



BOULDER
HOUSING
PARTNERS

BOARD OF COMMISSIONERS MEETING

November 8, 2023

*BHP Main Office
4800 N. Broadway
Boulder, CO 80304*





Board of Commissioners Meeting

Boulder Housing Partners
4800 N. Broadway, Boulder, CO 80304
November 8, 2023 | 9:00 AM - 11:30 AM

AGENDA

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11:30	Adjournment	



Reunión de la Junta de Comisionados

Boulder Housing Partners
4800 N. Broadway, Boulder, CO 80304
8 de noviembre de 2023 | 9:00 AM - 11:30 AM

AGENDA

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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
October 18, 2023 | 9:00 am
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 (ABSENT)	Frank Alexander	Claire Levy, Boulder County
Commissioner Bissonette	Jason Acuña	Commissioner
Commissioner Block	Karin Stayton	Annmarie Jensen, Director of
Commissioner Cooper (ABSENT)	Laura Sheinbaum	the East County Housing
Commissioner Lord (ABSENT)	Patricia Moreno	Opportunity Coalition
Commissioner Schoenfeld	Tim Beal	Mark Fearer
Commissioner Wallach	Tory Livingston	
	Will Kugel	

I. Call to order and Determination of a Quorum

Commissioner Walker called the meeting of the Board of Commissioners to order at 9:06 am. A quorum was declared.

II. Public Participation

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

Mark Fearer stated that there has not been any news regarding the Resident Representative Council (RRC). Jeremy Durham, Executive Director, said that the BHP team sent a letter to ‘Directly Assisted Individuals’ to see if there’s interest in participating and ensuring that we are in full compliance with HUD regulations. We had a robust response of 51 interested people, and the first meeting will be on October 30, 2023.

III. Approval of the Meeting Minutes

Consent agenda items approved:

1. Minutes from September 13, 2023

COMMISSIONER BISSONETTE MOVED TO APPROVE THE MINUTES FROM SEPTEMBER 13, 2023. COMMISSIONER WALLACH SECONDED THE MOTION. The motion to approve the minutes passed unanimously.

IV. Financial Dashboard

Will Kugel, Chief Financial Officer, went over the financial dashboard for August 2023 and answered questions from the Board.

Will mentioned that there are significant cost savings by doing certain maintenance tasks in-house rather than hiring an outside contractor. This system provides a more predictable way to handle painting, cleaning, landscaping, etc.

Will said that the financials are on track and in the next Finance Committee and Board meeting, we will discuss the 2024 budget.

V. Meeting Agenda

Administrative Plan Changes Due to HOTMA - Implementation Postponed to Comply with HUD Guidance

Karen Brunnemer, MTW and Federal Policy Director, presented the plan changes and answered questions from the Board.

Karen mentioned that our current goal is to implement HOTMA in October of 2024.

Resolution #2023-11 – 2024 Housing Choice Voucher (HCV) Payment Standards

Karen Brunnemer presented Resolution #2023-11 2024 Housing Choice Voucher Payment Standards and answered questions from the Board.

Karen mentioned that HCV Payment Standards are a tool used by Housing Authorities to manage their budgets and be able to provide as much assistance to people we serve. HUD publishes fair market rents on a yearly basis. The BHP team keeps our Payment Standards in line with Boulder County.

The payment standard is set between 90% and 110% of the Fair Market Rent (FMR). The FMR represents a rent estimate that includes the cost of shelter and utilities and is determined by HUD for various areas in the U.S. Typically, tenants pay 30% of their adjusted monthly income toward rent and utilities. The housing authority pays the remaining amount to the landlord up to the payment standard amount.

COMMISSIONER BISSONETTE MADE A MOTION TO APPROVE RESOLUTION #2023-11 2024 HOUSING CHOICE VOUCHER PAYMENT STANDARDS RESOLUTION. COMMISSIONER WALLACH SECONDED THE MOTION. The motion passed unanimously.

Update on Diagonal Plaza

Laura Sheinbaum, Chief Real Estate Officer, updated the Board on the Diagonal Plaza project and answered questions from the Board.

The BHP team is expecting an April 1, 2024 closing for the Diagonal Plaza project.

Resolution #2023-12 – 3300 Penrose Place Inducement Resolution

Laura Sheinbaum presented Resolution #2023-12 – 3300 Penrose Inducement Resolution and answered questions from the Board.

Laura mentioned that the resolution declares BHP's intent to issue up to \$38,000,000 in Private Activity Bonds (PABs) to help finance the construction of the project, establishes BHP as an entity legally authorized to issue bonds, states the basis and purpose of the bonds and the amount, cites the legislative and tax rationale, and authorizes us to move forward with the issuance of the PABs.

COMMISSIONER WALLACH MADE A MOTION TO APPROVE RESOLUTION #2023-12 3300 PENROSE PLACE INDUCEMENT RESOLUTION. COMMISSIONER BLOCK SECONDED THE MOTION. The motion passed unanimously.

2023 Boulder County Ballot Issues & Measures

Claire Levy, Boulder County Commissioner, and Annmarie Jensen, Director of the East County Housing Opportunity Coalition, answered questions on the 2023 Boulder County Issues & Measures, focusing on the housing bill.

Commissioner Levy addressed concerns about how funds will be allocated and shared among different communities within Boulder County. She emphasized that they view the funds as community money, meant to benefit all communities in Boulder County and that the exact process for allocation and distribution is still to be determined.

Annmarie advocated for a robust community engagement process that includes non-English speakers, immigrants, and people with disabilities. She believes in a community-driven approach rather than a top-down one.

COMMISSIONER BLOCK MADE A MOTION TO APPROVE THE SUPPORT OF BALLOT MEASURE 1B. COMMISSIONER BISSONETTE SECONDED THE MOTION. The motion passed unanimously.

VI. Board Matters

BHP Foundation Board Update

Commissioner Schoenfeld said that the BHP Foundation has scheduled a site tour for Thursday, October 19 in the afternoon. There are 25 participants scheduled to attend. This tour will serve to deepen the group's understanding of the housing and services provided throughout the BHP communities.

Announcements and Other Items from the Board

Commissioner Wallach mentioned that elections are coming up for Boulder City Council and there will be different assignments for next term.

Conference Opportunities

Commissioners are welcome to contact Jason Acuña if they are interested in attending any conference opportunities.

Future Board Items

There were no Future Board Items added.

VII. Adjourn

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

Seal
DATE: 10/18/2023

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 de la Junta de Comisionados
18 de octubre de 2023 | 9:00 am
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.

Commissioner Walker	Jeremy Durham	Otros Presente:
Commissioner Adler (AUSENTE)	Frank Alexander	Claire Levy, comisionada del
Commissioner Bissonette	Jason Acuña	condado de Boulder
Commissioner Block	Karin Stayton	Annmarie Jensen, directora de
Commissioner Cooper (AUSENTE)	Laura Sheinbaum	la Coalición de Oportunidades
Commissioner Lord (AUSENTE)	Patricia Moreno	de Vivienda del Este del
Commissioner Schoenfeld	Tim Beal	Condado
Commissioner Wallach	Tory Livingston	Mark Fearer
	Will Kugel	

I. Llamado al Orden y Determinación de un Quórum

El Comisionado Walker dio inicio a la reunión de la Junta de Comisionados a las 9:06 am. 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) en inglés y español.

Mark Fearer afirmó que no ha habido noticias sobre el Consejo de Representantes Residentes (RRC por sus siglas en inglés). Jeremy Durham, director ejecutivo, dijo que el equipo de BHP envió una carta a las "personas que reciben asistencia directa" para ver si hay interés en participar y garantizar que cumplimos plenamente con las regulaciones de HUD. Tuvimos una sólida respuesta de 51 personas interesadas y la primera reunión será el 30 de octubre de 2023.

III. Aprobación del Acta de la Reunión

Puntos de la agenda de consentimiento aprobados:

1. Acta del 18 de octubre de 2023

EL COMISIONADO BISSONETTE SE MOVIÓ PARA APROBAR EL ACTA DEL 13 DE SEPTIEMBRE DE 2023. EL COMISIONADO WALLACH APOYÓ LA MOCIÓN. La moción para aprobar el acta pasó por unanimidad.

IV. Tablero Financiero

Will Kugel, director financiero, repasó el panel financiero de agosto de 2023 y respondió las preguntas de la junta.

Will mencionó que existen importantes ahorros de costos al realizar ciertos trabajos de mantenimiento internamente en lugar de contratar a un contratista externo. Este sistema proporciona una forma más predecible de realizar tareas de pintura, limpieza, jardinería, etc.

Will dijo que las finanzas van por buen camino y en la próxima reunión del Comité de Finanzas y de la Junta discutiremos el presupuesto para 2024.

V. Agenda de la Reunión

Cambios en el plan administrativo debido a HOTMA: la implementación se pospuso para cumplir con la orientación del HUD

Karen Brunnemer, MTW y directora de políticas federales, presentó los cambios del plan y respondió las preguntas de la Junta.

Karen mencionó que nuestro objetivo actual es implementar HOTMA en octubre de 2024.

Resolución #2023-11 – Estándares de pago del Vale de Elección de Vivienda (HCV por sus siglas en inglés) 2024

Karen Brunnemer presentó la Resolución #2023-11 2024 Estándares de pago de vales de elección de vivienda y respondió preguntas de la Junta.

Karen mencionó que los Estándares de Pago de HCV son una herramienta utilizada por las Autoridades de Vivienda para administrar sus presupuestos y poder brindar la mayor asistencia a las personas a las que servimos. HUD publica anualmente los alquileres justos de mercado. El equipo de BHP mantiene nuestros estándares de pago en línea con los del condado de Boulder.

El estándar de pago se establece entre el 90% y el 110% del Alquiler Justo de Mercado (FMR por sus siglas en inglés). El FMR representa una estimación del alquiler que incluye el costo de la vivienda y los servicios públicos y lo determina el HUD para varias áreas de los EE. UU. Por lo general, los inquilinos pagan el 30% de sus ingresos mensuales ajustados para el alquiler y los servicios públicos. La autoridad de vivienda paga el importe restante al propietario hasta el importe estándar de pago.

EL COMISIONADO BISSONETTE PRESENTÓ UNA MOCIÓN PARA APROBAR LA RESOLUCIÓN #2023-11 RESOLUCIÓN DE ESTANDARES DE PAGO DE VALE DE ELECCIÓN DE VIVIENDA 2024. EL COMISIONADO WALLACH APOYÓ LA MOCIÓN. La moción fue aprobada por unanimidad.

Actualización sobre Diagonal Plaza

Laura Sheinbaum, directora inmobiliaria, actualizó a la Junta sobre el proyecto de Diagonal Plaza y respondió preguntas de la Junta.

El equipo de BHP espera el cierre del proyecto Diagonal Plaza el 1 de abril de 2024.

Resolución #2023-12 – Resolución de inducción de 3300 Penrose Place

Laura Sheinbaum presentó la Resolución #2023-12 – Resolución de Inducción de Penrose 3300 y respondió preguntas de la Junta.

Laura mencionó que la resolución declara la intención de BHP de emitir hasta \$38,000,000 en Bonos de Actividad Privada (PAB por sus siglas en inglés) para ayudar a financiar la construcción del proyecto, establece a BHP como una entidad legalmente autorizada para emitir bonos, establece la base y el propósito de los bonos y el monto, cita la justificación legislativa y fiscal, y nos autoriza a

seguir adelante con la emisión de los PAB.

EL COMISIONADO WALLACH PRESENTÓ UNA MOCIÓN PARA APROBAR LA RESOLUCIÓN #2023-12 3300 PENROSE PLACE RESOLUCIÓN DE INDUCCIÓN. EL COMISIONADO BLOCK APOYÓ LA MOCIÓN. La moción fue aprobada por unanimidad.

Temas y medidas electorales del condado de Boulder para 2023

Claire Levy, comisionada del condado de Boulder, y Annmarie Jensen, directora de la Coalición de Oportunidades de Vivienda del Este del Condado, respondieron preguntas sobre los Asuntos y Medidas del Condado de Boulder para 2023, centrándose en el proyecto de ley de vivienda.

La comisionada Levy abordó las preocupaciones sobre cómo se asignarán y compartirán los fondos entre las diferentes comunidades dentro del condado de Boulder. Enfatizó que ven los fondos como dinero comunitario, destinado a beneficiar a todas las comunidades del condado de Boulder y que el proceso exacto de asignación y distribución aún está por determinar.

Annmarie abogó por un proceso sólido de participación comunitaria que incluya a personas que no hablan inglés, inmigrantes y personas con discapacidades. Ella cree en un enfoque impulsado por la comunidad en lugar de uno de arriba hacia abajo.

EL COMISIONADO BLOCK PRESENTÓ UNA MOCIÓN PARA APROBAR EL APOYO DE LA MEDIDA ELECTRÓNICA 1B. EL COMISIONADO BISSONETTE APOYÓ LA MOCIÓN. La moción fue aprobada por unanimidad.

VI. Asuntos de la Junta

Novedades de la Fundación de la Junta

La comisionada Schoenfeld dijo que la Fundación BHP tiene programado un recorrido de sitios para el jueves 19 de octubre en horas de la tarde. Hay 25 participantes programados para asistir. Este recorrido servirá para profundizar la comprensión del grupo sobre las viviendas y los servicios brindados en las comunidades de BHP.

Anuncios y Otros Elementos de la Junta

El comisionado Wallach mencionó que se acercan las elecciones para el Concejo Municipal de Boulder y habrá diferentes asignaciones para el próximo mandato.

Oportunidades de Conferencias

Los comisionados pueden comunicarse con Jason Acuña si están interesados en asistir a alguna conferencia.

Elementos Futuros de la Junta

No se agregaron elementos del tablero futuro.

VII. Aplazar

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

Sello
FECHA: 18 de octubre de 2023

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

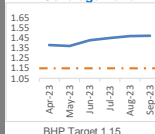
Boulder Housing Partners Benchmark Report as of September-2023

BHP Net Income

	YTD Actual	YTD Budget	% Diff
Income	47,337,067	41,924,678	13%
Expense	(27,149,636)	(27,673,291)	2%
	20,187,431	14,251,387	

Note: \$4.5M of revenue recorded (Freuhauf property) not budgeted.

BHP Debt Service Coverage Ratio



BHP Balance Sheet Summary

	Actual Sep-23	Actual Dec-22	Net Change YTD
Assets	351,798,780	331,668,599	20,130,181
Liabilities	(149,057,819)	(148,905,359)	(152,460)
Equity	202,740,961	182,763,240	19,977,721

BHP Quick Ratio

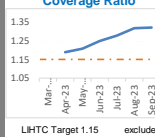


LIHTC Net Income

	YTD Actual	YTD Budget	% Diff
Income	11,090,613	10,509,495	6%
Expense	(19,154,285)	(18,839,641)	-2%
	(8,063,672)	(8,330,147)	

excludes Tantra Lake & Hilltop

LIHTC Debt Service Coverage Ratio

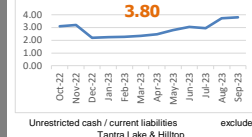


LIHTC Balance Sheet Summary

	Actual Sep-23	Actual Dec-22	Net Change YTD
Assets	246,921,407	254,951,686	(8,030,279)
Liabilities	(192,072,085)	(192,918,003)	845,918
Equity	54,849,322	62,033,683	(7,184,360)

excludes Tantra Lake & Hilltop

LIHTC Quick Ratio



Unrestricted cash / current liabilities
Tantra Lake & Hilltop exclude

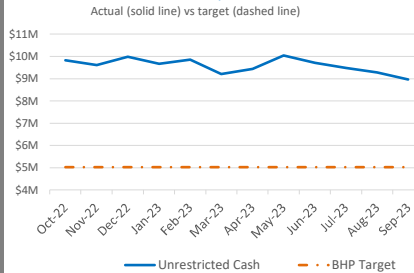
Work Orders - Emergency:

0.9 Average days to complete 1,962 work orders YTD

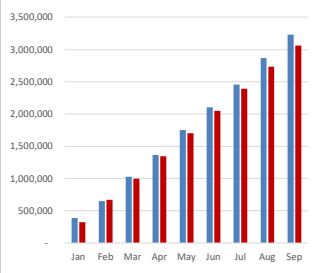
Work Orders - Routine:

4.5 Average days to complete 6,854 work orders YTD

BHP Unrestricted Cash, Last 12 Month

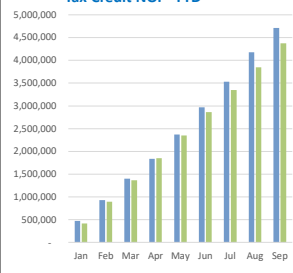


BHP NOI - YTD

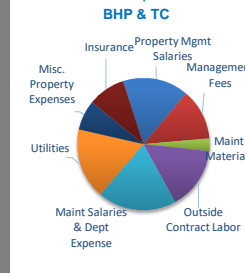


Excludes Tantra Lake and Hilltop from BHP NOI and TC NOI

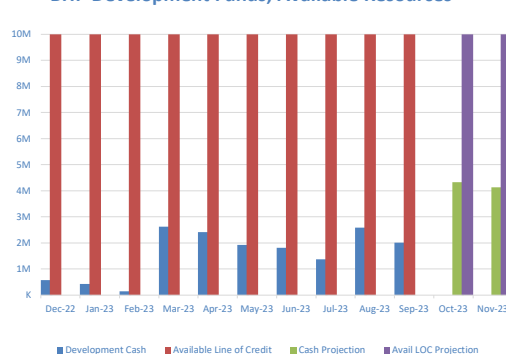
Tax Credit NOI - YTD



PUPA \$8573 BHP & TC



BHP Development Funds; Available Resources

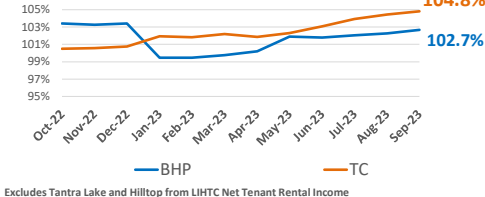


Operating Reserves

Current Operating Reserves
4,382,411
2023 Annualized Expenses
16,374,556

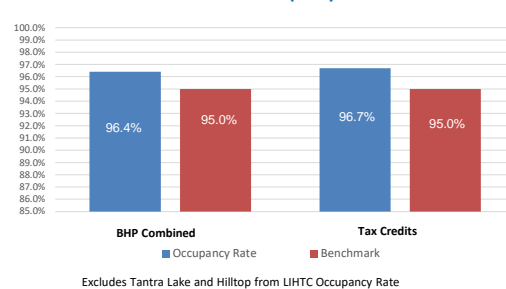
3.2 Months
of annual operating expenses are covered by the current operating reserves.
BHP Target is 2 Months

% of Budgeted Net Tenant Rental Income YTD



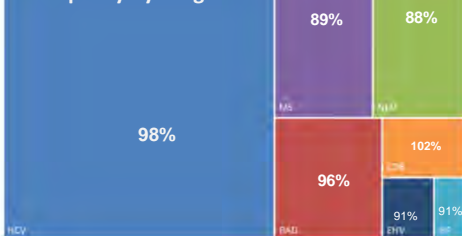
Excludes Tantra Lake and Hilltop from LIHTC Net Tenant Rental Income

BHP & LIHTC Occupancy Rates



Excludes Tantra Lake and Hilltop from LIHTC Occupancy Rate

Housing Choice Voucher Occupancy by Program



Housing Choice Voucher Programs;

- HCV - 802 Housing Choice Vouchers
- RAD - 135 Rental Assistance Demonstration Vouchers
- NED - 181 Non-Elderly Disabled Vouchers
- MS - 188 Mainstream (10 additional vouchers added as of February 2023)
- HFP - 22 Housing First Vouchers
- COB - 48 COB PSH Vouchers
- EHV - 35 Emergency Housing Vouchers

Unit Mix

	AMI	BHP	LIHTC
Public Housing		14	
Vouchers	54		524
30%	12		19
40%	57		53
45%	-		16
50%	109		167
60%	118		312
Market	142		-
Total		506	1091
All Units		1,597	

Unique Households Served

2406



MEMO

To: Board of Commissioners
From: Karen Brunnemer, MTW and Federal Policy Director
Date: November 8, 2023
Re: 2024 MTW Annual Plan – Final Plan

Moving to Work Program

In the Moving to Work (MTW) Program, we are required to submit an annual plan proposing the initiatives we wish to implement. The final MTW Annual Plan is due to HUD by November 15, 2023, which will be approved by the Board at the meeting on November 8, 2023. The draft was released for public review on October 6, 2023.

We held a virtual meeting specifically for the participants in the Family Self-Sufficiency (FSS) Program on October 4 to review the changes to the escrow calculations. No participants attended this meeting. FSS staff from Boulder County Housing Authority did attend this meeting and agreed with the changes. A flyer was created in English and Spanish that went out to all current participants explaining the changes and requesting feedback. We did not receive any feedback.

We held a public hearing on October 24, 2023, there were no attendees at this hearing. We held an initial Resident Advisory Board meeting on October 30. The changes were presented, and a few comments were made, which have been taken into consideration.

There are three amendments to current activities for 2024:

- Next available voucher request – the time frame to reside at the property before being able to request the next available voucher will be extended to 36 months after the initial date of occupancy at a Project-Based Voucher (PBV) community.
- PBV over-income limit for a voucher – families whose income reaches 60% of the Area Median Income will be provided with the next available voucher and will need to leave the PBV unit after 6 months which would allow a family with a higher need to move into the unit with project-based voucher assistance.
- Family Self-Sufficiency escrow amounts – we are increasing the amounts of escrow that can be earned for both goals achieved, and escrow earned based on earned income included in the rent calculation.

The approved plan will be submitted to HUD on November 9, 2023, for final approval. Activities cannot be implemented until we have received HUD approval.

Action Requested

Approval of Resolution 2023-13/Certification of Compliance to approve Boulder Housing Partners' 2024 Moving to Work Annual Plan.

CERTIFICATIONS OF COMPLIANCE

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF PUBLIC AND INDIAN HOUSING**

**Certifications of Compliance with Regulations:
Board Resolution to Accompany the Annual Moving to Work Plan**

Acting on behalf of the Board of Commissioners of the Moving to Work Public Housing Agency (MTW PHA) listed below, as its Chair or other authorized MTW PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the MTW PHA Plan Year beginning (01/01/2024), hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

- (1) The MTW PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the MTW PHA conducted a public hearing to discuss the Plan and invited public comment.
- (2) The MTW PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
- (3) The MTW PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1 (or successor form as required by HUD).
- (4) The MTW PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
- (5) The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
- (6) The Plan contains a certification by the appropriate state or local officials that the Plan is consistent with the applicable Consolidated Plan.
- (7) The MTW PHA will affirmatively further fair housing by fulfilling the requirements set out in HUD regulations found at Title 24 of the Code of Federal Regulations, including regulations in place at the time of this certification, and any subsequently promulgated regulations governing the obligation to affirmatively further fair housing. The MTW PHA is always responsible for understanding and implementing the requirements of HUD regulations and policies, and has a continuing obligation to affirmatively further fair housing in compliance with the 1968 Fair Housing Act, the Housing and Community Development Act of 1974, The Cranston-Gonzalez National Affordable Housing Act, and the Quality Housing and Work Responsibility Act of 1998. (42 U.S.C. 3608, 5304(b)(2), 5306(d)(7)(B), 12705(b)(15), and 1437C-1(d)(16)). The MTW PHA will affirmatively further fair housing by fulfilling the requirements at 24 CFR 903.7(o) and 24 CFR 903.15, which means that it will take meaningful actions to further the goals identified in its Analysis of Impediments to Fair Housing Choice(AI),Assessment of Fair Housing (AFH), and/or other fair housing planning documents conducted in accordance with the requirements of 24 CFR Part 5, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR 903.7(o), and will address impediments to fair housing choice identified in its AI, AFH, and/or other fair housing planning documents associated with any applicable Consolidated or Annual Action Plan under 24 CFR Part 91.
- (8) The MTW PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975 and HUD's implementing regulations at 24 C.F.R. Part 146.
- (9) In accordance with 24 CFR 5.105(a)(2), HUD's Equal Access Rule, the MTW PHA will not make a determination of eligibility for housing based on sexual orientation, gender identity, or marital status.
- (10) The MTW PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
- (11) The MTW PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 75.

- (12) The MTW PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
- (13) The MTW PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
- (14) The MTW PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
- (15) The MTW PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- (16) The MTW PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the MTW PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
- (17) With respect to public housing and applicable local, non-traditional development the MTW PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
- (18) The MTW PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
- (19) The MTW PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
- (20) The MTW PHA will comply with the policies, guidelines, and requirements of 2 CFR Part 225 (Cost Principles for State, Local and Indian Tribal Governments) and 2 CFR Part 200.
- (21) The MTW PHA must fulfill its responsibilities to comply with and ensure enforcement of Housing Quality Standards, as defined in 24 CFR Part 982 or as approved by HUD, for any Housing Choice Voucher units under administration.
- (22) The MTW PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
- (23) All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the MTW PHA in its Plan and will continue to be made available at least at the primary business office of the MTW PHA.

Boulder Housing Partners
MTW PHA NAME

CO016
MTW PHA NUMBER/HA CODE

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct. WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

Bob Walker
NAME OF AUTHORIZED OFFICIAL

Board of Commissioners Chair
TITLE

SIGNATURE

DATE

*** Must be signed by either the Chairman or Secretary of the Board of the MTW PHA's legislative body. This certification cannot be signed by an employee unless authorized by the MTW PHA Board to do so. If this document is not signed by the Chairman or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.**

MEMO

To: Board of Commissioners
From: Jeremy Durham, Executive Director
 Will Kugel, Chief Financial Officer
 Tory Livingston, Director of Finance
Date: November 6, 2023
Re: **DRAFT - 2024 Boulder Housing Partners Budget**

Section 1 - Overview

We present our 2024 budget for review at both the Finance Committee meeting, Monday, November 6th and at the Board Meeting, Wednesday, November 8th.

The BHP draft budget for calendar year 2024 below shows all the activities associated with BHP and the tax credit functions.

Total Organization Summary	BHP	Total Tax Credits	Total ALL
Total Operating Revenue	\$ 34,342,108	\$ 19,150,190	\$ 53,492,298
Salaries and Benefits	\$ 9,426,532	\$ 1,609,293	\$ 11,035,825
Total Property Costs	\$ 3,097,071	\$ 7,233,554	\$ 10,330,625
Total Operating Costs	\$ 22,948,011	\$ 2,242,506	\$ 25,190,517
Total Operating Expense	\$ 35,471,614	\$ 11,085,354	\$ 46,556,967
Net Operating Income / (Loss)	\$ (1,129,506)	\$ 8,064,837	\$ 6,935,331
Non Operating Income and (Expense)	\$ 12,740,712	\$ (20,522,150)	\$ (7,781,437)
Total NET INCOME / (LOSS)	\$ 11,611,207	\$ (12,457,313)	\$ (846,106)
Net Increase to Cash	\$ 4,639,637	\$ 2,118,593	\$ 6,758,230
Units	506	1,091	1,597
Vouchers	1,419	-	1,419

Section 2 - Key Budget Assumptions

In building the proposed budget for 2024 the following assumptions were used.

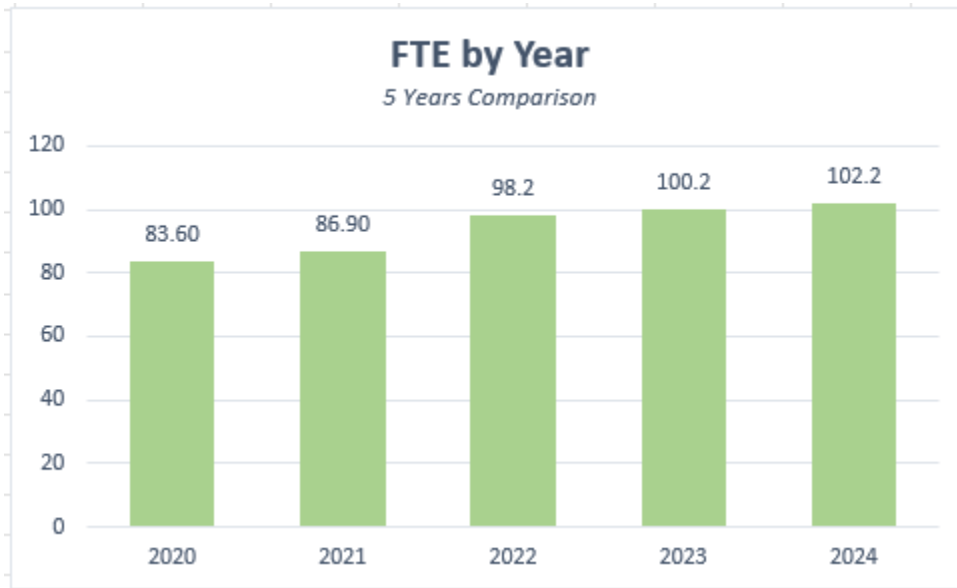
Revenue:

- A 94% occupancy was assumed for all non-senior housing properties.
- A 95% occupancy was assumed for all senior housing properties.

Expenditures:

- A 3% BHP staffing vacancy was assumed across the organization.
- A 4% merit pool was included in the 2024 budget.
- A 1% year-end staff bonus pool was included.
- Added 1.0 FTE for Human Resources in 2024.

- Added 1.0 FTE for Resident Services in 2024 (grant funded).
- Added 2.0 FTE for Voucher Programs in 2024.
- Removed 2.0 FTE from Maintenance team that were added as placeholders in 2023. (Technical adjustment and change has no impact on operational staffing.)



General:

- All Workforce and tax credit properties are budgeted to comply with DSCR requirements.
- The 2024 budget does not include any normal operational activities associated with Rally Flats, or Diagonal Plaza, as they are under construction in 2024.
- Hilltop (60 units) will begin operations in 2024. (Lease-up and Stabilization phase.)

Section 3 - BHP 2024 Budget (Tax Credits Excluded)

The 2024 budget presentation is built on the format that has been presented to the BHP Finance Committee during each scheduled meeting. The goal moving forward is to center the budget discussion around this format then each monthly update in 2024 to the Finance Committee will be based on the same format. Within this format the focus is on BHP activities broken down into three main activity centers, **BHP Operating Budget, Voucher Programs Budget** and then **Non-operating Budget**. The 2024 summary budget for these areas and detailed in exhibit #1, is in the table below. At the November 6th Finance Committee meeting, the group will discuss exhibit #1 in detail.

BHP Budget Summary	2024 BHP Budget	2023 BHP Budget	Change from 2023 to 2024	% Change
Operations				
Total Operating Revenue	\$ 15,078,647	\$ 14,401,271	\$ 677,376	4.7%
Salaries and Benefits	\$ 8,252,700	\$ 7,646,927	\$ 605,772	7.9%
Total Property & Operating Costs	\$ 7,631,858	\$ 7,505,084	\$ 126,774	1.7%
Total Operating Expense	\$ 15,884,557	\$ 15,152,012	\$ 732,546	4.8%
Net Operating Income / (Loss) (Operations)	\$ (805,910)	\$ (750,740)	\$ (55,170)	7.3%
Voucher Programs				
Total Voucher Revenue	\$ 19,263,461	\$ 18,496,352	\$ 767,109	4.1%
Total Voucher Expenses	\$ 19,587,056	\$ 18,546,979	\$ 1,040,077	5.6%
Net Operating Income / (Loss) (Voucher Prog)	\$ (323,595)	\$ (50,627)	\$ (272,968)	539.2%
Non-Operating				
Non Operating Income and (Expense)	\$ 12,740,712	\$ 21,916,435	\$ (9,175,723)	-41.9%
BHP In Total				
Net Income before Gain (loss) Acq. /Disp. of Assets	\$ 11,611,207	\$ 21,115,067	\$ (9,503,861)	-45.0%
Gain (Loss) on Acq./Disp. of Assets	\$ -	\$ (1,250,000)	\$ 1,250,000	-100.0%
Total Net Income (Loss)	\$ 11,611,207	\$ 19,865,067	\$ (8,253,861)	-41.5%

Note: The non-operating activity within the BHP budget encompasses the following items and activities:

- Non-cash items like depreciation and amortization costs,
- Developer fee revenue earned by BHP for tax credit developments,
- Interest income earned on BHP loans to tax credit properties,
- One-time property transactions (e.g., sale of property)
- Non-federal grants to BHP that are then loaned into a tax credit partnership. (Development Activity)
- Spending on non-capital items from existing BHP reserves.
- Pre-development spending on potential new tax credit projects. (Development Activity)

Section 4 - BHP 2024 Budget (Tax Credits Excluded) – Cash Flow

A critical part of the BHP budget process is monitoring the cash flow in the three main activity centers of operations, voucher programs and non-operating activities. The 2024 Budget is designed to maximize cash flow in each area and to access reserves in a strategic manner when necessary. The table below is a summary of the cash flow for each activity area and the details of the projected cash flow are presented in **exhibit #2**.

BHP Cash Flow Summary		
	2024 Budget	2023 Budget
Operations Activities (Details in Exhibit #2)	\$ 495	\$ 354,288
Voucher Program Activities	\$ (323,595)	\$ (50,627)
Non-Operating Activities (Details in Exhibit #2)	\$ 4,962,738	\$ 6,812,028

Cash Flow:

BHP places a high priority on cash flow for all aspects of the organization. Below are some highlights on cash flow.

- BHP Operations Cash Flow
 - As seen in exhibit 2, the cash flow for operations based on the 2024 budget is essentially neutral. This was a planned approach for the 2024 budget. The 2024 budget was built using much more conservative occupancy assumption (94% multi-family and 95% at senior sites). The goal is to clearly outperform this occupancy threshold and as a result generate excess cash flow.
- Voucher Programs
 - The voucher programs are planning to utilize past administrative fees collected by BHP but not spent to fund costs beyond earned revenues in 2024. The program will utilize these unspent funds in 2024 to stabilize the voucher team and establish a sustainable fiscal approach for 2025.
- BHP Non-Operating Cash Flow (Development)
 - The development activity (non-operating) typically generates significant cash flow to BHP. In 2024 the major contribution to the positive cash flow for the non-operating section is the expected sale of the Arapahoe Court site, approximately \$2.3M in developer fees for Tantra Lake, and additional developer fees for Diagonal Plaza (\$650K) and Hilltop (\$430K).

Section 5 - Tax Credit Budgets for 2024

At the end of 2023 BHP will be the general partner and .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:

- An average vacancy rate of 5.8% is budgeted for 2024.
- Average rent increases range from 4% to 17% for 2024. The increases above 4% are due to increased payment standards across the LIHTC properties.
- Overall insurance increased 24%, Property accounted for 28% of this increase, General Liability insurance increased 12% and the Umbrella insurance policy increased about 12% for Tax Credit entities (excluding Tantra, which was under Builders Risk policies due to construction in 2022-2023).

A detailed budget for each property is included as **Exhibit 3**. These properties are separate legal entities and therefore never consolidated into the financial statements of BHP.

Section 6 - Critical Notes & Discussion Points for BHP 2024 Budget

This section highlights a number of key items in the 2024 budget. These items are intended to be discussion points during the 2024 budget process.

Operations:

- Utilities – BHP includes in utilities water, sewer, electricity and gas. The 2024 budget reflects a \$41K or approximately 35% increase over the 2023 budget, which aligns with increased rates for these services.
- Insurance costs – BHP has budgeted \$571K in insurance premiums for 2024, which is an \$80K or 16% increase from 2023. The main contributors to the increase were:
 - Property - \$28K or 10%.
 - BHP purchased excess property policies for \$39K. These are new policies for 2024.
 - BHP purchased a SAM policy for \$21K. This is a new policy for 2024.
- Major cost drivers for BHP operations:
 - HOA dues/fees are expected to increase an average 8% or \$29K for the 4 BHP properties with an HOA.
 - BHP anticipates an increase in software costs for added system implementations within Yardi of \$58K. Other software and general IT equipment are budgeted at \$214K for 2024. These combined items result in a 22% increase over 2023.

Non-Federal Capital Grants & Donations:

- This category in the non-operating section of the budget changes significantly from year to year. Typically, this revenue each year is linked to grants received by BHP for specific tax credit projects and other one-time transactions. BHP typically takes the grants related to specific tax credit projects and then creates a loan to the project with the funds. The amount budgeted for 2024 is \$9,118,833.
 - \$6,118,333 for the City of Boulder – Inclusionary Housing Funds for Diagonal Plaza
 - \$500,000 in a Worthy Cause award for Diagonal Plaza
 - \$2,500,000 related to the sale of Arapahoe Court.

Tax Credit Events in 2024:

- Tantra Lake is expected to stabilize operations in late 2023 and convert to a permanent loan in 2024. BHP will receive a developer fee payment (cash) of approximately \$2.3M in 2024 related to the third and fourth equity installments for Tantra Lake.
- Rally Flats is expected to be under construction for most of 2024. Hilltop (60 units) will begin operations in 2024. Hilltop will likely be in the lease-up/stabilization phase of operations through most of 2024 and enter permanent operational phase in late 2024 or early 2025.
- The Hilltop project is expected to complete construction in the second half of 2024. The Hilltop developer fee is estimated at \$430K. This fee would be both earned and received in 2024.
- The Diagonal Plaza project is expected to close in the first half of 2024. This will result in an initial developer fee of \$650K that will be both earned and received in 2024 by BHP.

Public Housing:

- BHP is expecting to sell the Arapahoe Court site in mid-2024. This will end public housing units within the BHP portfolio. BHP has budgeted an estimated \$2.5M gain on sale associated with this disposal.

Section 7 – Questions for the Board

- Budget Assumptions (Section 2) – **Does the board have any feedback on the budget assumptions outlined in section 2 of this document?**
- Operating Reserve Requirement – **Does the Board support Operating Reserve target of \$2,750,000 and Replacement Reserve target of \$3,500 per unit consistent with prior years?**
- Insurance Reserve – **Does the Board support continuing the separate Insurance Reserve that currently exceeds \$900,000 to mitigate risk due to higher insurance deductibles.**

List of Attachments

Exhibit #1	BHP 2024 Budget by Activity Center (Operating, Voucher Activities, & Non-operating) / comments
Exhibit #2	Cash Flow for BHP Operating and Non-operating activities.
Exhibit #3	Tax Credit 2024 Budgets
Exhibit #4	Moving to Work Overview
Exhibit #5	Non-MTW Voucher Programs
Exhibit #6	Workforce Properties Overview (BHP Properties)
Exhibit #7	BHP Organization Debt Summary
Exhibit #8	BHP Reserves Summary
Exhibit #9	2024 Budget Process Notes

Exhibit #1

Boulder Housing Partners
 Statement of Activities
 2024 Budget

	2024 Budget	2023 Budget	Variance \$	% Var	Comments
OPERATIONS					
REVENUE (Excludes HAP)					
Operations Revenue					
Tenant Dwelling Rental	\$ 9,088,491	8,548,349	\$ 540,142	6%	In general rent for 2024 in increasing in the 3% to 5% range. Additional revenue is being recognized with grant standard changes as well.
HUD-Operating Subsidy	4,500	11,000	(6,500)	-59%	Anticipating decline due to sale of Araphoe Court.
Total Operations Revenue	9,092,991	8,559,349	533,642	6%	
Fee Revenue					
Property Mgmt & Asset Mgmt Fees	609,319	603,369	5,951	1%	
Mgmt Fees - Tax Credits	1,582,910	1,367,391	215,519	16%	Higher revenues within the properties is driving increased fees to BHP.
Resident Service Income	489,242	494,433	(5,191)	-1%	
Total Fee Revenue	2,681,471	2,465,193	216,278	9%	
Grants and Subsidies					
Non Federal Grants and Donations	144,998	145,482	(484)	0%	
Non Federal Capital Grants	-	-	-		
Federal Operating Grants	-	95,508	(95,508)	-100%	These are capital funds associated with public housing. These are anticipated to stop in 2024.
Total Grants and Subsidies	144,998	240,990	(95,992)	-40%	
Other Revenue					
Tenant Fees and Utility Reimbursements	215,254	189,062	26,192	14%	
Bank Deposit Interests	179,217	1,406	177,811	12647%	Increase in interest earned on deposit accounts.
Maint Charges to Prop	2,672,744	2,845,544	(172,800)	-6%	Small decrease associated with true up of the budgets for the maintenance team.
Miscellaneous Revenue	91,973	99,728	(7,755)	-8%	
Total Other Revenue	3,159,187	3,135,740	23,447	1%	

	2024 Budget	2023 Budget	Variance \$	% Var	Comments
Total Operating Revenue	15,078,647	14,401,271	677,376	5%	
EXPENSES (Excludes HAP)					
Salaries and Benefits					
Salaries and Benefits	8,252,700	7,646,927	605,772	8%	General increase in costs associated with merit increase, staff salary changes in 2023 and benefit cost changes.
Property Costs					
Maintenance Materials	233,172	252,815	(19,643)	-8%	2024 budget decrease to align with expected usage. Increase in estimate of contractual cost in 2024 based
Contract Labor & Repairs	913,706	777,583	136,123	18%	increases to contract rates and increase in usage in some categories.
BHP Contract Labor	781,949	854,561	(72,611)	-8%	This budget is set to align with the costs of the maintenance team spread across the portfolio, including the tax credits. As the tax credit properties grow, BHP incurs less of an expense, assuming no change in team size.
Extraordinary Expense	16,392	183,609	(167,217)	-91%	A change in approach for 2024. Extraordinary items are part of the capital planning process and use of property reserves when at all possible.
Trash and Recycling	128,887	130,870	(1,983)	-2%	
Utilities	642,176	600,504	41,672	7%	2024 budget is set to align with expected costs.
PILOT & HOA Fees	380,788	354,411	26,377	7%	2024 budget assumes a 7% increase in HOA fees.
Total Property Costs	3,097,071	3,154,353	(57,283)	-2%	
Other Operating Expenses					
Consultants & Contract Labor	205,729	226,099	(20,370)	-9%	The consulting budget was reduced in 2024 to better reflect usage.
Dues and Fees	95,362	87,641	7,722	9%	General increase in dues and fees across the agency.
Software & Expendable Equipment	451,901	367,904	83,997	23%	Increase in budgeted in 2024 or reflect increase modules within Yardi.
Insurance Expense	561,318	481,784	79,533	17%	In general insurance costs increased about 17% for 2024.
Interest Expense	8,831	256	8,575	3349%	Increase in expected interest expense on tenant security deposits held by BHP.
Legal	71,000	68,507	2,493	4%	
Mileage & Vehicle Expense	193,563	171,083	22,480	13%	Increase in vehicle budget to better align with actual costs.
Miscellaneous - Expense	285,690	261,790	23,900	9%	
Mortgage Interest Expense	1,618,655	1,650,019	(31,365)	-2%	

	2024 Budget	2023 Budget	Variance \$	% Var	Comments
Bond Fees	78,439	91,695	(13,256)	-14%	This cost varies from year-to-year. The 2024 budget reflect expected cost based on current costs. (Broadway East)
Office Supplies & Other Administrative Expenses	58,241	63,189	(4,948)	-8%	Decrease related to alignment of actual usage.
Phone, Printing & Postage Expense	210,808	193,766	17,042	9%	Increase related to the alignment of actual usage.
Property Mgmt & Asset Mgmt Fees	501,138	503,337	(2,199)	0%	
Resident Services Fees	30,116	33,840	(3,724)	-11%	Change related to fees not charged to Arapahoe Court in 2024.
Staff Training	148,996	137,321	11,675	9%	Budget is aligned to the expected need in 2024.
Sustainability Grant Expense	15,000	12,500	2,500	20%	Different grants and amounts between the two years.
Total Other Operating Costs	4,534,787	4,350,731	184,056	4%	
Total Operating Expenses	15,884,557	15,152,012	732,546	5%	
Net Operating Income; Property Mgmt	(805,910)	(750,740)	(55,170)	7%	

	2024 Budget	2023 Budget	Variance \$	% Var	Comments
Voucher Programs; Federal & Local					
Housing Assistance Programs (HAP):					
Voucher Revenue					
HCV - HAP Revenue	16,307,115	15,451,360	855,755	6%	Revenue is a projection based on current awards.
Federal Service Grants & Local Voucher Funding	1,544,570	1,689,495	(144,925)	-9%	Revenue is a projection based on current awards.
Total Voucher Revenue	17,851,685	17,140,855	710,830	4%	
Voucher Expenses					
HCV-HAP Expense	16,334,475	15,451,360	883,115	6%	
Federal Service Grant Expense & Local Voucher paymer	1,526,570	1,671,495	(144,925)	-9%	
Total Voucher expense	17,861,045	17,122,855	738,190	4%	
HAP - Net Operating Income	(9,360)	18,000	(27,360)	-152%	
Admin program:					
Admin Revenue					
HCV-HAP Admin Fees	1,411,776	1,355,497	56,279	4%	
Total Admin Revenue	1,411,776	1,355,497	56,279	4%	
Admin Expenses					
Salaries and Benefits	1,173,832	869,986	303,846	35%	Increase in 2.0 FTEs charged to program, plus expected merit amounts in 2024.
Management Fees	414,468	408,533	5,935	1%	
HQS Inspections	48,000	62,100	(14,100)	-23%	
Other Admin Expenses	89,711	83,505	6,206	7%	
Total Admin expense	1,726,011	1,424,124	301,887	21%	
Admin - Net Operating Income	(314,235)	(68,627)	(245,608)	358%	
Net Operating Income; Voucher & Admin programs	(323,595)	(50,627)	(272,968)	539%	

	2024 Budget	2023 Budget	Variance \$	% Var	Comments
Non-Operating Income (Expense)					
Non Federal Capital Grants	-	-	-		
Development Fees	2,748,208	5,508,536	(2,760,328)	-50%	This budget will change from year to year depending on when developer fee revenue is earned. Note not all fees earned in this category are cash in the door to BHP.
Interest Income	4,249,862	3,921,347	328,514	8%	Interest earned on soft debt from LIHTCs increasing. Tantra Lakes is a significant contributor to this change in 2024.
Non-Federal Capital Grants & Donations	9,118,333	14,969,776	(5,851,443)	-39%	2024 Budget set to account for Diagonal Plaza financing and sale of Arapahoe Court.
Federal Capital Grants	-	523,992	(523,992)	-100%	Due to the sale of Arapahoe Court, federal capital grants are expected to stop in 2024.
Depreciation & Amortization	(2,430,813)	(2,325,117)	(105,697)	5%	
Non-Capital Reserve Spending	(679,877)	(392,100)	(287,777)	73%	2024 budget set to expected spending levels.
PreDevelopment costs	(265,000)	(265,000)	-	0%	
Financing Costs; refi mortgages	-	(25,000)	25,000	-100%	2024 budget assumes no refinance costs.
Total Non-Operating Income (Expense)	12,740,712	21,916,435	(9,175,723)	-42%	
Net Income before Gain (loss) Acq. /Disp. of Assets					
	11,611,207	21,115,067	(9,503,861)	-45%	
Gain (Loss) on Acq./Disp. of Assets	-	(1,250,000)	1,200,000		
TOTAL NET INCOME (LOSS)	11,611,207	19,865,067	(9,108,040)	-46%	

Exhibit 2 - BHP Operations Cash Flow Estimates 2024 Budget

	2024	2023	Notes
Net Operating Income	\$ (805,910)	\$ (750,740)	
Adjustments to Operating Cash:			
General Adjustments			
Replacement Reserves Contribution	\$ (365,441)	\$ -	These are contributions to the replacement reserves for the workforce properties. There is no revenue or expense on the income statement, so a negative cash adjustment is needed.
Other Adjustments LIHTC Interest Earned	\$ (28,259)		
Loan Payments (BHP Properties)	\$ (991,343)	\$ (962,215)	This is a negative cash adjustment for the mortgage payment on BHP properties. (Principal Only)
2024 Revenue Maximization / Cost Savings Plans Implementation	\$ 200,000		Organizational changes, revenue maximization, and cost savings adjustments in 2024 outside the established Operations budget.
Allocation of Additional Cash Revenues & Contributions to Operating Fund	\$ 300,000		
Total General Adjustments	\$ (885,043)	\$ (962,215)	
Estimated Deferred Developer Fee Payments from LIHTCs to BHP in 2024:			
Deferred Developer Fee - Boulder Communities	\$ 267,217		These are deferred developer fees paid via cash flow from the LIHTCs.
Deferred Developer Fee - Palo	\$ 67,247		
Deferred Developer Fee - Ciclo	\$ 2,538		
Deferred Developer Fee - 30Pearl	\$ 212,181		
Deferred Developer Fee - MadisonWoods	\$ 63,636		
Deferred Developer Fee - Boulder Communities (Interest)	\$ 16,133		
Deferred Developer Fee - HighMar (Interest)	\$ 634		
Deferred Developer Fee - Palo (Interest)	\$ 1,298		
Deferred Developer Fee - Canopy (Interest)	\$ 2,317		
Deferred Developer Fee - 30Pearl (Interest)	\$ 15,702		
Deferred Developer Fee - MadisonWoods (Interest)	\$ 28,137		
Estimate of Deferred Developer Fee Tantra Lake	\$ 391,082		
2023 Budgeted DDF to BHP		\$ 1,076,407	
Total Deferred Development Fee Payments	\$ 1,068,122	\$ 1,076,407	
Estimated Payments on Soft Debt from LIHTC to BHP in 2024:			
Payment on Debt to BHP (Principal) - Broadway West	\$ 69,795		This is interest and principal payments paid to BHP on soft debt from the LIHTCs paid via annual cash flow calculation.
Payment on Debt to BHP (Principal) - Red Oak Park	\$ 12,880		
Payment on Debt to BHP (Principal) - West View	\$ 76,578		
Payment on Debt to BHP (Principal) - Lee Hill	\$ 39,663		
Payment on Debt to BHP (Interest) - Red Oak Park	\$ 40,073		
Payment on Debt to BHP (Interest) - WestView	\$ 28,155		
Payment on Debt to BHP (Interest) - High Mar	\$ 154,295		
Payment on Debt to BHP (Interest) - West End	\$ 201,887		
2023 Payment on Debt Principal		\$ 656,101	
2023 Interest from DDF and Debt Notes		\$ 334,735	
Total Payments on Soft Debt	\$ 623,326	\$ 990,836	
Total Adjustments	\$ 806,405	\$ 1,105,028	
Total Estimated Cash Flow	\$ 495	\$ 354,288	

Exhibit 2 - BHP Non-Operating (Development) Cash Flow Estimates 2024 Budget

	2024	2023	Notes
Net Operating Income	\$ 12,740,712	\$ 21,916,435	
Adjustments to Non-Operating Cash:			
General Adjustments			
Replacement Reserved Cash	\$ 365,441		
Depreciation & Amortization	\$ 2,436,377	\$ 2,325,117	
Notes Interest Receivable LIHTC - Non Current	\$ (4,249,862)	\$ (3,920,987)	This is interest earned and accrued on soft debt, but not paid to BHP.
Hilltop developer fee	\$ (2,070,441)		This will be the estimated revenue earned in 2024, but cash is not received.
Diagonal Plaza Land (non-cash)	\$ -	\$ (6,800,000)	
Tantra Lake developer fee payment	\$ 2,358,843		Fee earned in prior years, received in 2024.
Diag Plaza Worthy Cause Grant & Diag Plaza COB IH Rally Flats grants; COB IH, BC Worthy Cause; CDOH, ARPA	\$ (6,618,333)	\$ (5,250,000)	
Tantra Lake second tranche of \$5.5m funding		\$ (2,750,000)	
Tantra Lake developer fee at Construction completion		\$ (4,317,536)	
Total Adjustments	\$ (7,777,975)	\$ (20,713,407)	
Total Estimated Cash Flow	\$ 4,962,738	\$ 1,203,028	

Exhibit #3 - 2024 Tax Credit Budgets	Boulder Communities	30 Pearl	Broadway West	Canopy @ Red Oak Park	Ciclo	West End Communities	High Mar	Lee Hill
Operations Revenue								
Tenant Dwelling Rental	\$ 4,250,532	\$ 2,012,997	\$ 404,635	\$ 698,899	\$ 655,347	\$ 2,226,495	\$ 922,005	\$ 599,476
Tenant Fees	4,150	3,600	100	1,500	3,500	820	190	250
Interest Income	6,800	12,000	1,742	-	600	-	-	3,186
Laundry Revenue	9,120	-	3,000	-	4,500	4,500	-	1,200
Tenant Work Order Charges	200	600	100	500	100	150	75	100
Tenant Reimb - Utilities	-	104,473	-	-	7,130	-	24,356	-
Miscellaneous Revenue	148	31	13	20	19	61	29	17
Total Revenue	\$ 4,270,950	\$ 2,133,701	\$ 409,590	\$ 700,919	\$ 671,196	\$ 2,232,026	\$ 946,655	\$ 604,229
Operating Expenses								
Salaries and Benefits	\$ 382,518	\$ 164,524	\$ 35,729	\$ 56,212	\$ 52,099	\$ 159,040	\$ 80,891	\$ 155,810
Property Costs								
Management Fees	\$ 255,032	\$ 139,776	\$ 32,351	\$ 44,706	\$ 41,859	\$ 141,084	\$ 50,712	\$ 51,161
Maintenance Materials	90,081	13,500	4,699	8,000	6,008	18,984	16,964	9,800
Contract Labor & Repairs	485,949	112,094	46,544	48,150	32,794	104,308	57,864	109,566
BHP Contract Labor	507,066	200,651	48,969	65,525	22,426	184,935	107,432	53,670
Extraordinary Maintenance	-	-	-	-	-	-	-	-
Trash & Recycling	90,882	40,120	8,984	14,739	8,344	24,200	8,000	5,598
Utilities	470,978	256,381	50,250	39,675	76,626	144,951	104,931	49,244
HOA Fees	-	-	-	-	58,848	-	-	-
Total Property Costs	\$ 1,899,988	\$ 762,522	\$ 191,797	\$ 220,795	\$ 246,906	\$ 618,463	\$ 345,903	\$ 279,039
Operating Costs								
Audit Fees	\$ 9,360	\$ 8,410	\$ 9,360	\$ 9,360	\$ 8,410	\$ 11,590	\$ 9,360	\$ 9,360
Background Checks	500	1,600	250	-	400	1,250	250	-
Bad Debt Expense	50,667	2,500	5,000	3,500	1,000	3,500	4,000	2,997
Bank Fees	-	-	-	-	-	-	250	-
Community Center Expense	1,000	200	-	-	-	-	-	-
Consultants	24,250	9,500	3,250	3,950	1,150	5,650	1,550	1,700
Dues & Fees, net of Tax Credit Investor Service Fee	2,000	29,500	3,165	14,218	9,310	34,321	350	-
Insurance Expense	256,243	129,582	25,380	46,253	45,540	128,064	50,314	26,686
Interest Expense, Security Deposits	2,309	1,300	380	490	725	1,028	517	-
Legal Expense	15,000	10,000	500	1,000	500	1,500	500	-
Mileage & Parking	300	100	100	100	-	100	100	-
Community Events	500	250	-	-	-	500	12,000	1,500
Office Supplies & equipment	4,260	1,160	252	1,630	982	2,884	2,482	752
Phone & Internet Expense	29,892	9,504	5,568	5,472	5,088	12,468	5,808	5,520
Printing Expense	1,500	450	-	300	-	900	300	300
Res Svc Fee Exp	200,400	-	-	14,760	-	72,384	47,850	-
RRC	3,375	-	-	-	-	348	-	-
Resident Services; Service Reserve Expenditures	-	84,926	-	-	-	-	-	-
Total Operating Costs	\$ 601,556	\$ 288,981	\$ 53,205	\$ 101,033	\$ 73,105	\$ 276,487	\$ 135,631	\$ 48,816
Total Operating Expenses	\$ 2,884,062	\$ 1,216,027	\$ 280,732	\$ 378,041	\$ 372,110	\$ 1,053,989	\$ 562,425	\$ 483,665
Net Operating Income	\$ 1,386,888	\$ 917,674	\$ 128,858	\$ 322,878	\$ 299,086	\$ 1,178,037	\$ 384,230	\$ 120,564
Other (Expense) Income								
Amortization Expense	\$ (24,494)	\$ (36,148)	\$ (2,191)	\$ (14,759)	\$ (10,827)	\$ (28,148)	\$ (6,204)	\$ (2,269)
Depreciation	(2,861,275)	(1,836,617)	(271,046)	(626,183)	(516,833)	(1,402,625)	(445,438)	(241,469)
Note Interest Expense	(1,336,097)	(446,495)	-	(193,471)	(38,931)	(359,575)	(101,185)	(25,000)
Mortgage Interest Expense	(488,484)	(583,221)	(38,197)	(176,234)	(189,775)	(734,520)	(132,181)	-
Tax Credit Investor Service Fee	(4,434)	(11,255)	(1,815)	(5,628)	(4,277)	(5,628)	(5,000)	(5,040)
TOTAL NET (LOSS) INCOME	\$ (3,327,895)	\$ (1,996,062)	\$ (184,390)	\$ (693,396)	\$ (461,558)	\$ (1,352,459)	\$ (305,778)	\$ (153,213)
Adjustments for Cash Basis								
PLUS:								
Amortization and Depreciation	\$ 2,877,223	\$ 1,853,315	\$ 273,236	\$ 631,461	\$ 521,300	\$ 1,413,372	\$ 448,396	\$ 243,738
Interest on Soft Debt Notes	1,336,097	446,495	-	193,471	38,931	359,575	101,185	25,000
Partnership Investment	4,434	11,255	1,815	-	4,277	5,627	5,000	5,040
LESS:								
Debt Principal	(316,228)	(231,873)	(25,822)	(62,831)	(58,620)	(233,206)	(98,107)	-
Replacement Reserves Funding (net)	(149,432)	45,588	(9,438)	(13,441)	(12,457)	(39,168)	(19,823)	(11,625)
Bonds Payable	8,546	19,450	-	9,481	6,360	17,401	3,246	-
Net Increase to Cash	\$ 432,744	\$ 148,168	\$ 55,401	\$ 64,744	\$ 38,233	\$ 171,142	\$ 134,119	\$ 108,940
DSCR	1.54	1.18	1.87	1.29	1.15	1.18	1.58	
Expense Coverage Ratio								1.22

Exhibit #3 - 2024 Tax Credit Budgets	Palo Park	Red Oak Park	Madison Woods	Tantra	WestView	Total TC (excluding Hilltop)
Operations Revenue						
Tenant Dwelling Rental	\$ 524,217	\$ 897,885	\$ 1,660,369	\$ 3,311,088	\$ 570,267	\$ 18,734,212
Tenant Fees	1,150	1,000	2,175	9,500	1,450	29,385
Interest Income	1,648	13,008	600	-	2,378	41,962
Laundry Revenue	-	250	-	4,500	-	27,070
Tenant Work Order Charges	120	200	300	3,000	100	5,545
Tenant Reimb - Utilities	31,759	-	-	143,796	-	311,514
Miscellaneous Revenue	-	17	34	83	30	502
Total Revenue	\$ 558,894	\$ 912,360	\$ 1,663,478	\$ 3,471,967	\$ 574,225	\$ 19,150,190
Operating Expenses						
Salaries and Benefits	\$ 47,986	\$ 80,891	\$ 93,230	\$ 253,641	\$ 46,722	\$ 1,609,293
Property Costs						
Management Fees	\$ 42,181	\$ 57,312	105,981	\$ 215,154	\$ 35,555	\$ 1,212,865
Maintenance Materials	5,509	16,000	20,249	33,000	15,367	258,161
Contract Labor & Repairs	50,704	88,856	136,830	206,129	38,881	1,518,669
BHP Contract Labor	58,811	97,067	117,580	321,557	54,805	1,840,494
Extraordinary Maintenance	-	-	-	42,135	-	42,135
Trash & Recycling	10,164	30,600	33,300	61,246	6,716	342,893
Utilities	72,554	101,500	162,750	251,289	43,809	1,824,938
HOA Fees	-	-	-	134,552	-	193,400
Total Property Costs	\$ 239,923	\$ 391,335	\$ 576,690	\$ 1,265,061	\$ 195,133	\$ 7,233,554
Operating Costs						
Audit Fees	\$ 9,360	\$ 9,360	\$ 9,360	\$ 8,410	\$ 9,360	\$ 121,060
Background Checks	-	300	750	-	-	5,300
Bad Debt Expense	2,621	4,500	11,500	35,000	2,851	129,637
Bank Fees	-	250	100	-	-	600
Community Center Expense	-	-	250	-	-	1,450
Consultants	2,300	1,600	3,370	12,550	3,750	74,570
Dues & Fees, net of Tax Credit Investor Service Fee	-	300	11,550	-	-	104,715
Insurance Expense	41,693	64,709	76,366	176,039	34,091	1,100,960
Interest Expense, Security Deposits	376	987	1,252	2,275	518	12,157
Legal Expense	-	300	6,000	-	-	35,300
Mileage & Parking	-	100	200	-	-	1,100
Community Events	-	550	650	-	-	15,950
Office Supplies & equipment	3,982	1,002	1,754	600	600	22,340
Phone & Internet Expense	4,080	4,320	11,340	9,600	4,200	112,860
Printing Expense	300	300	320	300	-	4,970
Res Svc Fee Exp	15,127	22,656	36,888	-	-	410,065
RRC	-	-	825	-	-	4,548
Resident Services; Service Reserve Expenditures	-	-	-	-	-	84,926
Total Operating Costs	\$ 79,840	\$ 111,234	\$ 172,475	\$ 244,773	\$ 55,370	\$ 2,242,506
Total Operating Expenses	\$ 367,749	\$ 583,460	\$ 842,395	\$ 1,763,475	\$ 297,225	\$ 11,085,354
Net Operating Income	\$ 191,146	\$ 328,900	\$ 821,083	\$ 1,708,492	\$ 277,000	\$ 8,064,837
Other (Expense) Income						
Amortization Expense	\$ (9,345)	\$ (31,155)	\$ (20,010)	\$ (41,365)	\$ (9,596)	\$ (236,509)
Depreciation	(371,368)	(391,973)	(1,089,360)	(1,852,567)	(233,976)	(12,140,730)
Note Interest Expense	(613)	(39,387)	(665,946)	(1,009,555)	(20,366)	(4,236,620)
Mortgage Interest Expense	(80,092)	(158,036)	(380,639)	(762,860)	(114,267)	(3,838,507)
Tax Credit Investor Service Fee	(6,269)	(12,482)	-	(7,957)	-	(69,784)
TOTAL NET (LOSS) INCOME	\$ (276,542)	\$ (304,132)	\$ (1,334,872)	\$ (1,965,811)	\$ (101,204)	\$ (12,457,313)
Adjustments for Cash Basis						
PLUS:						
Amortization and Depreciation	\$ 375,369	\$ 396,533	\$ 1,095,072	\$ 1,866,100	\$ 235,299	\$ 12,230,414
Interest on Soft Debt Notes	613	39,387	665,946	1,009,555	20,366	4,236,620
Partnership Investment	6,269	12,482	-	-	-	56,199
LESS:						
Debt Principal	(58,056)	(70,976)	(161,776)	(303,392)	(75,025)	(1,695,913)
Replacement Reserves Funding (net)	(12,527)	(25,236)	(22,292)	(57,165)	(12,342)	(339,358)
Bonds Payable	5,344	26,595	(44,584)	27,832	8,273	87,943
Net Increase to Cash	\$ 40,470	\$ 74,652	\$ 197,494	\$ 577,119	\$ 75,366	\$ 2,118,593
DSCR	1.29	1.33	1.47	1.55	1.40	
Expense Coverage Ratio						

Exhibit #4 – Moving to Work

4.1. General Description

Moving to Work	
Program	Units/Vouchers
Public Housing	
Arapahoe Court	14
Total PH:	14
Section 8 (HCVP)	
HCVP	945

MTW is currently composed of 945 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.

4.2. Financial Summary

MOVING TO WORK PROGRAMS	Public Housing/CFP	S8 HCVP	MTW Admin	2024 Total Budget	Rolling 12 months actuals; Sept. 2022 - Aug. 2023	Diff
Total Rental/HAP Income	25,067	\$ 12,039,236	\$ 50	\$ 12,064,353	\$ 14,160,486	\$ (2,096,133)
Total Expenses	(85,112)	\$ (12,423,671)	\$ -	\$ (12,508,783)	\$ (11,462,939)	\$ (1,045,844)
Net Income (Loss)	(60,045)	(384,435)	50	(444,430)	2,697,547	(3,141,977)
Adjustments for Cash Basis						
Plus:						
Amortization & Depreciation	3,974	\$ -	\$ -	\$ 3,974	\$ 9,528	\$ (5,554)
Capital Grants	-	\$ -	\$ -	\$ -	\$ -	\$ -
MTW Reserves	-	\$ -	\$ -	\$ -	\$ -	\$ -
Less:						
Fixed Asset Expenditures	-	\$ -	\$ -	\$ -	\$ -	\$ -
Net Operating Transfers	-	\$ -	\$ -	\$ -	\$ (2,500,000)	\$ 2,500,000
Net Increase (Decrease) to Cash	(56,071)	\$ (384,435)	\$ 50	\$ (440,456)	\$ 207,075	\$ (647,532)

4.3. Budget Assumptions

- Housing Choice Voucher Housing Assistance Payments (HAP) funding based on 2023 budget authority and forecasted HAP expense for 2024.
- Housing Choice Voucher administrative fee funding based on estimated vouchers leased and an assumption of 92% proration of published rates based on HUD notices.

Exhibit #5 – Non-MTW Voucher Programs

5.1. General Description

Non MTW Voucher Programs	Vouchers
Mainstream	188
NED	181
EHV	35
Housing First	22
City of Boulder	48
Total Non-MTW Vouchers:	474
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 Lee Hill and Holiday.

The Non-MTW Voucher Programs consists of vouchers and grant programs funded by HUD and the locally funded vouchers from the City of Boulder, that are 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.

5.2. Financial Summary

NON-MTW VOUCHER AND GRANT PROGRAMS	2024 Total	Rolling 12 months actuals; Sept. 2022 - Aug. 2023	Diff
Total Revenue	\$ 7,248,402	\$ 7,342,900	\$ (94,498)
Total Expenses	\$ (7,248,385)	\$ (7,194,180)	\$ (54,205)
Net Income (Loss)	\$ 17	\$ 148,720	\$ (148,703)
Net Increase (Decrease) to Cash	\$ 17	\$ 148,720	\$ (148,703)

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 2024. 2023's actuals reflect a positive \$148,720 impact on cash due to catch up funding for Emergency Housing Voucher program and funding of the Mainstream programs.
- 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 increased number of Mainstream and MTW vouchers.
- Service grant funding is consistent with 2023's actuals for the SNAP grant program.

Exhibit #6 – BHP Workforce Properties

6.1. General Description

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

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

Financial Summary

BHP Workforce Budget	2024 BUDGET Workforce	Rolling 12 months actuals; Sept. 2022 - Aug. 2023	Change in Income Increase (Decrease)	%
Operating Revenue	\$ 9,234,008	\$ 8,660,573	\$ 573,435	7%
Operating Expenses	\$ (4,560,524)	\$ (4,563,384)	\$ 2,860	0%
Operating Transfers to COCC	\$ -		\$ -	0%
Net Operating Income	\$ 4,673,484	\$ 4,097,189	\$ 576,295	14%
Capital Grants	\$ -	\$ 12,288,720	\$ (12,288,720)	-100%
Interest Income	\$ 51,508	\$ 43,948	\$ 7,560	17%
Depreciation Expense	\$ (2,202,214)	\$ (2,150,000)	\$ (52,214)	2%
Non Capital Reserve Spending	\$ (595,877)	\$ (228,953)	\$ (366,924)	
Mortgage and Other Interest Expense	\$ (1,695,972)	\$ (1,683,638)	\$ (12,334)	1%
Gain (Loss) on Sale of Capital Assets	\$ -	\$ 1,297,983	\$ (1,297,983)	-100%
Total Non-Operating Rev/Exp	\$ (4,442,555)	\$ 9,568,059	\$ (14,010,614)	-146%
Net Income	\$ 230,929	\$ 13,665,248	\$ (13,434,319)	-98%
Adjustments to Operating Cash				
Plus:				
Amortization & Depreciation	\$ 2,202,214	\$ 2,150,000	\$ 52,214	2%
Non Capital Expenditures funded by Reserves	\$ 595,877	\$ 228,953	\$ 366,924	
Less:			\$ -	
Fixed Asset Expenditures	\$ -	\$ (12,288,720)	\$ 12,288,720	-100%
Gain (loss) on Sale of Assets; Bluff non cash	\$ -	\$ (1,297,983)	\$ 1,297,983	
Replacement Reserves Funding	\$ (181,116)	\$ (181,116)	\$ -	0%
Debt Principal	\$ (991,343)	\$ (952,014)	\$ (39,330)	4%
Contribution to Operating Cash	\$ 1,856,560	\$ 1,324,369	\$ 532,191	40%

The Workforce portfolio is showing a budgeted net income of \$230,929 and a positive cash contribution after adjustments for depreciation, debt principal payments, and reserve funding from cash flow of \$1,856,560.

6.2. Budget Assumptions

- The rolling 12 months actuals reflects no new acquisitions of units identified at this time.

Affordable Units:

- Rent increases at affordable units reflect a range of increase from 4% to 17%. Note this is related to both general increase to rents and the move to the higher payment standards.

Market-Rate Units:

- Currently, Boulder Housing Partners operates 142 market-rate rental units spread over 4 properties. Rent increases for market-rate units are budgeted at 4.5% - 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 \$573,435 as compared with trailing 12 months actuals. This amount includes market rate increases.
- Vacancy Loss
 - All affordable units are projected at an average of 5.8% vacancy.
 - Market-Rate units are budgeted at 6%, consistent with our operating history and a relatively conservative projection in this market.

Exhibit #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 @ 12/31/2023	Annual Debt service 2024
**Arap East, Dak Ridge, Midtown, Sanitas Pl, Twin Pines	3.30%	4/1/2031	\$ 7,200,000	\$ 6,664,994	\$ 349,530
***Hayden Pl, Whittier	3.85%	7/1/2027	\$ 1,436,265	\$ 1,242,789	\$ 98,070
Hayden Place 2	4.20%	8/1/2027	\$ 600,000	\$ 493,657	\$ 35,524
Cedar & Casey	3.25%	2/1/2028	\$ 2,449,358	\$ 2,133,267	\$ 117,887
Foothills	3.25%	8/31/2028	\$ 7,000,000	\$ 5,147,618	\$ 367,345
Trout Fams	3.97%	6/1/2029	\$ 3,362,052	\$ 3,074,207	\$ 182,647
Bridgewalk	3.86%	4/1/2032	\$ 23,460,000	\$ 20,274,616	\$ 1,224,859
Vistoso	4.79%	12/1/2047	\$ 600,000	\$ 512,981	\$ 38,086
Broadway East	Variable	9/1/2024	\$ 1,715,000	\$ 1,339,140	\$ 145,860
Holiday	3.67%	7/1/2031	\$ 2,720,000	\$ 2,525,971	\$ 139,167
		Totals	\$ 50,542,675	\$ 43,409,240	\$ 2,698,975

* BHP also has a line of Credit with FirstBank for \$10 million at a rate of 6.75% collateralized by the office building at 4800 Broadway and 2037 Walnut. The LOC matures 4/1/2026.

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 income which is used to (1) fund replacement reserves, (2) support the Central Office Cost Center (COCC), and (3) fund operating reserves.

Exhibit #8 – BHP Reserves Information

8.1 BHP Operating Reserves

BHP Operating Reserves - Unrestricted	2024 Budget	2025 Projected	2026 Projected	2027 Projected	2028 Projected
Operating Reserves - Projected Beginning Balance	\$ 3,539,079	\$ 3,539,574	\$ 3,564,574	\$ 3,589,574	\$ 3,614,574
Sources:					
Cash Surplus/Deficit from Operations	\$ 495	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Total Sources	\$ 495	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Uses:					
Total Uses	\$ -	\$ -	\$ -	\$ -	\$ -
Balance - End of Year	\$ 3,539,574	\$ 3,564,574	\$ 3,589,574	\$ 3,614,574	\$ 3,639,574
Designations:					
Board Designated Reserve	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000
Surplus /(Deficit) vs Reserve Goal	\$ 789,574	\$ 814,574	\$ 839,574	\$ 864,574	\$ 889,574

BHP recommends maintaining operating reserves at \$2,750,000 based on the 2024 operating budget which provides greater than 2 months of operating cash for BHP.

8.2 . Development Equity Fund

During the year as development opportunities arise, the Finance Committee and Board of Commissioners review and approve activity 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:

2024	\$ 8,206,482
2025	\$ 4,081,996

8.3 . Replacement Reserves

BHP Replacement Reserves - Unrestricted	2024 Budget	2025 Projected	2026 Projected	2027 Projected	2028 Projected
Projected Beginning Balance	\$ 3,773,888	\$ 4,203,004	\$ 2,420,248	\$ 2,349,364	\$ 2,303,480
Sources:					
Capital Reserve addition; Tax Credit cash flow	\$ 200,000	\$ 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	\$ 429,116	\$ 429,116	\$ 429,116	\$ 429,116	\$ 429,116
Uses:					
Capital Needs - Workforce Properties (estimate)		\$ 2,070,872	\$ 400,000	\$ 400,000	\$ 400,000
Capital Needs - COCC (estimate)		\$ 141,000	\$ 100,000	\$ 75,000	\$ 75,000
Total Uses	\$ -	\$ 2,211,872	\$ 500,000	\$ 475,000	\$ 475,000
Balance - End of Year	\$ 4,203,004	\$ 2,420,248	\$ 2,349,364	\$ 2,303,480	\$ 2,257,596
Designations:					
Board Designated Reserve	\$ 1,722,000	\$ 1,771,000	\$ 1,617,000	\$ 1,617,000	\$ 1,358,000
Surplus /(Deficit) vs Reserve Goal	\$ 2,481,004	\$ 649,248	\$ 732,364	\$ 686,480	\$ 899,596

Our current funding levels averaging \$368 per unit per year for 2024 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 are appropriate for these units. We recommend a Board target of \$3,500 per unit for 2024

8.4 . MTW Operating Reserves

MTW Operating Reserves (restricted to MTW)*	2024 Budget	2025 Projected	2026 Projected	2027 Projected	2028 Projected
MTW Operating Reserve - Beginning Balance	\$ 1,122,224	\$ 701,768	\$ 621,768	\$ 541,768	\$ 461,768
Sources:					
Net 2024 Operating budget	\$ (440,456)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)
Total Sources	\$ (440,456)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)
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	\$ 701,768	\$ 621,768	\$ 541,768	\$ 461,768	\$ 381,768

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 \$1,122,224. Attrition of approximately \$100,000 will be used annually after the disposition of public housing, due to the elimination of Capital Funds Program that currently supports the MTW program expenses.

8.5 . 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 2023.

- \$467,438 in tenant security deposits fluctuates per resident move-ins or move-outs and property acquisitions.
- \$439,385 for non-MTW voucher programs (NED /Mainstream/COB) funds which can only be used for housing assistance payments:
 - The COB prepaid a full year of funds \$921,875 in 2023 and we anticipate the same funding to occur in 2024. As of September 2023, \$354,263 funds remain from the 2023 prepayment.
 - NED (non-Elderly Disabled) and Mainstream programs; These programs are underspent by \$8,729 HAP revenue in excess of expense. This typical timing for HUD to fund HAP at the current spend levels.

8.6 . Insurance Reserve: 2023 - \$843,331

Natural disasters continue to drive insurance industry economics, resulting in higher premium costs. To mitigate the risk of the higher deductibles, including \$25,000 deductible for Property and General Liability policies, a \$25,000 deductible for Pollution policy, \$100,000 deductible for meth and mold, 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.

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.

Exhibit #9 – Budget Design and Process Overview

9.1. 2023 Budget Design

BHP designs the budget framework so each program has an established activity area with the budget. HUD requires BHP to account for all MTW programs and related net assets separately from Non-MTW HUD programs and BHP programs.

The following chart provides the details of what is included in each program.

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	188	Holiday	49
Total PH:	14	NED	181	2037 Walnut	26
Section 8 (HCVP)		EHV	35	Arapahoe East	11
HCVP	945	Housing First	22	Cedar / Casey	19
		City of Boulder	48	Bridgewalk	123
		Total Non MTW:	474	Broadway East	44
				Dakota Ridge	13
				Foothills	74
				Hayden Place 1&2	30
				Midtown	13
				Sanitas Place	12
				Twin Pines	22
				Trout Farms	31
				Vistoso	15
				Whittier Apts	10
				Total Workforce Units	492
				Central Office Cost Center	
				Administration/IT	Property Management
				Finance	Resident Services
				Development	Maintenance
				Human Resources	Sustainability
				Asset Management	4800 Broadway Building
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				

SUMMARY	BHP Owned Units	Tax Credit Units	Total Units	Vouchers	Total Units and Vouchers
Total Portfolio 2024	506	1091	1597	1419	3016
Total Portfolio 2023	506	1091	1597	1401	2998
Increase (decrease)	0	0	0	18	18

9.2. Assumption Relating to New Units

Unit changes included in 2024:

- 8 vouchers for Section 8's Housing Choice Voucher Program (HCVP)
- 10 vouchers for the non-MTW program, Mainstream

9.3. Budget Process

The 2024 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 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 2024 Budget will adopt all documents by reference.

9.4. 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 are applicable 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 use of reserves as specified in the Reserves exhibit.
- 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 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 here 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.

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 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 offerings by the National Association of Housing and Redevelopment Officials (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.

Housing Colorado

- [Annual Conference](#) October 9-11, 2024 Keystone, CO

NAHRO

- [Washington Conference](#) April 8-10, 2024 Washington, DC
- [CO NAHRO Annual Conference](#) May 7-10, 2024 Vail, CO
- [National Conference](#) Sept. 26-28, 2024 Orlando, FL

NAHRO Professional Development

- [Roles & Responsibilities of Commissioners](#) December 7, 2023 Virtual
- [DEI & Community Readiness Series](#) December 14, 2023 Virtual
- [HOTMA Overview](#) December 14, 2023 Virtual

NeighborWorks

- [Training Institute](#) TBA TBA

PHADA (Public Housing Authorities Directors Association)

- [2024 Commissioners' Conference](#) January 7-10, 2024 San Diego, CA

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>
• Housing Choice Voucher Administrative Plan	December 2023
• Insurance	December 2023
• 2024 Final Budget Approval	December 2023
• Board Elections	December 2023
• Lee Hill Annual Report & Good Neighbor Statement of Operations	February 2023
• Partnership Awards	March 2024
• 2023 Moving to Work Annual Report	March 2024
• Diagonal Plaza Closing	March 2024
• Board of Commissioners Retreat	April 2024
• Electronic Applications for Housing	1 st Quarter 2024
• Arapahoe Court Disposition	1 st Quarter 2024
• Partnership Awards	June 2024
• Moving to Work Draft Activities	June 2024
• Arapahoe Court Sale	3 rd Quarter 2024
• 2025 Budget Draft	November 2024
• Lee Hill Annual Report & Good Neighbor Statement of Operations	December 2024
• 2025 Final Budget Approval	December 2024
• Board Elections	December 2024
• Sustainability Planning	As Time Allows

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
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
Thurs. March 9	Quarterly NPG Committee	2:00-3:30
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
Wed. October 18	Board Meeting	9:00-11:30
Mon. November 6	Finance Committee – Financials & Draft 2024 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
Fri. November 17	NPG Committee	10:30-11:30
Mon. December 11	Finance Committee – Financials & Final 2024 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

2024

Boulder Housing Partners Commissioners' Calendar

Date	Group	Time
JANUARY	BOARD RECESS	-----
Mon. February 5	Development Committee (as needed)	4:00-5:00
Wed. February 7	Board Meeting	9:00-11:30
Mon. March 11	Finance Committee – 2023 Financials Review	3:00-4:00
Mon. March 11	Development Committee (as needed)	4:00-5:00
Wed. March 13	Board Meeting	9:00-11:30
Thurs. March 14	Quarterly NPG Committee	2:00-3:30
Wed. April 10	Board Retreat	9:00-3:30
Wed. May 1	Special NPG Committee	3:30-5:00
Mon. May 13	Finance Committee –Financials Review	3:00-4:00
Mon. May 13	Development Committee (as needed)	4:00-5:00
Wed. May 15	Board Meeting	9:00-11:30
Wed. June 5	Quarterly NPG Committee	3:30-5:00
Mon. June 10	Finance Committee –Financials & Audit Review	2:30-4:00
Mon. June 10	Development Committee (as needed)	4:00-5:00
Wed. June 12	Board Meeting	9:00-11:30
Mon. July 8	Development Committee (as needed)	4:00-5:00
Wed. July 10	Board Meeting	9:00-11:30
AUGUST	BOARD RECESS	-----
Wed. September 4	Quarterly NPG Committee	3:30-5:00
Mon. September 9	Finance Committee – Financials Review	3:00-4:00
Mon. September 9	Development Committee (as needed)	4:00-5:00
Wed. September 11	Board Meeting	9:00-11:30
Mon. September 30	Development Committee (as needed)	4:00-5:00
Wed. October 9	Board Meeting	9:00-11:30
Tues. November 12	Finance Committee – Financials & Draft 2025 Budget Review	3:00-4:00
Tues. November 12	Development Committee (as needed)	4:00-5:00
Wed. November 13	Board Meeting	9:00-11:30
Wed. December 4	Quarterly NPG Committee	3:30-5:00
Mon. December 9	Finance Committee – Financials & Final 2025 Budget Review	3:00-4:00
Mon. December 9	Development Committee (as needed)	4:00-5:00
Wed. December 11	Annual Board Meeting	9:00-11:30