-15%
Trash and Recycling	\$ 4,115	\$ -	\$ 123,765	\$ 2,990	\$ 130,870	\$ 121,842	\$ (9,028)	-7%
Utilities	\$ 21,292	\$ -	\$ 555,197	\$ 26,655	\$ 603,144	\$ 554,627	\$ (48,517)	-9%
PILOT & HOA fees	\$ 4,653	\$ -	\$ 349,758	\$ -	\$ 354,411	\$ 326,175	\$ (28,236)	-9%
Total Property Costs	\$ 377,174	\$ 153,760	\$ 2,763,678	\$ 315,015	\$ 3,609,626	\$ 3,424,397	\$ (185,229)	-5%

Boulder Housing Partners
2023 Budget Summary

	MTW PH & Sec 8	Non MTW Vouchers	Workforce Properties	Central Office Departments	2023 Budget	Adjusted Rolling 12 mos Actuals 9/2021-08/2022	Income; Incr (Decr) Expenses; (Incr) Decr \$	Income; Incr (Decr) Expenses; (Incr) Decr %
Other Operating Expenses								
Asset Management Fee	\$ 1,680	\$ -	\$ 59,220	\$ -	\$ 60,900	\$ 60,690	\$ (210)	0%
Consultants and Non Salaried Personnel	\$ 7,217	\$ -	\$ 13,854	\$ 209,945	\$ 231,016	\$ 83,922	\$ (147,093)	-175%
Dues and Fees	\$ 2,061	\$ -	\$ 6,002	\$ 79,578	\$ 87,641	\$ 80,415	\$ (7,225)	-9%
Software and Expendable Equipment	\$ 63,052	\$ -	\$ 6,464	\$ 291,768	\$ 361,284	\$ 332,962	\$ (28,322)	-9%
Insurance Expense	\$ 17,376	\$ -	\$ 312,730	\$ 160,952	\$ 491,058	\$ 405,925	\$ (85,133)	-21%
Legal and Predevelopment Expense	\$ 10,600	\$ -	\$ 11,407	\$ 321,500	\$ 343,507	\$ 295,972	\$ (47,535)	-16%
Miscellaneous - Expense	\$ 26,042	\$ 10,040	\$ 98,133	\$ 207,064	\$ 341,279	\$ 544,193	\$ 202,914	37%
Office Supplies/Phone/Printing	\$ 9,566	\$ -	\$ 63,692	\$ 167,366	\$ 240,624	\$ 182,401	\$ (58,222)	-32%
Property Mgmt & Bkpg Fee Exp	\$ 12,247	\$ -	\$ 430,190	\$ -	\$ 442,437	\$ 434,055	\$ (8,382)	-2%
Resident Services Fee Exp	\$ 6,384	\$ -	\$ 27,456	\$ -	\$ 33,840	\$ 33,726	\$ (114)	0%
Staff Training	\$ 21,000	\$ -	\$ -	\$ 139,196	\$ 160,196	\$ 95,868	\$ (64,328)	-67%
Vehicle Expense	\$ -	\$ -	\$ -	\$ 165,360	\$ 165,360	\$ 128,541	\$ (36,819)	-29%
Total Other Operating Costs	\$ 177,225	\$ 10,040	\$ 1,029,148	\$ 1,742,728	\$ 2,959,141	\$ 2,678,671	\$ (2,959,141)	-110%
Total Operating Expenses Excluding HAP / Voucher expense	\$ 1,070,134	\$ 535,152	\$ 4,444,202	\$ 9,041,193	\$ 15,090,680	\$ 13,193,538	\$ (1,897,142)	-14%
Total Operating Net Income; Excluding HAP	\$ (72,112)	\$ (12)	\$ 4,194,464	\$ (3,455,018)	\$ 667,322	\$ 1,300,422	\$ (633,100)	-49%
Federal and local Voucher Revenue								
HCV-HAP /Admin Revenue	\$ 9,845,043	\$ 5,606,317	\$ -	\$ -	\$ 15,451,360	\$ 13,123,994	\$ 2,327,366	18%
City of Boulder Voucher Funding		\$ 1,066,800	\$ -	\$ -	\$ 1,066,800	\$ 1,008,336	\$ 58,464	6%
Federal Service Grants	\$ -	\$ 622,695	\$ -	\$ -	\$ 622,695	\$ 636,238	\$ (13,543)	-2%
Total Voucher Revenue	\$ 9,845,043	\$ 7,295,812	\$ -	\$ -	\$ 17,140,855	\$ 14,768,567	\$ 2,372,288	16%
Voucher Funding and Expense								
HCV-HAP Expense	\$ 9,845,043	\$ 5,606,317	\$ -	\$ -	\$ 15,451,360	\$ 13,457,613	\$ (1,993,747)	-15%
COB Voucher program expense	\$ -	\$ 1,066,800	\$ -	\$ -	\$ 1,066,800	\$ 1,005,504	\$ (61,296)	-6%
Federal Service Grant Expense	\$ -	\$ 622,695	\$ -	\$ -	\$ 622,695	\$ 764,763	\$ 142,068	19%
Total Voucher Expense	\$ 9,845,043	\$ 7,295,812	\$ -	\$ -	\$ 17,140,855	\$ 15,227,880	\$ (1,912,975)	-13%
Total Operating Net Income; HAP only	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (459,313)	\$ 459,313	100%
Net Operating Income Including Voucher activity	\$ (72,112)	\$ (12)	\$ 4,194,464	\$ (3,455,018)	\$ 667,322	\$ 841,109	\$ (173,787)	-21%

Boulder Housing Partners
2023 Budget Summary

	MTW PH & Sec 8	Non MTW Vouchers	Workforce Properties	Central Office Departments	2023 Budget	Adjusted Rolling 12 mos Actuals 9/2021-08/2022	Income; Incr (Decr) Expenses; (Incr) Decr \$	Income; Incr (Decr) Expenses; (Incr) Decr %
Non Operating Income (Expense)								
Capital Grants	\$ 523,992	\$ -	\$ -	\$ 14,969,776	\$ 15,493,768	\$ 4,939,691	\$ 10,554,077	214%
Development Fees	\$ -	\$ -	\$ -	\$ 5,508,536	\$ 5,508,536	\$ 7,272,420	\$ (1,763,884)	-24%
Interest Income	\$ -	\$ 12	\$ 854	\$ 3,921,887	\$ 3,922,753	\$ 3,279,087	\$ 643,666	20%
Amortization and Depreciation Expense	\$ (8,638)	\$ -	\$ (2,096,054)	\$ (220,425)	\$ (2,325,117)	\$ (2,833,779)	\$ 508,662	18%
Non Capital Reserve Spending	\$ -	\$ -	\$ (333,000)	\$ (59,100)	\$ (392,100)	\$ (214,803)	\$ (177,297)	-83%
Mortgage and Other Interest Expense	\$ (2)	\$ -	\$ (1,736,135)	\$ (30,834)	\$ (1,766,970)	\$ (1,667,538)	\$ (99,433)	-6%
Total Non-operating Income (Expense)	\$ 515,352	\$ 12	\$ (4,164,334)	\$ 24,089,841	\$ 20,440,870	\$ 10,775,079	\$ 9,665,791	90%
TOTAL NET INCOME (LOSS) before Sale of Assets	\$ 443,240	\$ -	\$ 30,129	\$ 20,634,823	\$ 21,108,192	\$ 11,616,188	\$ 9,492,004	82%
Gain (Loss) on Sale of Capital Assets	\$ -	\$ -	\$ 1,250,000	\$ -	\$ 1,250,000	\$ -	\$ 1,250,000	100%
TOTAL NET INCOME (LOSS) including Sale of Assets	\$ 443,240	\$ -	\$ 1,280,129	\$ 20,634,823	\$ 22,358,192	\$ 11,616,188	\$ 10,742,004	92%
Adjustments to Operating Cash								
Plus:								
Amortization & Depreciation	\$ 8,638	\$ -	\$ 2,096,054	\$ 220,425	\$ 2,325,117	\$ 2,833,779	\$ (508,662)	-18%
Tax Credits cash flow; reduces soft debt	\$ -	\$ -	\$ -	\$ 1,647,244	\$ 1,647,244	\$ 1,633,494	\$ 13,750	1%
Development Equity funding; PreDev				\$ 366,285	\$ 366,285	\$ 301,205	\$ 65,080	22%
MTW Reserves; funding Operational exp	\$ 74,792				\$ 74,792	\$ -	\$ 74,792	100%
Non cash interest swap (not budgeted)			\$ -		\$ -	\$ (70,658)	\$ 70,658	100%
Insurance Reserves funding Extraordinary Expense				\$ 240,000	\$ 240,000	\$ -	\$ 240,000	100%
Non Capital Expenditures funded by Repl. Reserves		\$ -	\$ 333,000	\$ 58,864	\$ 391,864	\$ 214,803	\$ 177,061	82%
Less:								
Debt Principal	\$ -	\$ -	\$ (962,215)	\$ -	\$ (962,215)	\$ (916,355)	\$ (45,860)	-5%
Soft Debt interest from Tax Credits	\$ -	\$ -		\$ (3,920,987)	\$ (3,920,987)	\$ (3,274,483)	\$ (646,504)	-20%
Partnership Fee Income; non cash				\$ (27,497)	\$ (27,497)	\$ (158,236)	\$ 130,739	83%
Fixed Asset Expenditures	\$ (523,992)	\$ -	\$ -	\$ (4,614,776)	\$ (5,138,768)	\$ (189,691)	\$ (4,949,077)	-100%
Gain (Loss) on Sale of Capital Assets			\$ (1,250,000)		\$ (1,250,000)	\$ (21,185)	\$ (1,228,815)	-100%
Replacement Reserves Funding			\$ (181,116)	\$ (48,000)	\$ (229,116)	\$ (214,116)	\$ (15,000)	-7%
Notes Receivable; 30 Pearl, Tantra					\$ -	\$ (4,750,000)	\$ 4,750,000	100%
Notes Receivable; Bluff (Rally)				\$ (9,250,000)	\$ (9,250,000)	\$ -	\$ (9,250,000)	-100%
Transfers to Development Equity Fund	\$ -	\$ -	\$ -	\$ (6,613,536)	\$ (6,613,536)	\$ (7,272,420)	\$ 658,884	9%
Net Operating Cash	\$ 2,679	\$ -	\$ 1,315,852	\$ (1,307,156)	\$ 11,375	\$ (267,675)	\$ 279,050	104%
Detail; Transfers to Development Equity Fund:								
					\$ -		\$ -	
							\$ -	
COB IH Funds; PreDev Alpine Balsam				\$ (1,105,000)	\$ (1,105,000)	\$ -	\$ (1,105,000)	
Developer Fees; Tantra & Bluff				\$ (5,508,536)	\$ (5,508,536)	\$ (7,272,420)	\$ 1,763,884	
Total Transfers to Development Equity Fund	\$ -	\$ -	\$ -	\$ (6,613,536)	\$ (6,613,536)	\$ (7,272,420)	\$ 658,884	9%

2023 Tax Credit Budget (excluding Tantra Lake)	Boulder Communities	Broadway West	Canopy	Ciclo	West End Communities	High Mar	Lee Hill	Palo Park	Red Oak Park	30 Pearl	Westview	Madison Woods
Operations Revenue												
Tenant Dwelling Rental	\$ 3,725,950	\$ 366,212	\$ 639,853	\$ 604,489	\$ 2,189,591	\$ 825,970	\$ 494,920	\$ 487,295	\$ 797,958	\$ 1,859,154	\$ 528,943	\$ 1,356,940
Tenant Fees	14,100	200	1,900	3,700	900	2,400	1,200	1,300	400	5,300	1,600	2,300
Interest Income	120	36	-	30	-	-	48	24	200	-	48	-
Laundry Revenue	-	3,300	-	4,000	-	-	-	-	-	-	-	-
Tenant Work Order Charges	5,000	250	300	400	1,200	200	250	2,500	500	600	300	1,400
Tenant Reimb - Utilities	-	-	-	7,474	-	25,215	-	26,122	-	88,578	-	-
Miscellaneous Revenue	37,024	15	23	22	2,066	7,234	18	20	34	69	19	899
Total Revenue	\$ 3,782,194	\$ 370,013	\$ 642,076	\$ 620,115	\$ 2,193,757	\$ 861,019	\$ 496,436	\$ 517,261	\$ 799,091	\$ 1,953,701	\$ 530,911	\$ 1,361,539
Operating Expenses												
Salaries and Benefits	\$ 367,230	\$ 31,760	\$ 50,083	\$ 46,419	\$ 152,151	\$ 72,071	\$ 135,154	\$ 42,754	\$ 74,588	\$ 76,914	\$ 41,533	\$ 83,065
Property Costs												
Management Fees	\$ 226,933	\$ 30,355	\$ 38,033	\$ 35,043	\$ 127,680	\$ 45,609	\$ 49,413	\$ 41,321	\$ 43,225	\$ 119,724	\$ 35,662	\$ 85,624
Maintenance Materials	86,408	8,050	6,554	7,284	22,358	15,773	11,163	7,460	13,271	12,512	11,086	14,409
Contract Labor & Repairs	427,097	39,064	34,359	25,544	112,576	49,254	103,472	50,430	49,888	62,813	38,881	88,786
BHP Contract Labor	443,228	45,474	54,562	37,985	154,005	98,029	47,303	50,907	90,029	173,109	46,081	103,762
Non Capital Reserve Expenditures	-	-	-	9,310	2,500	4,600	4,000	-	9,990	-	-	-
Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Trash & Recycling	96,353	10,022	14,275	8,749	26,991	7,116	7,003	10,802	30,482	42,940	7,930	30,337
Utilities	442,607	31,127	45,817	48,351	142,675	74,351	57,760	59,157	94,795	275,064	31,860	90,530
HOA Fees	-	-	-	52,474	-	-	-	-	-	-	-	-
Total Property Costs	\$ 1,722,627	\$ 164,091	\$ 193,600	\$ 224,739	\$ 588,786	\$ 294,732	\$ 280,114	\$ 220,077	\$ 331,680	\$ 686,162	\$ 171,500	\$ 413,448
Operating Costs												
Audit Fees	\$ 7,730	\$ 7,730	\$ 7,730	\$ 7,730	\$ 10,820	\$ 7,730	\$ 7,730	\$ 7,730	\$ 7,730	\$ 7,730	\$ 7,730	\$ 7,730
Background Checks	2,100	100	400	500	257	200	150	250	300	1,080	171	800
Bad Debt Expense	19,252	1,889	3,301	3,118	3,500	4,237	1,500	2,512	1,000	5,643	1,000	3,000
Bank Fees	-	-	-	20	-	2,640	-	200	3,240	-	50	100
Community Center Expense	1,000	550	-	-	350	300	500	-	-	150	-	-
Consultants	9,650	500	7,900	1,150	5,650	1,550	1,700	2,300	1,600	9,500	-	3,400
	4,913	4,788	19,691	4,352	39,464	5,100	4,993	7,114	12,219	40,427	100	17,180
less Fees - Tax Credit Investor Service Fee	(4,305)	(1,815)	(5,464)	(4,152)	(5,464)	(5,000)	(4,893)	(6,086)	(12,119)	(10,927)	-	(5,305)
Dues & Fees	608	2,973	14,227	200	34,000	100	100	1,028	100	29,500	100	11,875
Insurance Expense	206,961	22,214	40,668	33,604	131,299	47,346	31,544	37,755	45,422	114,311	28,431	71,818
Legal Expense	2,340	500	1,000	1,000	2,300	400	500	500	300	5,000	300	1,400
Mileage	300	60	100	60	340	100	100	100	100	100	100	180
Misc. / Community Events	6,741	12	14	271	1,082	12,025	-	111	580	539	541	1,491
Advertising & Marketing	300	100	100	100	250	-	-	-	200	-	-	250
Office Supplies & equipment	10,784	150	2,530	982	5,623	4,582	1,052	4,382	2,142	2,760	252	2,104
Phone & Internet Expense	29,352	5,928	5,112	6,888	11,268	5,688	4,920	3,840	4,200	9,264	2,100	10,800
Res Svc Fee Exp	200,400	-	14,760	-	72,384	47,850	-	15,127	22,656	62,480	-	36,888
Total Operating Costs	\$ 497,519	\$ 42,706	\$ 97,842	\$ 55,623	\$ 279,123	\$ 134,748	\$ 49,796	\$ 75,835	\$ 89,370	\$ 248,257	\$ 40,775	\$ 151,836
Total Operating Expenses	\$ 2,587,375	\$ 238,557	\$ 341,526	\$ 326,780	\$ 1,020,060	\$ 501,551	\$ 465,063	\$ 338,666	\$ 495,637	\$ 1,011,332	\$ 253,807	\$ 648,350
Net Operating Income	\$ 1,194,818	\$ 131,456	\$ 300,551	\$ 293,334	\$ 1,173,698	\$ 359,468	\$ 31,373	\$ 178,595	\$ 303,454	\$ 942,368	\$ 277,104	\$ 713,189

2023 Tax Credit Budget (excluding Tantra Lake)	Boulder Communities	Broadway West	Canopy	Ciclo	West End Communities	High Mar	Lee Hill	Palo Park	Red Oak Park	30 Pearl	Westview	Madison Woods
Other Income (Expense)												
Amortization Expense	\$ (15,948)	\$ (2,196)	\$ (5,278)	\$ (4,467)	\$ (10,747)	\$ (2,958)	\$ (2,268)	\$ (3,996)	\$ (4,560)	\$ (12,215)	\$ (1,320)	\$ (5,707)
Depreciation	(2,839,971)	(264,684)	(626,183)	(515,644)	(1,406,925)	(463,000)	(247,960)	(375,354)	(390,078)	(1,825,631)	(227,472)	(1,078,347)
Note Interest Expense	(1,306,247)	-	(188,224)	(38,546)	(353,412)	(100,754)	(25,000)	(1,143)	(41,186)	(439,278)	(21,787)	(634,180)
Mortgage Interest Expense	(509,384)	(39,467)	(187,790)	(198,230)	(760,085)	(135,745)	-	(87,556)	(189,112)	(609,346)	(124,468)	(399,691)
TOTAL NET INCOME (LOSS)	\$ (3,476,732)	\$ (174,891)	\$ (706,925)	\$ (463,553)	\$ (1,357,471)	\$ (342,990)	\$ (243,855)	\$ (289,455)	\$ (321,482)	\$ (1,944,102)	\$ (97,943)	\$ (1,404,736)
Adjustments for Cash Basis												
PLUS:												
Amortization and Depreciation	2,855,919	266,880	631,461	520,111	1,417,672	465,958	250,228	379,350	394,638	1,837,847	228,792	1,084,054
Interest on Soft Notes	1,306,247	-	188,224	38,546	353,412	100,754	25,000	1,143	41,186	439,278	21,787	634,180
Cash-BHP PreDev Fund	-	-	-	9,310	-	-	-	-	-	-	-	-
LESS:												
Debt Principal	(305,076)	(24,664)	(60,756)	(56,525)	(225,043)	(94,210)	-	(55,901)	(66,891)	(224,822)	(73,092)	(157,022)
	-	-	-	-	-	-	-	-	-	62,480	-	-
	(142,492)	(9,438)	(13,049)	(12,094)	(35,527)	(14,645)	(7,625)	(12,172)	(14,511)	(38,192)	(59,142)	(21,642)
Replacement Reserves Funding (net)	(142,492)	(9,438)	(13,049)	(12,094)	(35,527)	(14,645)	(7,625)	(12,172)	(14,511)	24,288	(59,142)	(21,642)
Bonds Payable	8,546	-	9,481	6,360	17,401	3,246	-	5,344	26,595	19,074	8,273	14,298
Net Increase (Decrease) to Cash	\$ 246,412	\$ 57,887	\$ 48,437	\$ 42,155	\$ 170,445	\$ 118,113	\$ 23,748	\$ 28,309	\$ 59,535	\$ 151,562	\$ 28,675	\$ 149,131
DSCR	1.31	1.90	1.20	1.17	1.18	1.52		1.20	1.26	1.19	1.15	1.36
Expense Coverage Ratio							1.05					

MEMO

To: Board of Commissioners
From: Julia Arencibia, Director of Human Resources
Jeremy Durham, Executive Director
Date: November 9, 2022
Re: **Colorado Family and Medical Leave Insurance Program (FAMLI)**

Background

In November 2020, Colorado Voters approved the Colorado Family and Medical Leave Insurance Program, also known as the FAMLI Program. Under this Program, covered individuals may take up to 12 weeks of paid family/medical leave, with a cap of \$1,100 per week in a 12-month period for:

- Birth, adoption, care of a new child during the first year after birth, or foster care.
- Care for a family member with a “serious health condition.”
- Exigency leave (active-duty military; post-deployment or death); or
- Safe leave (employee or employee’s family member is the victim of domestic abuse, stalking, or sexual assault/abuse).

The FAMLI program includes a payroll tax of 0.45% for employees and 0.45% for BHP.

BHP’s current benefits provide:

- 12 weeks of fully paid family/medical leave for the birth, adoption, care of a new child during the first year after birth, or foster care.
- 40 hours of paid emergency leave per year
- Short-term disability (STD) through Principal Insurance if enrolled for employees with less than 5 years of Colorado PERA Service Credit, and PERA STD for employees with at least 5 years of service credit
- Long-term disability insurance paid for by BHP

Since BHP is considered a local government employer, we have the option to opt out of participation in the FAMLI program. Because our benefit offerings are, overall, more generous to employees than what is provided by the FAMLI program, and come without cost to employees, our recommendation is to opt out of the FAMLI program.

It is important to note that, while BHP may choose to opt out of the FAMLI program as an organization, individual employees have the option to opt into the FAMLI program and pay and remit their individual premiums to the Department of Labor and Employment by contacting the FAMLI Division. BHP will provide this information to employees.

An employee meeting was held on Monday, October 31st, 2022, to provide an overview of the program and to gather feedback and comments from employees. All employees in attendance are in favor of opting out of the FAMLI program due to the current BHP benefits in place outweighing the FAMLI benefits.

In addition, the City of Boulder as well as several Housing Authorities have voted to opt out of the FAMLI program.

Action Requested

Staff recommends that the Board of Commissioners pass Resolution 2022-11 Opting out of Participation in Colorado’s Family and Medical Leave Insurance (“FAMLI”) Program.

RESOLUTION #2022-11

OPTING OUT OF PARTICIPATION IN COLORADO'S FAMILY AND MEDICAL LEAVE INSURANCE ("FAMLI") PROGRAM

At a public meeting of the Board of Commissioners (the "Board") of Boulder Housing Partners ("BHP") held on November 9th, 2022, at 4800 N Broadway, Boulder, CO 80304, which meeting was properly noticed, called, and held, and at which a quorum of the Board was present in person, the following Resolution was duly made, seconded and adopted by the Board.

WHEREAS, in November of 2020, Colorado voters approved Proposition 118, codified in Part 5, Article 13.3 of Title 8, Colorado Revised Statutes (C.R.S.), establishing the Family and Medical Leave Insurance ("FAMLI") Program, a state insurance plan providing paid leave for Colorado workers during certain life circumstances; and

WHEREAS, under the FAMLI Program, employers and their employees are both responsible for funding the program and may split the cost 50/50; the premiums are set at 0.9% of the employee's wage, with 0.45% paid by the employer and 0.45% paid by the employee; and

WHEREAS, the premiums required for FAMLI will be collected starting January 1, 2023, and benefits will begin January 1, 2024; and

WHEREAS, as a local government as defined by C.R.S. §§ 8-13.3-503(14) and 29-1-304.5(3)(b), BHP may opt out of participation in FAMLI following a public hearing and vote of its governing body pursuant to C.R.S. § 8-13.3-522; and

WHEREAS, should BHP opt out of participation in FAMLI, its employees will still have the option to participate in the program and remit premiums to the State.

WHEREAS, at a public meeting held on November 9th, 2022, the Board of Commissioners held a public hearing on the decision of whether to participate in FAMLI;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF BHP AS FOLLOWS:

1. The Board of Commissioners finds and determines that, with regard to the public hearing on the decision of whether to opt out of participation in FAMLI, notice was given, and the hearing was conducted in accordance with the regulations adopted by the Colorado Department of Labor and Employment and codified at 7 CCR 1107-2.
2. The Board of Commissioners, acting by and on behalf of BHP, opts out of any and all participation in the FAMLI Program.
3. The Board of Commissioners further directs its staff to bring the matter of revisiting the decision to decline participation in FAMLI before a future Board by no later than eight years from the date of the vote on this Resolution #2022-11.

PASSED, ADOPTED, AND APPROVED this 9th day of November 2022. THE HOUSING AUTHORITY OF THE CITY OF BOULDER, COLORADO, A BODY CORPORATE AND POLITIC, DOING BUSINESS AS BOULDER HOUSING PARTNERS

By _____
Bob Walker
Chair, Board of Commissioners
Boulder Housing Partners
Housing Authority of the City of Boulder

Attest to this 9th day of November 2022 by:

Jeremy Durham
Executive Director
Boulder Housing Partners

MEMO

To: Board of Commissioners
From: Karen Brunnemer, MTW, and Federal Policy Director
Date: November 9, 2022
Re: **Housing Choice Voucher Payment Standards**

Background

Each year, the United States Department of Housing and Urban Development (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 (HCV) 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 increase in FMRs 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, the staff brings the Board a proposal for our voucher program. For the last few years, we have aligned our payment standard with the Boulder County and Longmont Housing Authorities. Based on conversations, the Boulder County Housing Authority will set their payment standard at 105% of FMRs. We have not heard from Longmont. Currently, the payment standards only affect tenant-based voucher holders, as rent is set at the contract level for the entire property for project-based vouchers.

Analysis

In 2023, the Fair Market Rents increased by 8-9% over the 2022 Fair Market Rents. In June 2022, we increased our payment standards to 110% of Fair Market Rents to allow our voucher holders to be more competitive in the market and provide more buying power to the newly issued Mainstream Vouchers. This increase to 110% of 2022 Fair Market Rents is above 100% of the 2023 Fair Market Rents, as shown here:

	0 bed	1 bed	2 beds	3 beds	4 beds
2022 June 15 (increase to 110% FMR)	\$ 1,412	\$ 1,594	\$ 1,923	\$ 2,587	\$ 3,065
2023 PROPOSED Fair Market Rents	\$ 1,397	\$ 1,578	\$ 1,911	\$ 2,541	\$ 3,005

If we were to decrease payment standards, HUD requires us to provide notice to all voucher holders and delay applying the lower payment standard for two years to current voucher holders. This creates confusion when we know that Fair Market Rents will almost certainly increase again in 2024.

We look at several different factors when setting the payment standards for the year.

Funding Availability

The HUD budget for 2023 has not yet been approved, however, proposed numbers are holding steady at current funding levels. In 2022, our budget authority increased by 1.45%. In 2022, the inflation factor was 2.736%, and the pro-ration factor was 100%. Our baseline level of funding is adjusted for inflation, and pro-rated based on HUD's total funding. While we do not know what the inflation and pro-ration factors are, we are expecting our 2023 funding to be close to the 2022 level. Increasing our payment standards to 105% of 2023 FMRs will increase our HAP spending for current voucher holders by \$294,588, which is 2.36% of our 2022 Budget Authority. Of the 133 households whose gross rent is over the current payment standard, 63 will be at or below the payment standard (which results in them paying rent based strictly on income, and not any extra). Of the 70 households that will continue to have a gross rent over the payment standard, 39 are renting a unit that is larger than their voucher size (e.g., a household with a 2-bedroom voucher renting a 3-bedroom unit).

Rent Burden

Payment standards only affect those voucher holders who have a tenant-based voucher and are renting in the marketplace (the payment standard is not used when calculating the participant portion of rent for project-based vouchers). Data analysis shows that we currently have 133 of 822 households whose gross rent exceeds the payment standard, and therefore, would benefit from an increase in the payment standard (anytime the gross rent of the unit is more than the payment standard, that portion is passed on to the participant. E.g., If gross rent is \$1,500 and the payment standard is \$1,400, the difference of \$100 is added to the household's portion of the rent which is based on their income). Of those 133 households, 67 are renting a unit that is larger than their voucher size (for example, they have a one-bedroom voucher and are renting a two-bedroom unit). The current average rent burden for these 133 households is 38%. This would be reduced to 27.5%.

Lease-Up Rate & Rent Increases

The utilization rate for vouchers has averaged 98% from January – August excluding the Mainstream vouchers. We were awarded 100 additional Mainstream vouchers since March 2020 (39 in March 2020, 21 in October 2020, and 40 in April 2021). With so many vouchers coming in over a 13-month span, we have been slowly issuing these vouchers, as there are not enough available units in the market for all these vouchers. Our utilization rate for Mainstream January – September has increased from 73% to 86%, with 27 issued and looking as of the end of September.

Between January and June, 61 lottery applicants were issued a voucher. Of those:

- 43 have leased up
- 6 have expired
- 1 ported out
- 11 were still searching as of 10/12/2022

We are currently processing applications for 70 lottery applicants with 62 applicants still to be processed.

Recommendation

Staff recommends that the 2023 payment standards be adjusted to 105% of the 2023 Fair Market Rents effective January 1, 2023:

	0 bed	1 bed	2 beds	3 beds	4 beds
2022 June 15 PS (increased to 110% FMR)	\$ 1,412	\$ 1,594	\$ 1,923	\$ 2,587	\$ 3,065
2023 PROPOSED Fair Market Rents	\$ 1,397	\$ 1,578	\$ 1,911	\$ 2,541	\$ 3,005
2023 Payment Standard (105% FMR)	\$ 1,467	\$ 1,657	\$ 2,007	\$ 2,668	\$ 3,155

Action Requested

Approval of Resolution #2022-12 – 2023 Payment Standards.

RESOLUTION #2022-12

**A RESOLUTION FOR THE PURPOSE OF INCREASING THE 2023 PAYMENT STANDARDS
EFFECTIVE JANUARY 1, 2023**

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 Payment Standards; and

WHEREAS, Boulder Housing Partners (BHP) uses the Payment Standard in the administration of the 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 set at 105% of the FMR for 2022 effective January 1, 2022, and increased to 110% of 2022 FMR effective June 15, 2022; and

WHEREAS, the 2023 FMR for the Boulder area has been established by HUD by bedroom size: 0-Bedroom - \$1,397, 1-Bedroom - \$1,578, 2-Bedroom - \$1,911, 3-Bedroom -\$2,541, and 4-Bedroom - \$3,005; and

WHEREAS, the rental market in Boulder is very tight and we want our voucher holders to remain competitive in the market while balancing overall program funds; and

WHEREAS, Boulder Housing Partners recommends that the Payment Standards be set to 105% of the 2023 Fair Market Rents, effective January 1, 2023, which are the following:

	0-bedroom	1-bedroom	2-bedrooms	3-bedrooms	4-bedrooms
Payment Standard	\$ 1,467	\$ 1,657	\$ 2,007	\$ 2,668	\$ 3,155

NOW, THEREFORE, be it resolved that the Board of Commissioners adopts the above-listed Payment Standards for the Housing Choice Voucher Program effective January 1, 2023.

Adopted this 9th day of November 2022.

(SEAL)

Bob Walker
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: Jeremy Durham, Executive Director
Laura Sheinbaum, Director of Real Estate Development
Ian Swallow, Senior Development Project Manager
Date: November 9, 2022
Re: **Supplemental Resolution for the Mt. Calvary Senior Housing Tax Credit Project Resolution #2022-13**

Executive Summary

BHP closed the partnership agreement for the Mt. Calvary Senior Housing community on October 21, 2022. The closing was bifurcated into two parts to meet CHFA's State Affordable Housing Tax Credit milestone checklist, which was required to keep BHP's Rally project under consideration for a CHFA award in the current funding round. BHP currently anticipates the final financial closing for Mt. Calvary occurring on or around November 10, 2022.

The Board initially approved Resolution #2022-8 on July 13, 2022, which authorized BHP to enter into agreements and take actions related to the financing, construction, and development of Mt. Calvary. Due to new circumstances since the July Resolution, including but not limited to unprecedented construction cost increases, a supplemental closing resolution is necessary to advance the full financial closing on November 10.

Items addressed in the supplemental resolution include:

- Increased tax-credit equity from the investor.
- A new \$2,000,000 funding source from the City of Boulder will be loaned to the partnership by BHP.
- The removal of the City of Boulder CDBG funding source because of Rainbow Childcare discontinuing operations.
- An increased Guaranteed Maximum Price construction contract of \$22,042,935.

In support of our request to approve this supplemental resolution, we present full information on each item below.

Increased Construction Costs

BHP received final construction pricing from our general contractor for the project on October 18 which was approximately \$3.5 million over the originally anticipated budget. BHP worked closely with the contractor to find cost savings and value engineering options that reduced this increase to \$1.5 million over the anticipated budget. This resulted in a final GMP of \$22,042,935.

Increased City of Boulder Funding

As a result of the increased construction costs, additional funding sources were needed to balance the project's sources and uses. BHP worked with the City of Boulder to quickly identify an additional \$2,000,000 in City funding that would support the project. This funding will be provided to BHP as a grant from the city, which will then be loaned to the partnership by BHP to support the project.

Increase in LIHTC Equity

The increased construction costs also resulted in an increase in federal low-income tax credit equity from Enterprise. The new equity investment amount is \$18,277,708.

CDBG Childcare Funds

BHP was informed in late August by Rainbow Childcare that they would be discontinuing operations. Additionally, the renovation construction costs proved prohibitive to bringing the existing childcare space up to current code and licensing requirements. As a result, the City's CDBG funds were no longer eligible to support the project and the renovation scope for the childcare space has been altered to provide a very basic renovation that would allow a future tenant to finish the space. We plan to work with the City to attempt to find another child care provider that can provide affordable community child care for the space.

Staff Recommendation

This transaction supports several of BHP's strategic priorities including increasing affordable housing opportunities, supporting residents, strengthening communities, and the provision of permanently supportive housing.

Staff recommends that the Board approve Resolution #2022-13, to enable the closing of the full financial transactions for Mt. Calvary.

Action Requested

Approval of Resolution #2022-13.

HOUSING AUTHORITY OF THE CITY OF BOULDER, COLORADO

**RESOLUTION NO. #2022-13
SUPPLEMENTAL RESOLUTIONS OF THE BOARD OF
COMMISSIONERS RELATED TO THE ACQUISITION, FINANCING,
AND DEVELOPMENT OF MOUNT CALVARY SENIOR HOUSING**

The Housing Authority of the City of Boulder, Colorado, a body corporate and politic, d/b/a Boulder Housing Partners (“BHP”), desires to construct and operate a sixty-unit senior affordable housing development on land in South Boulder addressed as 3485 Stanford Court (“Property”) to be known as Mount Calvary Senior Housing and rehabilitate a historic sanctuary building on the Property (“Project”).

BHP’s Board of Commissioners (“Board”) approved Resolution #2022-8 on July 13, 2022, in which the Board authorized BHP to enter into agreements and take actions related to the financing, construction, and development of the Project (“July Resolutions”).

On October 21, 2022, BHP conveyed the Property to Mount Calvary LLLP (“Partnership”), of which an affiliate of BHP, Mount Calvary GP LLC, serves as the general partner (“General Partner”), and entered into other agreements in accordance with the July Resolution. However, due to new circumstances since the July Resolutions, the Board now desires to approve these Supplemental Resolutions.

Debt Financing

In the July Resolutions, the Board authorized \$475,000 of financing from the City of Boulder (“City”) from the federal Community Development Block Grant program to finance the rehabilitation of a portion of the historic sanctuary building (“CDBG Loan”). Since the July Resolution, the intended tenant for that space – Rainbow Child Care Center – has decided to discontinue operations. As such, the CDBG Loan is not available.

Because of construction cost increases, BHP entered into a loan commitment with the Partnership in which BHP agreed to provide up to \$2,000,000 of long-term subordinate financing to the Partnership (“Loan Commitment”). The City has committed to providing additional financing to cover all of the funds committed in the Loan Commitment. Until the additional financing commitment is made available to the Project from the City of Boulder, the Construction Lender requires BHP to escrow \$2,000,000, which amount BHP will fund from the Project’s paid developer fee, reimbursable expenses, and up to \$300,000 of cash as needed.

LIHTC Equity Financing

The July Resolution stated an affiliate of Enterprise Community Partners may contribute up to \$17,000,000 of equity investment (“Equity Investment”). The First Amended and Restated Agreement of Limited Partnership signed on October 21, 2022 (“Partnership Agreement”) provides for an Equity Investment of \$18,277,708.

Construction Contract

The July Resolutions authorized a construction contract with Taylor Kohrs LLC with a maximum price not to exceed \$20,500,000 (“Construction Contract”). Due to construction cost increases, the Construction Contract’s maximum price is \$22,042,935.

Resolutions

The undersigned, as the Secretary of the Board of Commissioners of BHP, certifies the Board adopted the following resolutions at a duly noticed and constituted meeting.

1. The Board ratifies the following acts of BHP, acting in its own capacity, in its capacity as manager of the General Partner, and in the General Partner's capacity as general partner of the Partnership: (i) entering into the Loan Commitment and escrowing funds; (ii) entering into the Partnership Agreement; and (iii) entering into the Construction Contract.
2. Except as modified by these Supplemental Resolutions, the July Resolutions remain in full force and effect.
3. Third parties may rely on these resolutions and any certificate executed by the Executive Director.
4. In adopting these resolutions, the Commissioners acknowledge they received due notice and hereby consent to the holding of the meeting at which the Board adopted these resolutions.
5. The Secretary or his designee shall retain a copy of this resolution in BHP's records.

(Remainder of this page intentionally left blank.)

CERTIFICATE OF RESOLUTION

I, Bob Walker, certify that I am the Chairperson of the Housing Authority of the City of Boulder, Colorado, and the Board of Commissioners approved the foregoing resolutions at a duly noticed meeting held on November [__], 2022.

Bob Walker
Chair, Board of Commissioners
Boulder Housing Partners
Housing Authority of the City of Boulder

Upcoming Conference & Training Opportunities

We encourage Commissioners to take advantage of the many professional development opportunities available to help deepen housing and community development knowledge. Please keep these conferences in mind in 2022 as great opportunities for learning and networking in your role as Commissioners. Please submit your training request to our Board Chair, Commissioner Walker, and he will work with staff to allocate Board training dollars equitably for registrations, hotel, and travel for local conferences.

By request, we are including a variety of options in addition to NAHRO. We have historically emphasized NAHRO's training because NAHRO is the only organization that is oriented to the unique interests of Housing Authority Commissioners and whose professional development learning aligns with the business of the Board, however, there are several other good choices.

NAHRO

- | | | |
|---|-------------------|-----------------|
| • Washington Conference | March 6-8, 2023 | Washington, DC |
| • Summer Symposium | July 14-15, 2023 | Washington, DC |
| • National Conference | October 6-8, 2023 | New Orleans, LA |

Housing Solution Summit

- | | | |
|---|-------------------|---------|
| • Implementing Collaborative Strategies | December 16, 2022 | Virtual |
|---|-------------------|---------|

National Community Reinvestment Coalition

- | | | |
|---|-------------------|----------------|
| • Just Economy Conference | March 29-30, 2023 | Washington, DC |
|---|-------------------|----------------|

NeighborWorks

- | | | |
|--------------------------------------|-----|-----|
| • Training Institute | TBA | TBA |
|--------------------------------------|-----|-----|

FUTURE BOARD ITEMS

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

	<u>Anticipated Date</u>
• Board Elections	December 2022
• 2023 Final Budget Approval	December 2022
• Lee Hill Annual Report & Good Neighbor Statement of Operations	December 2022
• Changes to Housing Choice Admin Plan	December 2022
• 2023 Legislative Overview	February 2023
• Integrated Project-Based Voucher (PBV) Team	February 2022
• Partnership Awards	March 2023
• Diagonal Land Conveyance	1 st Quarter 2023
• BHP Foundation Overview	April 2023
• Resident Services Overview	April 2023
• LIHTC Overview Presentation	April 2023
• Moving to Work Annual Report	April 2023
• Partnership Awards	June 2023
• Annual BHP Audit Review	June 2023
• Moving to Work Draft Activities	June 2023
• Moving To Work (MTW) Overview	2 nd Quarter 2023
• Partnership Awards	September 2023
• Housing Choice Voucher Payment Standards	September 2023
• Moving to Work (MTW) Annual Plan Draft	3 rd Quarter 2023
• Meet the BHP Departments (Rotating Basis)	As Time Allows

2022 Boulder Housing Partners Commissioners' Calendar

Date	Group	Time
JANUARY	BOARD RECESS	N/A
Wed. February 9	Board Meeting	9:00-11:30
Thurs. March 3	Quarterly NPG Committee	3:30-5:00
Mon. March 7	Finance Committee - 2021 Review	3:00-4:00
Mon. March 7	Development Committee (as needed)	4:00-5:00
Wed. March 9	Board Meeting	9:00-11:30
Mon. April 11	Development Committee (as needed)	4:00-5:00
Wed. April 13	Annual Board Meeting	9:00-11:30
Thurs. May 5	Special NPG Committee	3:30-5:00
Mon. May 9	Development Committee (as needed)	4:00-5:00
Wed. May 11	Board Meeting	9:00-11:30
Thurs. May 19	Special NPG Committee	3:30-5:00
Thurs. June 9	Quarterly NPG Committee	3:30-5:00
Mon. June 13	Finance Committee - Audit & Financials Review	3:00-4:30
Mon. June 13	Development Committee (as needed)	4:00-5:00
Wed. June 15	Board Meeting	9:00-11:30
Mon. July 11	Development Committee (as needed)	4:00-5:00
Wed. July 13	Board Meeting	9:00-11:30
AUGUST	BOARD RECESS	N/A
Thurs. September 8	Quarterly NPG Committee	3:30-5:00
Mon. September 12	Finance Committee - Financials Review	3:00-4:00
Mon. September 12	Development Committee (as needed)	4:00-5:00
Wed. September 14	Board Meeting	9:00-11:30
Wed. October 19	Board of Commissioners Retreat	8:30-3:30
Tues. November 7	Finance Committee - Draft 2023 Budget Review	3:00-4:00
Tues. November 7	Development Committee (as needed)	4:00-5:00
Wed. November 9	Board Meeting	9:00-11:30
Thurs. December 8	Quarterly NPG Committee	3:30-5:00
Mon. December 12	Finance Committee - Final 2023 Budget Review & Financials	3:00-4:00
Mon. December 12	Development Committee (as needed)	4:00-5:00
Wed. December 14	Board Meeting	9:00-11:30

2023 Boulder Housing Partners Commissioners' Calendar		
Date	Group	Time
JANUARY	BOARD RECESS	-----
Mon. February 6	Development Committee (as needed)	4:00-5:00
Wed. February 8	Board Meeting	9:00-11:30
Wed. March 1	Quarterly NPG Committee	3:30-5:00
Mon. March 6	Finance Committee – 2022 Financials Review	3:00-4:00
Mon. March 6	Development Committee (as needed)	4:00-5:00
Wed. March 8	Board Meeting	9:00-11:30
Mon. April 10	Development Committee (as needed)	4:00-5:00
Wed. April 12	Board Meeting	9:00-11:30
Wed. May 3	Special NPG Committee	3:30-5:00
Mon. May 15	Finance Committee –Financials Review	3:00-4:00
Mon. May 15	Development Committee (as needed)	4:00-5:00
Wed. May 17	Board Meeting	9:00-11:30
Wed. June 7	Quarterly NPG Committee	3:30-5:00
Mon. June 12	Finance Committee –Financials & Audit Review	2:30-4:00
Mon. June 12	Development Committee (as needed)	4:00-5:00
Wed. June 14	Board Meeting	9:00-11:30
Mon. July 10	Development Committee (as needed)	4:00-5:00
Wed. July 12	Board Meeting	9:00-11:30
AUGUST	BOARD RECESS	-----
Wed. September 6	Quarterly NPG Committee	3:30-5:00
Mon. September 11	Finance Committee – Financials Review	3:00-4:00
Mon. September 11	Development Committee (as needed)	4:00-5:00
Wed. September 13	Board Meeting	9:00-11:30
OCTOBER	BOARD RETREAT	TBA
Mon. November 6	Finance Committee – Financials & Draft 2023 Budget Review	3:00-4:00
Mon. November 6	Development Committee (as needed)	4:00-5:00
Wed. November 8	Board Meeting	9:00-11:30
Wed. December 6	Quarterly NPG Committee	3:30-5:00
Mon. December 11	Finance Committee – Financials & Final 2023 Budget Review	3:00-4:00
Mon. December 11	Development Committee (as needed)	4:00-5:00
Wed. December 13	Annual Board Meeting	9:00-11:30