



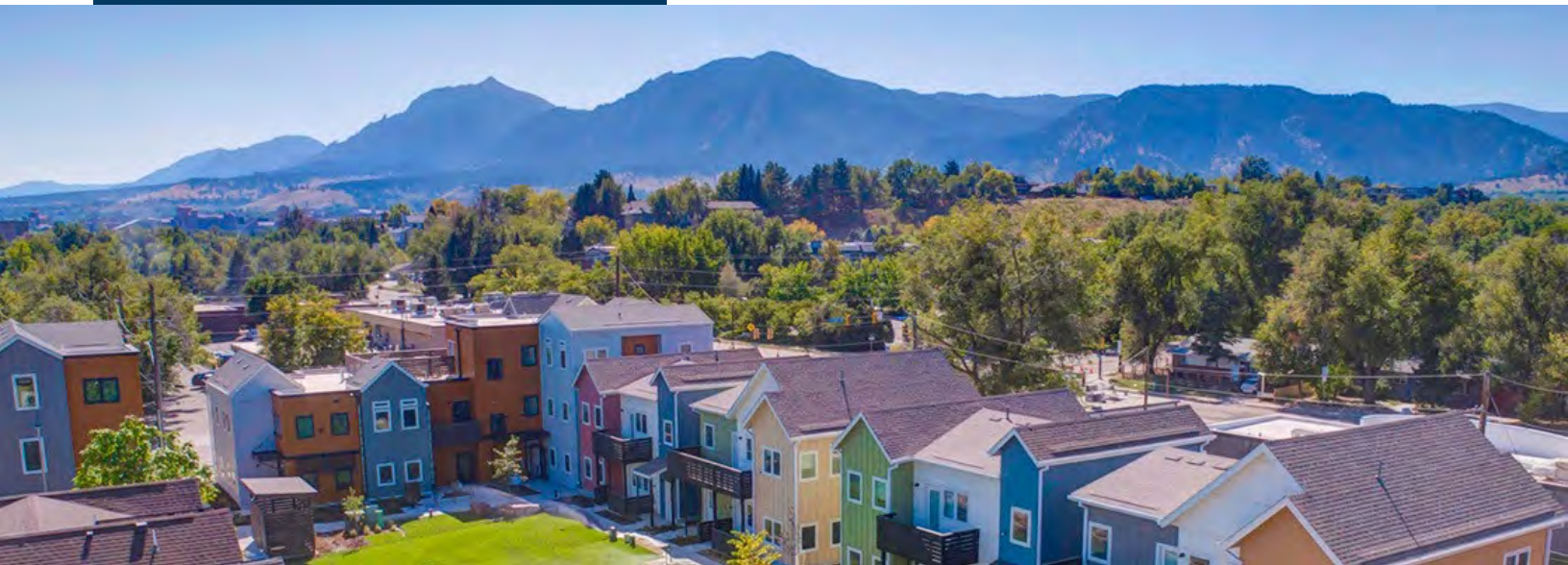
BOULDER  
HOUSING  
PARTNERS

# Board of Commissioners Meeting

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*December 11, 2024*

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





## Board of Commissioners Meeting

Boulder Housing Partners  
4800 N. Broadway, Boulder, CO 80304  
December 11, 2024 | 9:00 AM - 11:30 AM

### AGENDA

		Page
9:00-9:30	<b>Standing Agenda and Meeting Items</b>	
	1. Call to Order and Determination of a Quorum	
	2. Public Participation	
	3. Approval of Minutes from November 13, 2024	5
	4. Financial Dashboard	12
9:30-10:15	<b>Meeting Agenda</b>	
	1. 2025 Final Budget Approval	22
10:15-10:30	<b>Board Matters</b>	
	1. Announcements and Other Items from the Board	
	2. Boulder Housing Partners Foundation Promotional Video	
	3. Upcoming Conference Opportunities	58
	4. Future Board Items and Board Calendar	59
	5. Board Elections	
10:30	<b>Adjournment</b>	
	<b><i>End of Year Staff and Board Reception</i></b>	



## Reunión de la Junta de Comisionados

Boulder Housing Partners  
4800 N. Broadway, Boulder, CO 80304  
11 de diciembre de 2024 | 9:00 AM - 11:30 AM

### AGENDA

		<b>Página</b>
9:00-9:30	<b>Agenda Permanente y Puntos de la Reunión</b>	
	1. Llamado al Orden y Determinación de Quórum	
	2. Participación del Público	
	3. Aprobación del Acta del 13 de noviembre de 2024	<b>5</b>
	4. Tablero Financiero	<b>12</b>
9:30-10:15	<b>Agenda de la Reunión</b>	
	1. Aprobación del presupuesto final de 2025	<b>22</b>
10:15-10:30	<b>Asuntos de la Junta de Comisionados</b>	
	1. Anuncios y Otros Elementos de la Junta de Comisionados	
	2. Próximas Oportunidades de Conferencias	
	3. Elementos Futuros de La Junta y Calendario de la Junta	<b>58</b>
	4. Elección de Comisionados	<b>59</b>
10:30	<b>Aplazamiento</b>	
	<b><i>Recepción de Fin de Año para el Personal y la Junta Directiva</i></b>	

# Strategic Framework



BOULDER  
HOUSING  
PARTNERS

## Vision

To help create a **diverse, inclusive, and 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

### 1 Support Residents and 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.

### 2 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.

### 3 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.

### 4 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](http://www.boulderhousing.org)  
Hearing Assistance: 1-800-659-3656

## FRAMEWORK FOR DECISION MAKING

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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**  
**November 13, 2024 | 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	Frank Alexander	
Commissioner Bissonette	Jason Acuña	
Commissioner Block	Julia Arencibia	
Commissioner Cooper (ABSCENT)	Karen Brunnemer	
Commissioner Fearer	Karin Stayton	
Commissioner Lord	Laura Sheinbaum	
Commissioner Schoenfeld	Rene Brodeur	
Commissioner Wallach	Sunmi Richardson	
	Tim Beal	
	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 9:04 am. A quorum was declared.

**II. Public Participation**

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

There was no public participation.

**III. Approval of the Meeting Minutes**

Consent agenda items approved:

1. Minutes from October 9, 2024

**COMMISSIONER WALLACH MOVED TO APPROVE THE MINUTES FROM OCTOBER 9, 2024. COMMISSIONER BISSONETTE SECONDED THE MOTION. THE MOTION TO APPROVE THE MINUTES PASSED UNANIMOUSLY.**

**IV. Financial Dashboard**

Will Kugel, Chief Financial Officer, and Tory Livingston, Director of Finance, presented the financial dashboard for August 2024 and answered questions from the Board.

Will stated that overall, BHP's NOI remains positive, indicating strong financial health. Also, key

metrics include a quick ratio of 4:1 (cash to liabilities), which includes unrestricted reserves.

The Board discussed the transition to gross rents and shifting utility payment responsibilities from residents to BHP. This process simplifies the resident billing process, this allows BHP to directly manage energy consumption and sustainability measures, and the administrative costs decrease due to the elimination of utility allowance complexities. Frank Alexander, Deputy Director, said that the pilot program began in June 2024, with full adoption for new move-ins and lease renewals starting October 1, 2024. We expect full implementation across all properties by September 30, 2025. Overall, residents appreciate the simplified cost structure, but confusion exists regarding additional utility fees at some properties. Plans for clearer communication and education efforts are underway.

The BHP portfolio occupancy is at 96.5%, aligning with budget expectations.

Some properties, like 2037 Walnut, are undergoing energy-efficient renovations funded by Energy Outreach Colorado. Investments of \$1.5 million have been secured for energy upgrades, including heat pumps, insulation, and solar panels, across various properties.

## **V. Meeting Agenda**

### **Housing Choice Voucher Overview Presentation**

Karen Brunnemer, MTW and Federal Policy Director, gave an overview of the Housing Choice Voucher program and answered questions from the Board.

### **2025 Payment Standards**

Karen Brunnemer presented the 2025 Payment Standards and answered questions from the Board.

**COMMISSIONER FEARER MADE A MOTION TO APPROVE RESOLUTION #2024-10 OF SETTING THE 2025 PAYMENT STANDARDS EFFECTIVE JANUARY 1, 2025. COMMISSIONER BISSONETTE SECONDED THE MOTION. THE MOTION PASSED UNANIMOUSLY.**

### **2025 Budget Draft**

Will Kugel and Tory Livingston presented the 2025 Budget Draft and answered questions from the Board. Will also mentioned that BHP staff went over the 2025 budget during the Finance Committee in further detail.

The Board discussed the additional properties that were added to the 2025 budget, which equates to over 30% increase in units managed. Staff is hiring more Maintenance and Property Management staff to account for this change. The Finance and Human Resources staff are also focusing on transparency and consistency over staffing, including a position control sheet to track all positions as the organization moves forward.

## **VI. Board Matters**

### **Announcements and Other Items from the Board**

Commissioner Fearer mentioned that the Resident Advisory Board met and provided feedback to staff about the Moving to Work (MTW) changes. Also, during the High Mar Resident Council, there was a safety plan meeting. The Fire Department will visit the site to provide information and answer questions from residents.

Commissioner Bissonette said that he will provide updates on the BHP moving forward. He mentioned that Colorado Gives Day is scheduled for December 10, 2024. He encouraged the Board and staff to share the information.

Conference Opportunities

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

Future Board Items

Commissioner Walker mentioned that the Board Elections are scheduled for the December 2024 Board meeting.

**VII. Adjourn**

The meeting of the Board of Commissioners adjourned at 11:35 am.

Seal  
DATE: 11/13/2024

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Jeremy Durham  
Executive Director

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

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Jason Acuña  
Recording Secretary



**BOULDER HOUSING PARTNERS**  
**Reunión de la Junta de Comisionados**  
**13 de noviembre de 2024 | 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.

Comisionado Walker	Jeremy Durham	Otros Presente:
Comisionada Adler	Frank Alexander	
Comisionado Bissonette	Jason Acuña	
Comisionado Block	Julia Arencibia	
Comisionada Cooper (AUSENTE)	Karen Brunnermer	
Comisionado Fearer	Karin Stayton	
Comisionada Lord	Laura Sheinbaum	
Comisionada Schoenfeld	Rene Brodeur	
Comisionado Wallach	Sunmi Richardson	
	Tim Beal	
	Tory Livingston	
	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 9:04 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](http://boulderhousing.org)) en inglés y español.

No hubo participación del público.

**VIII. Aprobación del acta de la reunión**

Puntos del orden del día aprobados:

1. Acta del 9 de octubre de 2024

**EL COMISIONADO WALLACH PRESENTÓ UNA MOCIÓN PARA APROBAR EL ACTA A PARTIR DEL 9 DE OCTUBRE DE 2024. EL COMISIONADO BISSONETTE SECUNDÓ LA MOCIÓN. LA MOCIÓN DE APROBACIÓN DEL ACTA FUE APROBADA POR UNANIMIDAD.**

**IX. Tablero Financiero**

Will Kugel, director financiero, y Tory Livingston, director financiero, presentaron el cuadro de mando financiero de agosto de 2024 y respondieron a las preguntas de la Junta.

Will declaró que, en general, el NOI de BHP sigue siendo positivo, lo que indica una sólida salud

financiera. Además, las métricas clave incluyen una relación rápida de 4:1 (efectivo a pasivos), que incluye reservas sin restricciones.

La Junta discutió la transición a alquileres brutos y el cambio de las responsabilidades de pago de servicios públicos de los residentes a BHP. Este proceso simplifica el proceso de facturación de los residentes, lo que permite a BHP gestionar directamente el consumo de energía y las medidas de sostenibilidad, y los costos administrativos disminuyen debido a la eliminación de las complejidades de las asignaciones de servicios públicos. Frank Alexander, subdirector, dijo que el programa piloto comenzó en junio de 2024, con la adopción total de nuevas mudanzas y renovaciones de contratos de arrendamiento a partir del 1 de octubre de 2024. Esperamos la implementación completa en todas las propiedades para el 30 de septiembre de 2025. En general, los residentes aprecian la estructura de costos simplificada, pero existe confusión con respecto a las tarifas de servicios públicos adicionales en algunas propiedades. Se están llevando a cabo planes para una comunicación y educación más claras.

La ocupación del portafolio de BHP es del 96.5%, alineándose con las expectativas presupuestarias.

Algunas propiedades, como 2037 Walnut, se están sometiendo a renovaciones de eficiencia energética financiadas por Energy Outreach Colorado. Se han asegurado inversiones de 1,5 millones de dólares para mejoras energéticas, incluidas bombas de calor, aislamiento y paneles solares, en varias propiedades.

## **X. Orden del día de la reunión**

### **Presentación general del vale de elección de vivienda**

Karen Brunner, Directora de MTW y Política Federal, dio una visión general del programa de Vales de Elección de Vivienda y respondió preguntas de la Junta.

### **Estándares de pago 2025**

Karen Brunner presentó los Estándares de Pago 2025 y respondió preguntas de la Junta.

**EL COMISIONADO FEARER PRESENTÓ UNA MOCIÓN PARA APROBAR LA RESOLUCIÓN #2024-10 DE ESTABLECER LOS ESTÁNDARES DE PAGO PARA 2025 A PARTIR DEL 1 DE ENERO DE 2025. LA COMISARIA BISSONETTE SECUNDÓ LA MOCIÓN. LA MOCIÓN FUE APROBADA POR UNANIMIDAD.**

### **Proyecto de Presupuesto 2025**

Will Kugel y Tory Livingston presentaron el borrador del presupuesto para 2025 y respondieron a las preguntas de la Junta. Will también mencionó que el personal de BHP revisó el presupuesto de 2025 durante el Comité de Finanzas con más detalle.

La Junta discutió las propiedades adicionales que se agregaron al presupuesto de 2025, lo que equivale a un aumento de más del 30% en las unidades administradas. El personal está contratando más personal de mantenimiento y administración de propiedades para tener en cuenta este cambio. El personal de Finanzas y Recursos Humanos también se está centrando en la transparencia y la coherencia de la dotación de personal, incluida una hoja de control de puestos para realizar un seguimiento de todos los puestos a medida que la organización avanza.

## **XI. Asuntos de la Junta**

La Comisionada Fearer mencionó que la Junta Asesora de Residentes se reunió y proporcionó

comentarios al personal sobre los cambios de Moving to Work (MTW). Además, durante el Consejo de Residentes de High Mar, hubo una reunión del plan de seguridad. El Departamento de Bomberos visitará el lugar para proporcionar información y responder a las preguntas de los residentes.

El comisionado Bissonette dijo que proporcionará actualizaciones sobre el BHP en el futuro. Mencionó que el Colorado Gives Day está programado para el 10 de diciembre de 2024. Alentó a la Junta Directiva y al personal a compartir la información.

#### Oportunidades de conferencia

Los comisionados pueden ponerse en contacto con Jason Acuña si están interesados en asistir a cualquier oportunidad de conferencia.

#### Futuros Artículos de la Junta

El Comisionado Walker mencionó que las Elecciones de la Junta están programadas para la reunión de la Junta de diciembre de 2024.

## **XII. Aplazar**

La reunión de la Junta de Comisionados se levantó a las 11:35 am.

Foca

FECHA: 13 de noviembre de 2024

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Jeremy Durham  
Directora Ejecutiva

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

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Jason Acuña  
Secretaria de Actas



**BHP Financial & Operations Update – BHP Board Meeting**  
*Wednesday, December 11, 2024*

Boulder Housing Partners  
[www.boulderhousing.org](http://www.boulderhousing.org)  
720-564-4610  
[bhpinfo@boulderhousing.org](mailto:bhpinfo@boulderhousing.org)





# Finance & Operations Metrics

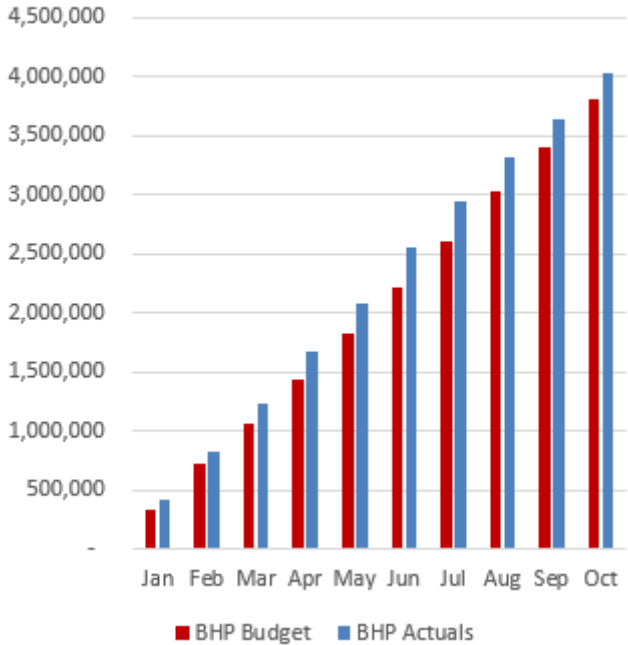
# BHP Key Metrics (Through October 2024)

### BHP Net Income

	YTD	YTD	%
	Actual	Budget	Diff
Revenue	45,608,365	38,664,204	18%
Expense	(33,975,877)	(32,477,225)	-5%
	11.632.487	6.186.979	

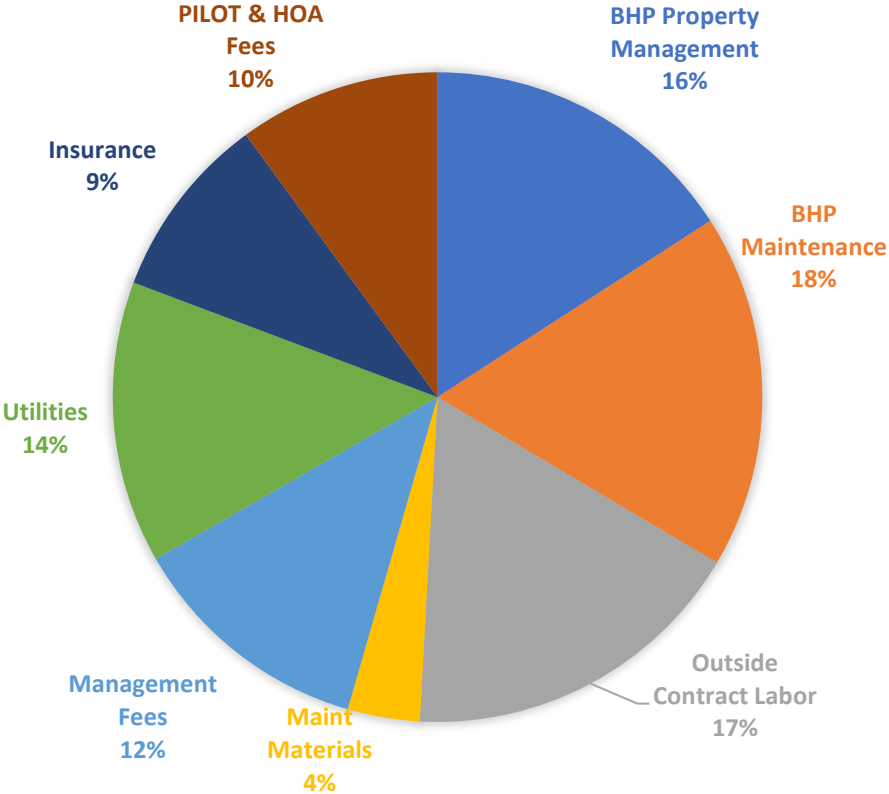
- BHP Revenue significantly exceeds budget.
- Expenses slightly over budget.
  - HCV/HAP Expenses above budget but align with new award & planned reserves spending.

### BHP NOI - YTD



- BHP Properties NOI above budgeted levels.

### Workforce Properties PUPA: \$8,827



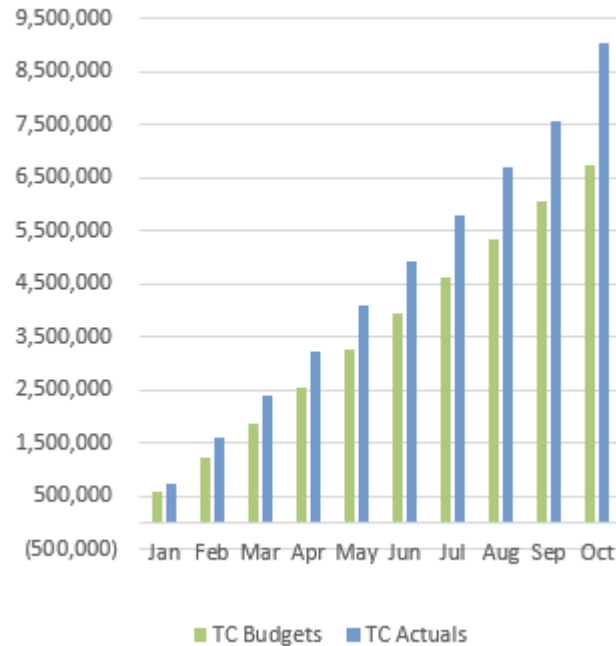
# Tax Credits Key Metrics (Through October 2024)

## LIHTC Net Income

	YTD	YTD	%
	Actual	Budget	Diff
Revenue	18,155,741	15,895,697	14%
Expense	(26,819,364)	(26,365,422)	-2%
	(8,663,623)	(10,469,725)	

- Revenue above budgeted levels.
- Note the LIHTC expenses above includes approximately \$14MM in non-operating and non-cash expenses.

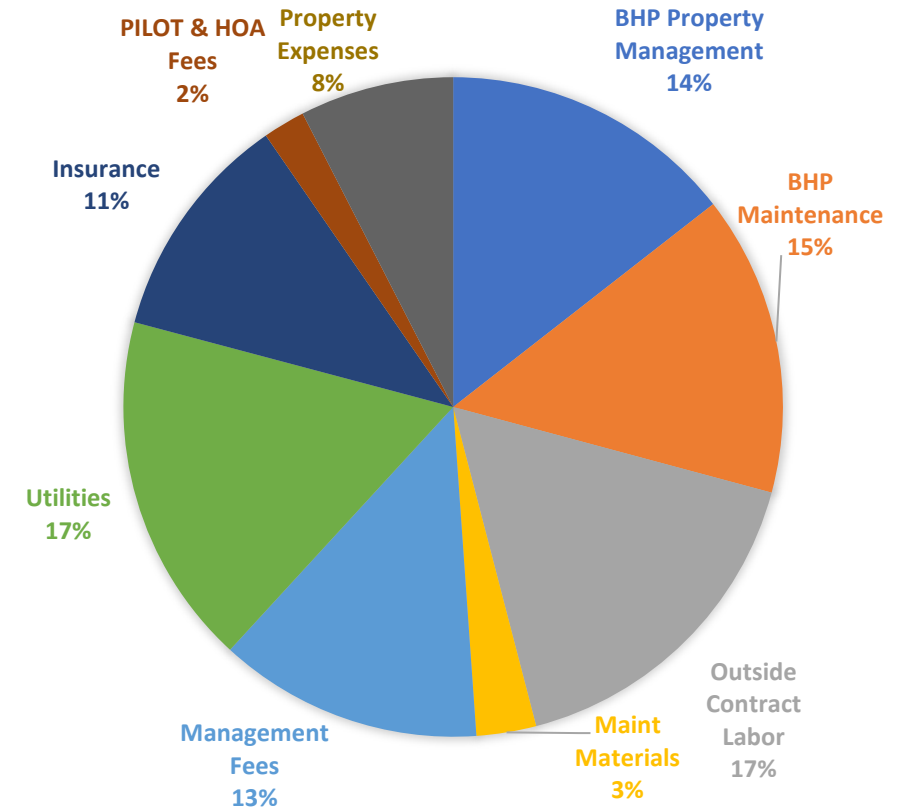
## Tax Credit NOI - YTD



- Tax Credit Properties NOI above budgeted levels.

## Tax Credits PUPA: \$8,797

\*excludes Lee Hill

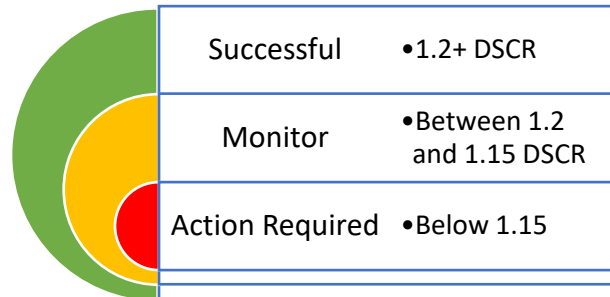


# Debt Service Coverage Ratio (DSCR)

*Definition: The debt-service coverage ratio (DSCR) measures a projects available cash flow to pay current debt obligations. The DSCR shows investors and lenders whether a BHP or tax credit project has enough income to pay its debts. The ratio is calculated by dividing net operating income by debt service, including principal and interest.*

## BHP Property Analysis:

- Through October of 2024, all BHP properties are meeting DSCR.




BHP Properties	Units	Debt Service Coverage Ratio	BHP Target 1.15
<b>Combine Loan One</b>	<b>71</b>	<b>2.12</b>	✓
<i>Includes Arapahoe East (11), Dakota Ridge (13), Midtown (13), Sanitas Place (12), Twin Pines (22).</i>			
<b>Combine Loan Two</b>	<b>34</b>	<b>2.48</b>	✓
<i>Includes Hayden Place (24) and Whittier (10).</i>			
<b>Combine Loan Three</b>	<b>19</b>	<b>1.42</b>	✓
<i>Includes Casey (6) and Cedar (13)</i>			
<b>Individual Properties</b>			
<i>Bridgewalk</i>	123	1.31	✓
<i>Foothills</i>	74	1.74	✓
<i>Holiday</i>	49	2.28	✓
<i>Broadway East (No Debt)</i>	44	n/a	
<i>Trout Farms</i>	31	1.62	✓
<i>Twenty37 Walnut (No Debt)</i>	26	n/a	
<i>Vistoso</i>	15	2.00	✓
<i>Hayden Place 2 (No formal requirement)</i>	6	n/a	



# Debt Service Coverage Ratio (DSCR)

*Definition: The debt-service coverage ratio (DSCR) measures a projects available cash flow to pay current debt obligations. The DSCR shows investors and lenders whether a BHP or tax credit project has enough income to pay its debts. The ratio is calculated by dividing net operating income by debt service, including principal and interest.*

## Tax Credit Property Analysis:

- All data is through 10/31/2024. All tax credit entities except for Ciclo are meeting DSCR requirements.
  - Ciclo Trending  Significant progress on Ciclo, DSCR is above compliance level of 1.15.

	1.2 +
	1.15 to 1.2
	Below 1.15

Tax Credit Properties	Units	Debt Service Coverage Ratio	
		BHP Target 1.15	
<b>Broadway West</b>	26		3.17
<b>High Mar</b>	59		2.03
<b>Lee Hill</b> <small>(Expense Coverage Ratio, no debt)</small>	31		1.47
<b>Palo Park</b>	35		1.76
<b>Red Oak Park</b>	59		1.55
<b>Ciclo</b>	38		1.17
<b>Canopy</b>	41		1.37
<b>30 Pearl</b>	120		1.31
<b>Tantra Lakes</b>	185		2.85
<b>WestView</b>	34		1.55
<b>West End Communities</b>	116		1.85
<small>Includes Canyon Pointe (82) &amp; Glen Willow (34)</small>			
<b>Madison Woods</b>	68		1.82
<small>Includes Madison (33) &amp; Woodlands (35)</small>			
<b>Boulder Communities</b>	279		1.95
<small>Includes Diagonal Court (30), Iris Hawthorn(14), Kalmia(49), Manhattan (41), Northport (50), &amp; Walnut Place (95).</small>			
<b>Tax Credit Sub Total excluding Lee Hill:</b>	1060		1.90








# Occupancy – Details (Jan - Oct 2024)

## Sept. 2024 YTD Actuals:














 **BHP Overall: 96.4%**

## 2024 Budget Benchmarks:

- 95% Occupancy – Senior
- 94% Multi-family

BHP Properties	Units	Occupancy %
<i>Bridgewalk</i>	123	 97.8%
<i>Foothills</i>	74	 96.8%
<i>Holiday</i>	49	 98.8%
<i>Broadway East</i>	44	 92.0%
<i>Trout Farms</i>	31	 95.7%
<i>Twenty37 Walnut</i>	26	 78.3%
<i>BHP Scattered Sites</i>	145	 94.1%

*Note: Scattered sites include Hayden Place (24), Twin Pines (22), Vistoso (15), Dakota Ridge (13), Midtown (13), Cedar (13), Sanitas Place (12), Arapahoe East (11), Whittier (10), Casey (6), and Hayden Place 2 (6).*




Tax Credit Properties	Units	Occupancy %
<b><i>Tantra Lake Apartments</i></b>	<b>185</b>	 95.6%
<b><i>Broadway West</i></b>	<b>26</b>	 99.4%
<b><i>High Mar</i></b>	<b>59</b>	 98.7%
<b><i>Lee Hill</i></b>	<b>31</b>	 92.9%
<b><i>Palo Park</i></b>	<b>35</b>	 96.1%
<b><i>Red Oak Park</i></b>	<b>59</b>	 98.4%
<b><i>Ciclo</i></b>	<b>38</b>	 91.0%
<b><i>Canopy</i></b>	<b>41</b>	 95.4%
<b><i>30 Pearl</i></b>	<b>120</b>	 96.0%
<b><i>WestView</i></b>	<b>34</b>	 97.5%
<b><i>West End Communities</i></b>	<b>116</b>	 98.5%
<b><i>Madison Woods</i></b>	<b>68</b>	 97.9%
<b><i>Boulder Communities</i></b>	<b>279</b>	 98.3%

Notes:

**West End Communities** includes Canyon Pointe (82) and Glen Willow (34)

**Madison Woods** includes Madison (33) and Woodlands (35).

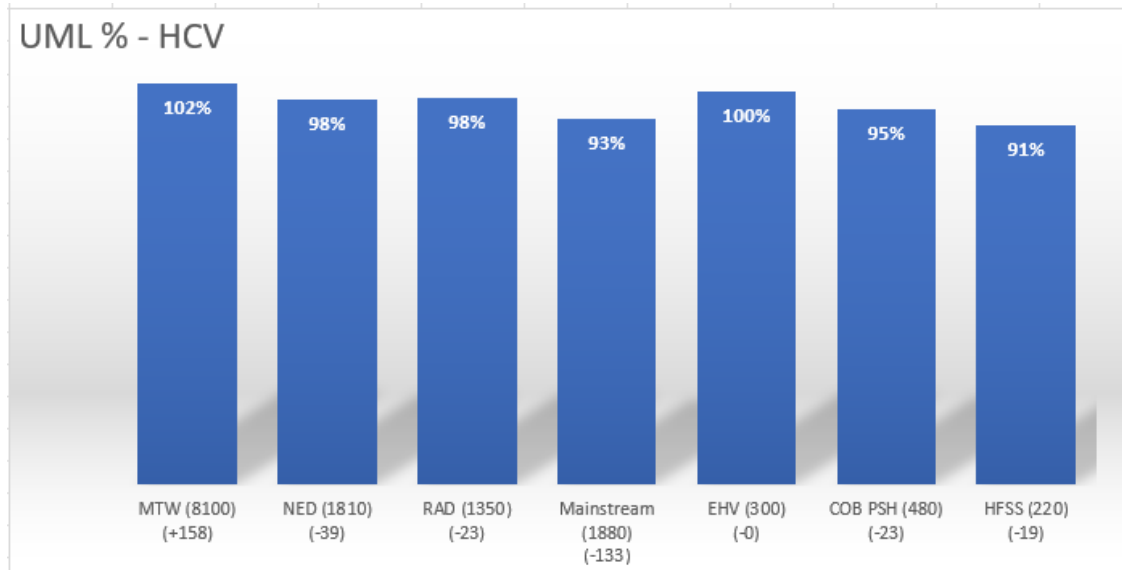
**Boulder Communities** includes Diagonal Court (30), Iris Hawthorne (14), Kalmia (49), Manhattan (41), Northport (50),

	96.0% +
	94% to 96%
	Below 94.0%

# Voucher Utilization (Oct. 2024)

## Year to Date Voucher Utilization

- Overall high utilization of all vouchers

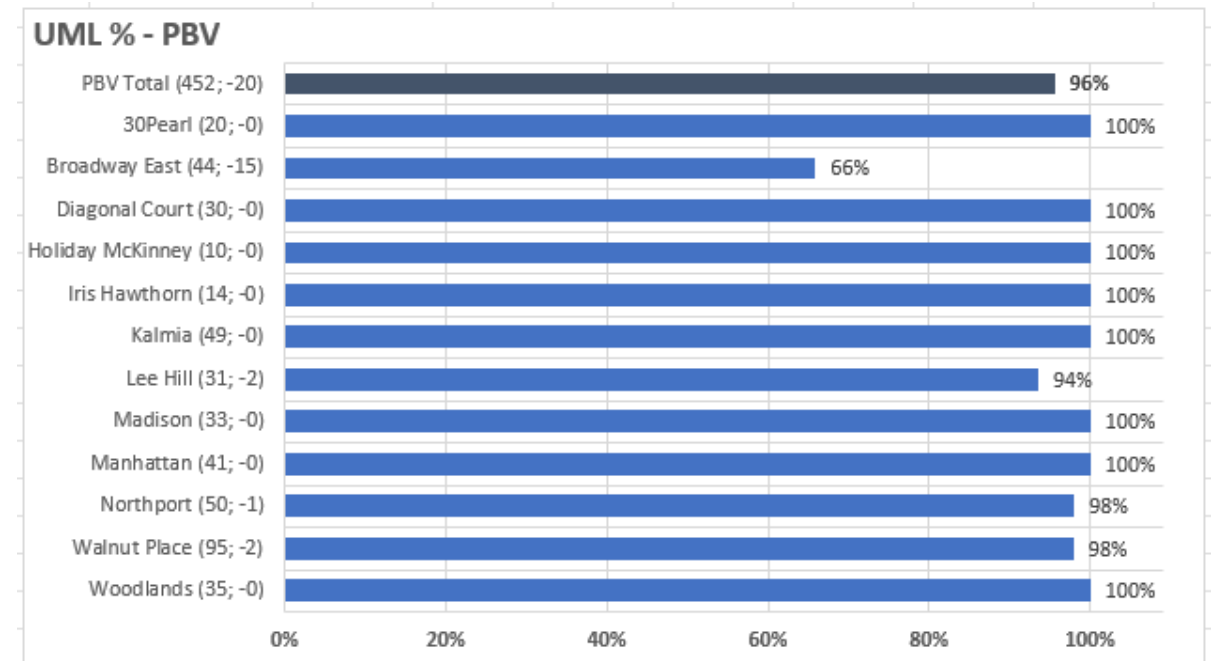


UML % = Unit Month Leased (UML) as a percent of Unit months available (UMA).

MTW – Housing Choice Vouchers (includes 317 PBVs).....	<b>Total 824</b>
NED – Non-Elderly Disabled Vouchers.....	<b>Total 181</b>
RAD – Diagonal Court, Iris Hawthorn, Manhattan, Northport PBVs....	<b>Total 135</b>
Mainstream – Young/disabled vouchers.....	<b>Total 188</b>

## October 2024 PBV Utilization

- Overall high utilization of all vouchers



EHV – Emergency Housing Vouchers.....	<b>Total 28</b>
COB PSH – City of Boulder Permanent Supportive Housing Vouchers.....	<b>Total 48</b>
HFSS – Housing First Scattered Site.....	<b>Total 22</b>

# BHP Cash Position

## BHP Operating Cash & Development Resources as of 10/31/24.

- Current Balances all exceed specific balance goals.

### Operating Cash

Current Operating Cash / Ins Reserve  
\$ 4,096,004

2024 Annualized Expenses  
\$ 16,795,238

**2.9 Months**

of annual operating expenses  
are covered by the current  
operating reserves.

BHP Target is 2 Months

BHP Cash Report 10/31/2024					
	Oct 2024	Change From Prior Month	YTD Change	Board Goal	Surplus / Deficit to Goal
<b>Unrestricted Cash Available for Operations</b>					
BHP Operating Cash	● \$ 3,229,975	\$ (732,611)	\$ (230,300)	\$ 2,750,000	\$ 479,975
Insurance Reserve	● \$ 866,029	\$ 167	\$ 17,086	\$ 650,000	\$ 216,029
BHP Replacement Reserves	● \$ 4,125,327	\$ 23,248	\$ (367,504)	\$ 1,771,000	\$ 2,354,327
<b>Total Unrestricted BHP Cash</b>	<b>\$ 8,221,331</b>	<b>\$ (709,196)</b>	<b>\$ (580,719)</b>	<b>\$ 5,171,000</b>	<b>\$ 3,050,331</b>
<b>Development Resources, Including LOC</b>					
Development Equity Fund	\$ 1,064,417	\$ (365,026)	\$ (1,936,172)		
Line of Credit - Available	\$ 10,000,000	\$ -	\$ -		

Note: BHP has \$1.2MM in operating cash on a short-term loan to Hilltop related to a required escrow account. The operating cash number above does NOT include this amount on loan to Hilltop. These funds will return to BHP in 2025.

# Tax Credits Cash Position

## Tax Credit Cash Balances (operating cash) as of 10/31/24.

- Cash position is strong and growing each month at the tax credits properties.
- Over \$600K payment in October for 2024-25 insurance premiums.

### Tax Credit Cash Report (10/31/2024)

	Oct 2024	Change From Prior Month	YTD Change
<b>Cash Category</b>			
Operating Cash (Unrestricted)	\$ 4,778,860	\$ (51,687)	\$ 613,802
Replacement Reserves (Restricted) (1)	\$ 2,253,723	\$ (53,322)	\$ 458,245
<b>Total</b>	<b>\$ 7,032,583</b>	<b>\$ (105,008)</b>	<b>\$ 1,072,048</b>

(1) Includes \$100K of replacement reserves in CDs.

Tax Credit Properties - Cash Balances	Units	Oct 2024 Cash Balance	Change From Prior Month
<i>Tantra Lake</i>	185	\$ 1,399,550	\$ 75,168
<i>Broadway West</i>	26	\$ 129,413	\$ 24,621
<i>High Mar</i>	59	\$ 200,296	\$ (1,675)
<i>Lee Hill (5)</i>	31	\$ 241,782	\$ 5,281
<i>Palo Park</i>	35	\$ 80,581	\$ (13,729)
<i>Red Oak Park</i>	59	\$ 153,970	\$ 1,670
<i>Ciclo</i>	38	\$ 53,118	\$ (28,493)
<i>Canopy</i>	41	\$ 122,827	\$ (34,326)
<i>30 Pearl</i>	120	\$ 322,052	\$ (32,918)
<i>WestView</i>	34	\$ 49,429	\$ (6,655)
<i>West End Communities</i>	116	\$ 849,898	\$ 39,686
<i>Madison Woods</i>	68	\$ 452,999	\$ 19,447
<i>Boulder Communities</i>	279	\$ 722,945	\$ (99,763)
<b>Total</b>	<b>1,091</b>	<b>\$ 4,778,860</b>	<b>\$ (51,687)</b>

# Questions

## Questions



# BOULDER HOUSING PARTNERS

## Boulder Housing Partners 2025 Budget Summary

BHP BOARD MEETING  
DECEMBER 11, 2024

# 2025 Budget Overview – Budget Focus Areas

## Operating Budget

Covers all central operations and activities at BHP-owned properties, including Workforce properties.

2025 Expenses:  
\$19,877,342

2025 Revenues:  
\$18,177,885

## Vouchers

Encompasses federal and local vouchers managed by BHP, separate from the core BHP operating budget.

2025 Expenses:  
\$22,480,141

2025 Revenues:  
\$22,143,720

## Non-operating / Development

Details BHP's initiatives outside central operations, focusing on growth and development efforts.

2025 Expenses:  
\$2,778,784

2025 Revenues:  
\$21,799,751

## Tax Credits

Includes budgeted amounts for each tax credit property managed by BHP.

2025 Expenses:  
\$31,995,451

2025 Revenues:  
\$19,580,809



# Operating vs. Non-Operating Costs

Operating	Non-Operating
<p><u>Revenue:</u></p> <ul style="list-style-type: none"><li>• Rental income from properties</li><li>• Fees (e.g., laundry charges, late fees)</li></ul>	<p><u>Revenue:</u></p> <ul style="list-style-type: none"><li>• Grant revenue for new developments</li><li>• Developer fee revenue</li><li>• One-time property transactions</li></ul>
<p><u>Expenditures:</u></p> <ul style="list-style-type: none"><li>• Salary costs of staff</li><li>• Material costs for repairs</li><li>• Outside contractor costs</li><li>• Utilities/Insurance/Audit Costs</li><li>• HOA Fees</li></ul>	<p><u>Expenditures:</u></p> <ul style="list-style-type: none"><li>• Depreciation and amortization costs</li><li>• Spending on non-capital items from existing BHP reserves</li><li>• Pre-development spending on potential new tax credit projects</li></ul>

# 2025 Budget Assumptions

## 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 5% merit pool was included in the 2025 budget.
- A 1% year-end staff bonus pool was included

## Additional Properties Added to 2025 Budget:

BHP expects to be operational during 2025 for all new properties listed below.

- Hilltop Senior Living – 60 Units
- Rally Flats – 100 Units
- Hawthorn Court – 73 Units
- Golden West (Senior Units) – 253 Units

Over 30% increase  
in units managed!

# 2025 Budget Assumptions

## FTE Levels in 2025 Budget:

- Total Full-Time Equivalent (FTE) count for BHP is set at 120.4
- New FTEs proposed in 2025 to manage additional units managed:
  - 4.0 FTE absorbed from Golden West,
  - 2.0 FTE in property management,
  - 2.0 FTE in maintenance,
  - 1.0 Sustainability & Capital Investment Program Coordinator, and
  - 0.5 FTE in accounting (Annualized to 1.0 in 2026).

Change in 2025: To enhance consistency and control over staffing, BHP has implemented a new position control tracking approach. Historically, the FTE count in the budget did not necessarily reflect vacant positions. This new tracking method will provide more consistency in reporting and allow for standardized year-to-year FTE comparisons, offering clearer insights into staffing trends and needs across the agency.

# 2025 Operating Budget Overview

BHP Budget Summary	2025 BHP Budget	2024 BHP Budget	\$ Change from 2024 to 2025	% Change from 2024 to 2025
<b>Operations</b>				
Total Operating Revenue	\$ 18,177,885	\$ 15,078,647	\$ 3,099,238	20.6%
Salaries and Benefits	\$ 8,252,700	\$ 7,646,927	\$ 605,772	7.9%
Total Property & Operating Costs	\$ 11,624,643	\$ 8,237,630	\$ 3,387,013	41.1%
Total Operating Expense	\$ 19,877,342	\$ 15,884,557	\$ 3,992,785	25.1%
<b>Net Operating Income / (Loss) (Operations)</b>	<b>\$ (1,699,457)</b>	<b>\$ (805,910)</b>	<b>\$ (893,547)</b>	<b>110.9%</b>

BHP budgets to a net operating income loss because a significant portion of BHP's annual cashflow comes from loan payments to BHP from LIHTC Properties which provide cash but do not count as "income" from an accounting perspective. These payments are shown in [Exhibit 5](#).

BHP Operations Cash Flow		
2025 Budget		
	2025	2024
Net Operating Income	\$ (1,699,457)	\$ (805,910)
<b>Adjustments to Operating Cash:</b>		
<b>General Adjustments</b>		
Replacement Reserves Contribution	\$ (230,436)	\$ (365,441)
Other Adjustments LIHTC Interest Earned		\$ (28,259)
Loan Payments (BHP Properties)	\$ (971,334)	\$ (991,343)
2024 Revenue Maximization / Cost Savings Plans Implementation		\$ 200,000
Allocation of Additional Cash Revenues & Contributions to Operating Fund		\$ 300,000
<b>Total General Adjustments</b>	<b>\$ (1,201,770)</b>	<b>\$ (885,043)</b>
<b>Estimated Deferred Developer Fee Payments from LIHTCs to BHP in 2025:</b>		
<b>Total Deferred Development Fee Payments</b>	<b>\$ 2,890,955</b>	<b>\$ 1,068,122</b>
<b>Estimated Payments on Soft Debt from LIHTC to BHP in 2025:</b>		
<b>Total Payments on Soft Debt</b>	<b>\$ 1,798,181</b>	<b>\$ 623,326</b>
<b>Total Adjustments</b>	<b>\$ 3,487,366</b>	<b>\$ 806,405</b>
<b>Cash Flow</b>	<b>\$ 1,787,909</b>	<b>\$ 495</b>
<b>2025 Cash Investments and Reserve Allocations</b>		
Additional Allocation of Fund to Insurance/Operating Reser	\$ (150,000)	
Investment in Development Equity Fund From Operations	\$ (800,000)	
Investments in BHP Property Improvements	\$ (750,000)	
<b>Total Investments and Allocations of Cash</b>	<b>\$ (1,700,000)</b>	<b>\$ -</b>
<b>Total Estimated Cash Flow</b>	<b>\$ 87,909</b>	<b>\$ 27 495</b>

# 2025 Voucher & Non-Operating Budget Overview

BHP Budget Summary	2025 BHP Budget	2024 BHP Budget	\$ Change from 2024 to 2025	% Change from 2024 to 2025
<b>Voucher Programs</b>				
Total Voucher Revenue	\$ 22,143,720	\$ 19,263,461	\$ 2,880,259	15.0%
Total Voucher Expenses	\$ 22,480,141	\$ 19,587,056	\$ 2,893,084	14.8%
Net Operating Income / (Loss) (Voucher Programs)	\$ (336,421)	\$ (323,595)	\$ (12,825)	4.0%

Non-Operating and Development activity has no impact to operating cash flow and is largely non-cash or pass-through transactions. Any developer fees received (not earned) are placed in the Development Equity Fund.

For all non-federal voucher spending, estimated expenditures are expected to align with the projected awards for 2025. In contrast, spending on federal vouchers is anticipated to exceed federal awards in 2025. To cover this shortfall, BHP will utilize HUD-held reserves.

BHP Budget Summary	2025 BHP Budget	2024 BHP Budget	Change from 2024 to 2025	% Change
<b>Non-operating and Development</b>				
Development Fees	\$ 5,277,781	\$ 2,748,208	\$ 2,529,573	92.0%
Interest Income	\$ 5,621,970	\$ 4,249,862	\$ 1,372,109	32.3%
Non-Federal Capital Grants & Donations	\$ 10,900,000	\$ 9,118,333	\$ 1,781,667	19.5%
Depreciation & Amortization	\$ (2,333,784)	\$ (2,430,813)	\$ 97,030	-4.0%
Non-Capital Reserve Spending	\$ (180,000)	\$ (679,877)	\$ 499,877	-73.5%
PreDevelopment costs	\$ (265,000)	\$ (265,000)	\$ -	0.0%
<b>Total Non-Operating Contribution (Use)</b>	<b>\$ 19,020,968</b>	<b>\$ 12,740,712</b>	<b>\$ 6,280,256</b>	<b>49.3%</b>

# 2025 Tax Credit Budget Overview

## Tax Credits:

- Boulder Communities
- 30 Pearl
- Broadway West
- Canopy @ ROP
- Ciclo
- West End Communities
- High Mar
- Lee Hill
- Palo Park
- Red Oak Park
- Madison Woods
- Tantra
- WestView

## Entities NOT Included in the Table:

- Golden West
- Rally
- Hawthorn Court
- Hilltop

*\*Each of these entities are either new for 2025 or will still be in a stabilization period in 2025. Entities are not included in table until they are in their first full year after stabilization.*

<b>Operations Revenue</b>	
Tenant Dwelling Rent	\$ 19,303,166
Other Revenue	\$ 277,643
<b>Total Revenue</b>	<b>\$ 19,580,809</b>
<b>Operating Expenses</b>	
Salaries and Benefits	\$ 1,506,418
Property Costs	\$ 7,124,304
Operating Costs	\$ 2,519,702
<b>Total Operating Expenses</b>	<b>\$ 11,150,424</b>
<b>Net Operating Income</b>	<b>\$ 8,430,385</b>
<b>Non-Operating Costs</b>	
Depreciation	\$ (12,376,754)
Note Interest Expense	\$ (4,306,679)
Mortgage Interest Expense	\$ (3,840,556)
Other non-operating expense	\$ (321,039)
<b>Total Non-operating Costs</b>	<b>\$ (20,845,027)</b>
<b>Total Net (Loss) Income</b>	<b>\$ (12,414,642)</b>
<b>Total Projected Cash Flow LIHTCs</b>	
	<b>\$ 2,454,135</b>

# 2025 Estimated Cash Flow

Component of BHP	Cash Flow	Notes
Operations	\$87,909	Operational cash flow for the 2025 budget is essentially neutral, aligning with our planned approach. BHP is utilizing positive cash flow to reinvest in our properties, enhance insurance reserves, and explore new housing opportunities. The reported cash flow figure is net of these strategic investments.
Vouchers	(\$336,421)	The voucher program can access HUD held reserves for any spending beyond the federal awards. BHP is planning to access the \$2.3MM of HUD held reserves to cover any spending beyond the federal awards.
Non-Operating	N/A	Non-Operating and Development activity has no impact to operating cash flow and is largely non-cash or pass-through transactions. Any developer fees received (not earned) are placed in the Development Equity Fund.
Tax Credits (New Tax Credits for 2025 not Included)	\$2,454,135	Based on the 2025 budgeted amounts, the established 13 tax credit entities are expected to be at least \$2.4MM cash flow positive.

# 2025 Cash & Reserves Policies

## Operating Cash Target

2025 Target Level:  
\$2,750,000

Change: No change  
is in 2025.

## Replacement Reserve (BHP Properties)

2025 Target Level:  
\$3,500 Per Unit

Change: No change  
is in 2025.

## Insurance Reserve

2025 Minimum  
Level: \$800,000

Change: Increase in  
2025 from \$650,000  
to \$800,00



Thank You

# MEMO

**To:** Board of Commissioners  
**From:** Jeremy Durham, Executive Director  
Will Kugel, Chief Financial Officer  
Tory Livingston, Director of Finance  
**Date:** December 11, 2024  
**Re:** **2025 Boulder Housing Partners Budget**

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## Section 1 - Overview

We present our 2025 budget for final budget adoption at this December meeting. There are no proposed changes to the draft budget presented at the November board meeting and reviewed in depth by the Finance Committee.

The 2025 budget presentation will focus on four key areas of BHP operations, outlined below:

- **BHP Operating Budget:** Covers all central operations and activities at BHP-owned properties, including Workforce properties.
- **BHP Non-Operating and Development Activity:** Details BHP’s initiatives outside central operations, focusing on growth and development efforts.
- **Voucher Budget:** Encompasses federal and local vouchers managed by BHP, separate from the core BHP operating budget.
- **Tax Credit Budgets:** Includes budgeted amounts for each tax credit property managed by BHP.

Below are the 2025 budgeted expenses and projected revenues for each of these areas.

Activity Area	2025 Expenses	2025 Revenues
BHP Operating Activity	\$ 19,877,342	\$ 18,177,885
BHP Non Operating & Development Activity	\$ 2,778,784	\$ 21,799,751
Voucher Activity	\$ 22,480,141	\$ 22,143,720
Tax Credits	\$ 31,995,451	\$ 19,580,809 *
<b>Totals</b>	<b>\$ 77,131,717</b>	<b>\$ 81,702,166</b>

\*Note the tax credit expenses include non-cash items (e.g., depreciation).

In 2025, BHP’s operational activities reflect an accounting loss; however, it’s important to note that overall operations remain cash flow positive. The table below provides a summary illustrating how BHP operations will achieve positive cash flow for 2025.

## BHP Operations Cash Flow 2025 Budget

	2025	2024	Notes
Net Operating Income	\$ (1,699,457)	\$ (805,910)	
<b>Adjustments to Operating Cash:</b>			
<b>General Adjustments</b>			
Replacement Reserves Contribution	\$ (230,436)	\$ (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)	\$ (971,334)	\$ (991,343)	This is a negative cash adjustment for the mortgage payment on BHP properties. (Principal Only)
2024 Revenue Maximization / Cost Savings Plans Implementation		\$ 200,000	
Allocation of Additional Cash Revenues & Contributions to Operating Fund		\$ 300,000	
<b>Total General Adjustments</b>	<b>\$ (1,201,770)</b>	<b>\$ (885,043)</b>	
<b>Estimated Deferred Developer Fee Payments from LIHTCs to BHP in 2025:</b>			
<b>Total Deferred Development Fee Payments</b>	<b>\$ 2,890,955</b>	<b>\$ 1,068,122</b>	
<b>Estimated Payments on Soft Debt from LIHTC to BHP in 2025:</b>			
<b>Total Payments on Soft Debt</b>	<b>\$ 1,798,181</b>	<b>\$ 623,326</b>	
<b>Total Adjustments</b>	<b>\$ 3,487,366</b>	<b>\$ 806,405</b>	
<b>Cash Flow</b>	<b>\$ 1,787,909</b>	<b>\$ 495</b>	
<b>2025 Cash Investments and Reserve Allocations</b>			
Additional Allocation of Fund to Insurance/Operating Reser	\$ (150,000)		Use \$150K to add to the insurance and operating reserve.
Investment in Development Equity Fund From Operations	\$ (800,000)		Estimated Amount
Investments in BHP Property Improvements	\$ (750,000)		These funds would be used for capital improvements within BHP properties or possibly loans top LIHTC properties for critical capital items.
<b>Total Investments and Allocations of Cash</b>	<b>\$ (1,700,000)</b>	<b>\$ -</b>	
<b>Total Estimated Cash Flow</b>	<b>\$ 87,909</b>	<b>\$ 495</b>	

### Section 2 - Key Budget Assumptions

In building the proposed budget for 2025 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 5% merit pool was included in the 2025 budget.
- A 1% year-end staff bonus pool was included.

Additional Properties Added to 2025 Budget:

BHP expects to be operational during 2025 for all new properties listed below:

- Hilltop Senior Living – 60 Units
- Rally Flats – 100 Units
- Hawthorn Court – 73 Units
- Golden West (Senior Units) – 253 Units

**Total additional units managed for 2025 are 486 or a 30.6% increase in units managed.**

FTE Levels in 2025 Budget:

For 2025, the total Full-Time Equivalent (FTE) count for BHP is set at 120.4, reflecting strategic staffing additions to support organizational growth and new responsibilities. This includes 4.0 FTE absorbed from Golden West, as BHP assumes management of that site, alongside the addition of 2.0 FTE in property management, 2.0 FTE in maintenance, 1.0 Sustainability & Capital Investment Program Coordinator, and 0.5 FTE in accounting to manage a 30% increase in units under BHP’s oversight.

To enhance consistency and control over staffing, BHP has implemented a new position control tracking approach. Historically, the FTE count in the budget did not necessarily reflect vacant positions. This new tracking method will provide more consistency in reporting and allow for standardized year-to-year FTE comparisons, offering clearer insights into staffing trends and needs across the agency.

**Section 3 – BHP 2025 Operating Budget**

The 2025 budget presentation is designed to focus on each of the four key areas identified above. This section, along with its associated exhibits, centers on the BHP operating budget for 2025.

The summary of the 2025 operating budget is presented below and detailed in Exhibit #1.

<b>BHP Budget Summary</b>	2025 BHP Budget	2024 BHP Budget	\$ Change from 2024 to 2025	% Change from 2024 to 2025
<b>Operations</b>				
Total Operating Revenue	\$ 18,177,885	\$ 15,078,647	\$ 3,099,238	20.6%
Salaries and Benefits	\$ 8,252,700	\$ 7,646,927	\$ 605,772	7.9%
Total Property & Operating Costs	\$ 11,624,643	\$ 8,237,630	\$ 3,387,013	41.1%
Total Operating Expense	\$ 19,877,342	\$ 15,884,557	\$ 3,992,785	25.1%
<b>Net Operating Income / (Loss) (Operations)</b>	<b>\$ (1,699,457)</b>	<b>\$ (805,910)</b>	<b>\$ (893,547)</b>	<b>110.9%</b>

The operating activities within BHP include the following elements:

- **Business operations** for all 492 BHP-owned properties.
- **Central office expenses**, covering departments like human resources, finance, IT, and development.

- **Budgeted cost centers** for property management, maintenance, and resident services. A key change for 2025 is that all property management costs are now budgeted centrally within BHP. Monthly allocations will be made to each BHP-managed property, shifting away from previous years when not all property management expenses were centrally budgeted.

**Section 4 – BHP 2025 Non-Operating and Development Budget**

The summary of the 2025 operating budget is presented below and detailed in Exhibit #2.

<b>BHP Budget Summary</b>	2025 BHP Budget	2024 BHP Budget	Change from 2024 to 2025	% Change
<b>Non-operating and Development</b>				
Development Fees	\$ 5,277,781	\$ 2,748,208	\$ 2,529,573	92.0%
Interest Income	\$ 5,621,970	\$ 4,249,862	\$ 1,372,109	32.3%
Non-Federal Capital Grants & Donations	\$ 10,900,000	\$ 9,118,333	\$ 1,781,667	19.5%
Depreciation & Amortization	\$ (2,333,784)	\$ (2,430,813)	\$ 97,030	-4.0%
Non-Capital Reserve Spending	\$ (180,000)	\$ (679,877)	\$ 499,877	-73.5%
PreDevelopment costs	\$ (265,000)	\$ (265,000)	\$ -	0.0%
<b>Total Non-Operating Contribution (Use)</b>	<b>\$ 19,020,968</b>	<b>\$ 12,740,712</b>	<b>\$ 6,280,256</b>	<b>49.3%</b>

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

- Non-cash items like depreciation and amortization costs,
- Developer fee revenue earned by BHP for tax credit developments,
  - For 2025 developer fee revenue breakdown is as follows:
    - \$1,348,781 – Hawthorn Court
    - \$3,929,000 – Rally
    - **Total: \$5,277,781**
- Interest income earned from 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)
  - \$9,000,000 City of Boulder Affordable Housing Fund – Rally Flats
  - \$1,400,000 City of Boulder – 34<sup>th</sup> Street (formerly Orchard Grove)
  - \$500,000 Boulder County – 34<sup>th</sup> Street
  - **Total: \$10,900,000**
- Spending on non-capital items from existing BHP reserves,
- Pre-development spending on potential new tax credit projects. (Development Activity)

**Section 5 – BHP 2025 Voucher Budget**

The summary of the 2025 operating budget is presented below and detailed in Exhibit #3.

For all non-federal voucher spending, estimated expenditures are expected to align with the projected awards for 2025. In contrast, spending on federal vouchers is anticipated to exceed federal awards in 2025. To cover this shortfall, BHP will utilize HUD-held reserves. BHP currently holds a

substantial HUD reserve balance of approximately \$2.3MM, ensuring sufficient coverage for any expenditures that exceed the award.

<b>BHP Budget Summary</b>	2025 BHP Budget	2024 BHP Budget	\$ Change from 2024 to 2025	% Change from 2024 to 2025
<b>Voucher Programs</b>				
<b>Total Voucher Revenue</b>	\$ 22,143,720	\$ 19,263,461	\$ 2,880,259	15.0%
<b>Total Voucher Expenses</b>	\$ 22,480,141	\$ 19,587,056	\$ 2,893,084	14.8%
<b>Net Operating Income / (Loss) (Voucher Programs)</b>	\$ (336,421)	\$ (323,595)	\$ (12,825)	4.0%

### **Section 6 – 2025 Tax Credit Budgets**

At the end of 2025 BHP will be the general partner and .01% owner of the following thirteen Tax Credit entities:

<b>Tax Credit Properties</b>	
30Pearl	120 (units)
Boulder Communities	279
Broadway West	26
Canopy	41
Canyon Pointe (West End)	82
Ciclo	38
Glen Willow (West End)	34
HighMar	59
Lee Hill	31
Madison	33
Palo Park	35
Red Oak Park	59
Tantra	185
Westview	34
Woodlands	35
<b>Tax Credit Total</b>	<b>1091</b>

Additional Units added to BHP management in 2025:

<b>Tax Credit Properties (New in 2025)</b>	
Golden West	253 (units)
Hilltop Senior	60
Rally	100
Hawthorn Court	73
<b>Tax Credit (New) Total</b>	<b>486</b>

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 5.7% is budgeted for 2025.
- Rents were budgeted with an average increase of 1.8%.
- Overall insurance increased about \$148K or 13% overall; Property insurance accounted for approximately 7% of this increase and General Liability + the associated Umbrella policies increased about 40% for the Tax Credit entities.

A detailed budget for each property is included as Exhibit #4. These properties are separate legal entities and therefore never consolidated into the financial statements of BHP.

**Section 7 - BHP 2025 Budget – Cash Flow**

A vital component of the 2025 BHP budget process is the careful monitoring of cash flow across all activity centers, including operations and voucher programs. The 2025 Budget is structured to optimize cash flow in each area, ensuring that reserves are accessed strategically when needed. Below is a summary table of the projected cash flow for operations and voucher activities, with further details available in Exhibit #5.

<b>BHP Cash Flow Summary</b>		
	<b>2025 Budget</b>	<b>2024 Budget</b>
Operations Activities (Details in Exhibit #5)	\$ 87,909	\$ 495
Voucher Program Activities (Details in Exhibit #3)	\$ (336,421)	\$ (323,595)

**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 #5, the cash flow for operations based on the 2025 budget is essentially neutral. This was a planned approach for the 2025 budget. As seen in the detailed schedule, BHP is generating operating cash in 2025 of over \$1.7MM, before additional planned investments. BHP is planning to use the cash available in 2025 to invest in existing BHP properties via capital improvements, contribute the development equity funds, and add \$150K to the insurance reserve.
- Voucher Programs
  - The voucher program is planning to access HUD held reserves in 2025 to meet all budgeted needs. BHP has a significant amount of HUD held reserves (HAP) of approximately \$2.3MM to offset any spending beyond the federal awards for 2025. We do not have a federal award amount for 2025 at this point in time, so all amounts associated with federal funding are estimates at this point in time.
- Non-operating & Development
  - Non-Operating and Development activity has no impact on operating cash flow and is largely non-cash or pass-through transactions. Any developer fees received (not earned) are placed in the Development Equity Fund.

## **Section 8 - Critical Notes & Discussion Points for BHP 2025 Budget**

This section highlights a number of key items in the 2025 budget. These items are intended to be discussion points during the 2025 budget process.

### **Operations:**

- Utilities – BHP includes in utilities water, sewer, storm drain, electricity and gas. The 2025 budget reflects a \$27K increase, or approximately 4.4%, compared to the 2024 budget, which is in line with expected rate increases.
- Insurance costs – BHP has budgeted \$617K in insurance premiums for 2025, which is an \$45K or 8% increase from 2024. The main contributors to the increase were:
  - Property - \$18K or 6%
  - Excess property - \$4K or 11%
  - General Liability - \$36K or 44%
  - Flood - \$1K or 11%
  - Auto - \$16K reduction or 25%
- Selected cost drivers for BHP operations:
  - HOA fees are expected to increase an average of 12% or \$46K for the 4 BHP properties with an HOA.
  - Maintenance labor and materials budget increased \$126K or 15%, dedicating costs to routine maintenance items handled by our internal team.
  - BHP anticipates an increase in software costs of \$65K and Network Consulting for Wi-Fi and door access systems of \$30K. These combined items result in a 49% increase over 2024.
  - Community events budget for 2025 is \$21K higher due to increased emphasis on enrichment activities to include our senior sites. This is a 68% increase.
  - Office supply budget was increased by \$41K in 2025, or 87%, to align with increase in expected headcount and onsite personnel.



Tax Credit Events in 2025:

- Mount Calvary dba Hilltop (60 units) - construction completion expected in December 2024. Lease up/stabilization phase of operations expected to begin first quarter of 2025. Permanent loan conversion is expected in late spring of 2025. Estimated developer fee to be earned and received in 2025 is \$1,309,263.
- Rally Flats (100 units) – construction completion expected in early spring of 2025. Lease up/stabilization phase of operations expected to begin early spring of 2025. Estimated developer fee to be earned in 2025 is \$3,929,000. Estimated developer fee to be received in 2025 is \$2,148,316.
- Hawthorn Court (73 units) – construction completion expected fall of 2025. Lease up/stabilization phase of operations expected to begin in the last quarter of 2025. Estimated developer fee to be earned in 2025 is \$1,348,781. Estimated developer fee to be received in 2025 is \$458,000.
- Golden West (253 units) – general partner assignment to be completed before 2025.

Public Housing:

- BHP is expecting to sell the Arapahoe Court site in 2025. This will end public housing units within the BHP portfolio. BHP has budgeted an estimated \$2.5M gain on sale associated with this disposal.

List of Attachments

Exhibit #1	BHP 2025 Operating Budget
Exhibit #2	BHP Non-operating and Development Budget
Exhibit #3	BHP 2025 Voucher Budget
Exhibit #4	2025 Tax Credits Budgets
Exhibit #5	BHP Operations Cash Flow
Exhibit #6	Moving to Work
Exhibit #7	Non-MTW Voucher Programs
Exhibit #8	BHP Workforce Properties
Exhibit #9	BHP Organization Debt Summary
Exhibit #10	BHP Reserves Information

Exhibit #1 - BHP 2025 Operating Budget

Boulder Housing Partners  
Statement of Activities  
2025 vs 2024 Budget

	2025 Budget	2024 Budget	Variance \$	% Var	Comments
<b>OPERATIONS</b>					
<b>REVENUE (Excludes HAP)</b>					
<b>Operations Revenue</b>					
Tenant Dwelling Rental	\$ 9,127,386	\$ 9,088,491	\$ 38,895	0%	2025 budget includes \$8,500 for rental concessions (reduction of revenue) vs 2024 at \$0; Arapahoe Court: 2025 \$0 vs 2024 \$20K
HUD-Operating Subsidy	4,500	4,500	-	0%	
<b>Total Operations Revenue</b>	<b>9,131,886</b>	<b>9,092,991</b>	<b>38,895</b>	<b>0%</b>	
<b>Fee Revenue</b>					
Property Mgmt & Asset Mgmt Fees	621,228	609,319	11,908	2%	2025 includes new LIHTCs, Hilltop, Rally Flats and Hawthorn Court
Mgmt Fees - Tax Credits	1,875,246	1,582,910	292,337	18%	
Resident Service Income	484,610	489,242	(4,631)	-1%	
<b>Total Fee Revenue</b>	<b>2,981,084</b>	<b>2,681,471</b>	<b>299,614</b>	<b>11%</b>	
<b>Grants and Subsidies</b>					
Non Federal Grants and Donations	130,392	144,998	(14,606)	-10%	Bcycles grant \$0 2025, \$15K 2024; \$18K of local voucher payments budgeted here for 2024
<b>Other Revenue</b>					
Tenant Fees and Utility Reimbursements	143,933	215,254	(71,321)	-33%	Billing Service Utilities budgeted \$95K lower due to gross rents change; work order charges budgeted \$14K higher to align with 12 month trailing actuals
Bank Deposit Interests	178,460	179,217	(757)	0%	2025 budget includes allocation of zpm salaries to properties, compared to \$0 for 2024 \$20K difference is IT allocation to properties, excluded in 2025
Maint Charges to Prop	5,541,464	2,672,744	2,868,720	107%	
Miscellaneous Revenue	70,666	91,973	(21,307)	-23%	
<b>Total Other Revenue</b>	<b>5,934,523</b>	<b>3,159,187</b>	<b>2,775,336</b>	<b>88%</b>	
<b>Total Operating Revenue</b>	<b>18,177,885</b>	<b>15,078,647</b>	<b>3,099,238</b>	<b>21%</b>	

	2025 Budget	2024 Budget	Variance \$	% Var	Comments
<b>EXPENSES (Excludes HAP)</b>					
<b>Salaries and Benefits</b>					
<b>Salaries and Benefits</b>	<b>11,912,254</b>	<b>8,252,700</b>	<b>3,659,555</b>	<b>44%</b>	Primary increase is related to PM cost center is now included in the BHP budget. This is a change in approach to ensure 100% costs are visible at their BHP level. Also incremental increases related to headcount, and merit increases.
<b>Property Costs</b>					
Maintenance Materials	317,490	233,172	84,318	36%	Estimated costs based on actual spending in 2024.
Contract Labor & Repairs	980,617	913,706	66,911	7%	
BHP Contract Labor	646,974	781,949	(134,976)	-17%	By adding more properties the costs allocated to BHP properties (Workforce) will decrease.
Extraordinary Expense	4,500	16,392	(11,892)	-73%	
Trash and Recycling	134,587	128,887	5,700	4%	
Utilities	670,156	642,176	27,980	4%	
PILOT & HOA Fees	424,725	380,788	43,937	12%	Estimated HOA increases for BHP properties in 2025.
<b>Total Property Costs</b>	<b>3,179,048</b>	<b>3,097,071</b>	<b>81,977</b>	<b>3%</b>	2025 budget represents 12 months trailing actuals
<b>Other Operating Expenses</b>					
Consultants & Contract Labor	214,576	205,729	8,847	4%	
Dues and Fees	92,124	95,362	(3,238)	-3%	
Software & Expendable Equipment	442,667	451,901	(9,234)	-2%	
Insurance Expense	602,214	561,318	40,897	7%	
Interest Expense	9,080	8,831	249	3%	
Legal	82,723	71,000	11,723	17%	
Mileage & Vehicle Expense	199,250	193,563	5,687	3%	
Miscellaneous - Expense	642,867	285,690	357,177	125%	Budget amount was increased to account for unexpected and unforeseen costs in 2025. A decrease in the non-operating budget for non-capital reserve funding is decreased to allow for the increase in this area.
Mortgage Interest Expense	1,578,927	1,618,655	(39,727)	-2%	
Bond Fees	7,952	78,439	(70,487)	-90%	Very few expected fees expected in 2025.
Office Supplies & Other Administrative Expenses	104,389	58,241	46,148	79%	2025 amounts based on current spending levels.
Phone, Printing & Postage Expense	155,798	210,808	(55,010)	-26%	2025 amounts based on current spending levels.
Property Mgmt & Asset Mgmt Fees	499,715	501,138	(1,424)	0%	
Resident Services Fees	27,456	30,116	(2,660)	-9%	
Staff Training	126,300	148,996	(22,696)	-15%	
Sustainability Grant Expense	-	15,000	(15,000)	-100%	No grant expected in 2025.

	2025 Budget	2024 Budget	Variance \$	% Var	Comments
<b>Total Other Operating Costs</b>	<b>4,786,040</b>	<b>4,534,787</b>	<b>251,253</b>	<b>6%</b>	2025 budget represents 12 months trailing actuals
<b>Total Operating Expenses</b>	<b>19,877,342</b>	<b>15,884,557</b>	<b>3,992,785</b>	<b>25%</b>	
<b>Net Operating Income; Property Mgmt</b>	<b>(1,699,457)</b>	<b>(805,910)</b>	<b>(893,547)</b>	<b>111%</b>	

Exhibit#2 - BHP Non-operating and Development Budget

	2025 Budget	2024 Budget	Variance \$	% Var	Comments
<b>Non-Operating Income (Expense)</b>					
Development Fees	5,277,781	2,748,208	2,529,573	92%	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	5,621,970	4,249,862	1,372,109	32%	2025 budget includes soft debt interest income on Rally Flats and Hawthorn Court
Non-Federal Capital Grants & Donations	10,900,000	9,118,333	1,781,667	20%	2025 includes one-time grants for Rally Flats and 34th Street; 2024 included Hawthorn Court and gain on sale of Arapahoe Court
Federal Capital Grants	-	-	-		
Depreciation & Amortization	(2,333,784)	(2,430,813)	97,030	-4%	2025 budget set to expected spending levels. Also some of
Non-Capital Reserve Spending	(180,000)	(679,877)	499,877	-74%	this budget has been moved to Misc. operating costs for 2025.
PreDevelopment costs	(265,000)	(265,000)	-	0%	
<b>Total Non-Operating Income (Expense)</b>	<b>19,020,968</b>	<b>12,740,712</b>	<b>6,280,256</b>	<b>49%</b>	

Exhibit #3 - BHP 2025 Voucher Budget

	2025 Budget	2024 Budget	Variance \$	% Var	Comments
<b>Voucher Programs; Federal &amp; Local</b>					
<b>Housing Assistance Programs (HAP):</b>					
<b>Voucher Revenue</b>					
HCV - HAP Revenue	18,954,456	16,307,115	2,647,341	16%	2024 was under budgeted making the increase for 2025 appear large.
Federal Service Grants & Local Voucher Funding	1,690,884	1,544,570	146,314	9%	
<b>Total Voucher Revenue</b>	<b>20,645,340</b>	<b>17,851,685</b>	<b>2,793,655</b>	<b>16%</b>	2025 budget represents 12 months trailing actuals
<b>Voucher Expenses</b>					
HCV-HAP Expense	18,954,456	16,334,475	2,619,981	16%	
Federal Service Grant Expense & Local Voucher	1,690,884	1,526,570	164,314	11%	\$18K of local voucher payments budgeted here for 2025
<b>Total Voucher expense</b>	<b>20,645,340</b>	<b>17,861,045</b>	<b>2,784,295</b>	<b>16%</b>	2025 budgeted revenue equals expense
<b>HAP - Net Operating Income</b>	<b>-</b>	<b>(9,360)</b>	<b>9,360</b>	<b>-100%</b>	
<b>Admin program:</b>					
<b>Admin Revenue</b>					
HCV-HAP Admin Fees	1,498,380	1,411,776	86,604	6%	2025 budgeted revenue equals expense
<b>Admin Expenses</b>					
Salaries and Benefits	1,189,439	1,173,832	15,607	1%	
Management Fees	419,196	414,468	4,728	1%	
HQS Inspections	48,000	48,000	-	0%	
Other Admin Expenses	178,165	89,711	88,454	99%	2025 includes \$83K of Yardi software costs
<b>Total Admin expense</b>	<b>1,834,801</b>	<b>1,726,011</b>	<b>108,789</b>	<b>6%</b>	
<b>Admin - Net Operating Income</b>	<b>(336,421)</b>	<b>(314,235)</b>	<b>(22,185)</b>	<b>7%</b>	
<b>Net Operating Income; Voucher &amp; Admin programs</b>	<b>(336,421)</b>	<b>(323,595)</b>	<b>(12,825)</b>	<b>4%</b>	



## Exhibit #5 - BHP Operations Cash Flow 2025 Budget

	2025	2024	Notes
<b>Net Operating Income</b>	\$ (1,699,457)	\$ (805,910)	
<b>Adjustments to Operating Cash:</b>			
<b>General Adjustments</b>			
Replacement Reserves Contribution	\$ (230,436)	\$ (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)	\$ (971,334)	\$ (991,343)	This is a negative cash adjustment for the mortgage payment on BHP properties. (Principal Only)
2024 Revenue Maximization / Cost Savings Plans Implementation		\$ 200,000	
Allocation of Additional Cash Revenues & Contributions to Operating Fund		\$ 300,000	
<b>Total General Adjustments</b>	<b>\$ (1,201,770)</b>	<b>\$ (885,043)</b>	
<b>Estimated Deferred Developer Fee Payments from LIHTCs to BHP in 2025:</b>			
Deferred Developer Fee - Boulder Communities	\$ 604,177	\$ 267,217	These are deferred developer fees paid via cash flow from the LIHTCs.
Deferred Developer Fee - Palo	\$ 47,879	\$ 67,247	
Deferred Developer Fee - Canopy	\$ 129,413		
Deferred Developer Fee - Ciclo	\$ -	\$ 2,538	
Deferred Developer Fee - 30Pearl	\$ 254,900	\$ 212,181	
Deferred Developer Fee - MadisonWoods	\$ 426,164	\$ 63,636	
Deferred Developer Fee - Tantra	\$ 542,246	\$ 391,082	
Deferred Developer Fee - Boulder Communities (Interest)	\$ 13,728	\$ 16,133	
Deferred Developer Fee - HighMar (Interest)		\$ 634	
Deferred Developer Fee - Palo (Interest)	\$ 589	\$ 1,298	
Deferred Developer Fee - Canopy (Interest)	\$ 3,487	\$ 2,317	
Deferred Developer Fee - 30Pearl (Interest)	\$ 16,728	\$ 15,702	
Deferred Developer Fee - MadisonWoods (Interest)	\$ 42,155	\$ 28,137	
Deferred Developer Fee - Tantra (Interest)	\$ 9,489	\$ -	
Deferred Developer Fee - Golden West	\$ 800,000	\$ -	
<b>Total Deferred Development Fee Payments</b>	<b>\$ 2,890,955</b>	<b>\$ 1,068,122</b>	
<b>Estimated Payments on Soft Debt from LIHTC to BHP in 2025:</b>			
Payment on Debt to BHP (Principal) - Broadway West	\$ 100,551	\$ 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	\$ 22,127	\$ 12,880	
Payment on Debt to BHP (Principal) - West View	\$ 49,025	\$ 76,578	
Payment on Debt to BHP (Principal) - Lee Hill	\$ 207,123	\$ 39,663	
Payment on Debt to BHP (Principal) - West End	\$ 180,023	\$ -	
Payment on Debt to BHP (Principal) - Tantra	\$ 220,945	\$ -	Dev Def Loan (ARPA)
Payment on Debt to BHP (Interest) - Red Oak Park	\$ 38,453	\$ 40,073	
Payment on Debt to BHP (Interest) - WestView	\$ 10,580	\$ 28,155	
Payment on Debt to BHP (Interest) - High Mar	\$ 186,083	\$ 154,295	
Payment on Debt to BHP (Interest) - West End	\$ 468,306	\$ 201,887	
Payment on Debt to BHP (Interest) - Tantra	\$ 314,965	\$ -	Dev Def Loan (ARPA) + BHP Note
<b>Total Payments on Soft Debt</b>	<b>\$ 1,798,181</b>	<b>\$ 623,326</b>	
<b>Total Adjustments</b>	<b>\$ 3,487,366</b>	<b>\$ 806,405</b>	
<b>Cash Flow</b>	<b>\$ 1,787,909</b>	<b>\$ 495</b>	
<b>2025 Cash Investments and Reserve Allocations</b>			
Additional Allocation of Fund to Insurance/Operating Reserve	\$ (150,000)		\$150K to add to the insurance and operating reserve.
Investment in Development Equity Fund From Operations	\$ (800,000)		Estimated Amount
Investments in BHP Property Improvements	\$ (750,000)		These funds would be used for capital improvements within BHP properties or possibly loans top LIHTC properties for critical capital items.
<b>Total Investments and Allocations of Cash</b>	<b>\$ (1,700,000)</b>	<b>\$ -</b>	
<b>Total Estimated Cash Flow</b>	<b>\$ 87,909</b>	<b>\$ 495</b>	



## Exhibit #6 – Moving to Work

### 6.1 General Description

MTW is currently composed of 959 Housing Choice Vouchers, 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.

### 6.2 Financial Summary

MOVING TO WORK PROGRAMS	Public Housing/CFP	S8 HCVP	MTW Admin	2025 Total Budget	Rolling 12 months actuals; Jun 2023 - May 2024	Diff
Total Rental/HAP Income	4,500	\$ 14,180,226	\$ 50	\$ 14,184,776	\$ 12,888,693	\$ 1,296,083
Total Expenses	(58,815)	\$ (14,493,027)	\$ -	\$ (14,551,841)	\$ (12,543,845)	\$ (2,007,996)
Net Income (Loss)	(54,315)	(312,801)	50	(367,065)	344,847	(711,913)
Adjustments for Cash Basis						
<b>Plus:</b>						
Amortization & Depreciation	9,537	\$ -	\$ -	\$ 9,537	\$ -	\$ 9,537
Capital Grants	-	\$ -	\$ -	\$ -	\$ -	\$ -
MTW Reserves	-	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Less:</b>						
Fixed Asset Expenditures	-	\$ -	\$ -	\$ -	\$ -	\$ -
Net Operating Transfers	-	\$ -	\$ -	\$ -	\$ (735,871)	\$ 735,871
<b>Net Increase (Decrease) to Cash</b>	<b>(44,777)</b>	<b>\$ (312,801)</b>	<b>\$ 50</b>	<b>\$ (357,528)</b>	<b>\$ (391,024)</b>	<b>\$ 33,496</b>

### 6.3 Budget Assumptions

- Housing Choice Voucher Housing Assistance Payments (HAP) funding based on 2024 budget authority and forecasted HAP expense for 2025.
- Housing Choice Voucher administrative fee funding based on estimated vouchers leased and an assumption of 90% proration of published rates based on HUD notices.

**Exhibit #7 – Non-MTW Voucher Programs**  
**7.1 General Description**

<b>Non MTW Voucher Programs</b>	<b>Vouchers</b>
Mainstream	188
NED	181
EHV	25
Housing First *	22
City of Boulder	48
<b>Total Non-MTW Vouchers: (exclude Housing First)</b>	<b>442</b>
<b>Non MTW Grants</b>	<b>Grant \$</b>
CoC Consolidated Grant *	\$ 669,013

\*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.

**7.2 Financial Summary**

<b>NON-MTW VOUCHER AND GRANT PROGRAMS</b>	<b>2025 Total</b>	<b>Rolling 12 months actuals; Jun 2023 - May 2024</b>	<b>Diff</b>
Total Revenue	\$ 7,987,198	\$ 7,595,481	\$ 391,717
Total Expenses	\$ (7,987,114)	\$ (7,551,301)	\$ (435,813)
Net Income (Loss)	\$ 84	\$ 44,180	\$ (44,096)
<b>Net Increase (Decrease) to Cash</b>	<b>\$ 84</b>	<b>\$ 44,180</b>	<b>\$ (44,096)</b>

**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 to offset administrative fees earned. They are projected to operate at net zero income and cash flow for 2025. 2024’s actuals reflect a positive \$44,180 impact on cash due to the funding of the Mainstream programs.
- HCV-HAP Non-MTW funding increased over the actuals presented due budgeted 3% rent increase.
- Administrative fees decreased due to the decreased number of EHV vouchers, and Mainstream has overfunded admin fee for actuals.
- Service grant funding is consistent with 2024’s actuals for the CoC Consolidated grant program.

**Exhibit #8 – BHP Workforce Properties**  
**8.1 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	<b>TOTAL:</b>	<b>492</b>

**Financial Summary**

BHP Workforce Budget	2025 BUDGET Workforce	Rolling 12 months actuals; Jun 2023 - May 2024	Change in Income Increase (Decrease)	%
Operating Revenue	\$ 9,221,319	\$ 9,216,849	\$ 4,470	0%
Operating Expenses	\$ (4,702,569)	\$ (4,483,776)	\$ (218,793)	5%
Operating Transfers to COCC	\$ -		\$ -	0%
<b>Net Operating Income</b>	<b>\$ 4,518,750</b>	<b>\$ 4,733,073</b>	<b>\$ (214,323)</b>	<b>-5%</b>
Capital Grants	\$ -	\$ -	\$ -	0%
Interest Income	\$ 48,732	\$ 103,648	\$ (54,917)	-53%
Depreciation Expense	\$ (2,108,759)	\$ (2,050,828)	\$ (57,930)	3%
Non Capital Reserve Spending	\$ (180,000)	\$ (11,031)	\$ (168,969)	
Mortgage and Other Interest Expense	\$ (1,588,008)	\$ (1,714,946)	\$ 126,938	-7%
Gain (Loss) on Sale of Capital Assets	\$ -	\$ (243,637)	\$ 243,637	-100%
<b>Total Non-Operating Rev/Exp</b>	<b>\$ (3,828,035)</b>	<b>\$ (3,916,793)</b>	<b>\$ 88,759</b>	<b>-2%</b>
<b>Net Income</b>	<b>\$ 690,715</b>	<b>\$ 816,279</b>	<b>\$ (125,564)</b>	<b>-15%</b>
<b>Adjustments to Operating Cash</b>				
<b>Plus:</b>				
Amortization & Depreciation	\$ 2,108,759	\$ 2,050,828	\$ 57,930	3%
Non Capital Expenditures funded by Reserves	\$ 180,000	\$ 11,031	\$ 168,969	
<b>Less:</b>			\$ -	
Fixed Asset Expenditures	\$ -	\$ -	\$ -	0%
Gain (loss) on Sale of Assets; Bluff non cash	\$ -	\$ 243,637	\$ (243,637)	
Replacement Reserves Funding	\$ (181,116)	\$ (181,116)	\$ -	0%
Debt Principal	\$ (971,334)	\$ (969,804)	\$ (1,530)	0%
<b>Contribution to Operating Cash</b>	<b>\$ 1,827,024</b>	<b>\$ 1,970,855</b>	<b>\$ (143,831)</b>	<b>-7%</b>

The Workforce portfolio is showing a budgeted net income of \$690,715 and a positive cash contribution after adjustments for depreciation, debt principal payments, and reserve funding from cash flow of \$1,827,024.

## 8.2 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 1% to 3%. 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 1% - 3%. 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 \$4,470 as compared with trailing 12 months actuals. This amount includes market rate increases.
- Vacancy Loss
  - All affordable units are projected at an average of 6% vacancy.
  - Market-Rate units are budgeted at 6%, consistent with our operating history and a relatively conservative projection in this market.

### Exhibit #9 – 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 @ 12/31/2024	Annual Debt service 2025
**Arap East, Dak Ridge, Midtown, Sanitas Pl, Twin Pines	3.30%	4/1/2031	\$ 7,200,000	\$ 6,777,969	\$ 349,530
***Hayden Pl, Whittier	3.85%	7/1/2027	\$ 1,436,265	\$ 1,246,031	\$ 98,070
Hayden Place 2	4.20%	8/1/2027	\$ 600,000	\$ 502,174	\$ 35,524
Cedar & Casey	3.25%	2/1/2028	\$ 2,449,358	\$ 2,161,119	\$ 117,887
Foothills	3.25%	8/31/2028	\$ 7,000,000	\$ 5,133,161	\$ 367,411
Trout Farms	3.97%	6/1/2029	\$ 3,362,052	\$ 3,150,023	\$ 182,647
Bridgeway	3.86%	4/1/2032	\$ 23,460,000	\$ 20,686,628	\$ 1,224,859
Vizioso	4.79%	12/1/2047	\$ 600,000	\$ 526,867	\$ 38,086
Broadway East	Variable	9/1/2024	\$ 1,715,000	\$ -	\$ -
Holiday	3.67%	7/1/2031	\$ 2,720,000	\$ 2,582,493	\$ 139,167
		<b>Totals</b>	<b>\$ 50,542,675</b>	<b>\$ 42,766,465</b>	<b>\$ 2,553,181</b>

\* 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 3300 Penrose Place. 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 #10 – BHP Reserves Information

### 10.1 BHP Operating Reserves

<b>BHP Operating Reserves - Unrestricted</b>	<b>2025 Budget</b>	<b>2026 Projected</b>	<b>2027 Projected</b>	<b>2028 Projected</b>	<b>2029 Projected</b>
<b>Operating Reserves - Projected Beginning Balance</b>	\$ 3,962,586	\$ 3,962,586	\$ 3,987,586	\$ 4,012,586	\$ 4,037,586
<b>Sources:</b>					
Cash Surplus/Deficit from Operations					
Investments in BHP Property Improvements	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
<b>Total Sources</b>	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
<b>Uses:</b>					
Total Uses	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Balance - End of Year</b>	\$ 3,962,586	\$ 3,987,586	\$ 4,012,586	\$ 4,037,586	\$ 4,062,586
<b>Designations:</b>					
Board Designated Reserve	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000	\$ 2,750,000
<b>Surplus /(Deficit) vs Reserve Goal</b>	\$ 1,212,586	\$ 1,237,586	\$ 1,262,586	\$ 1,287,586	\$ 1,312,586

BHP recommends maintaining operating reserves at \$2,750,000 based on the 2025 operating budget which provides greater than 2 months of operating cash for BHP.

### 10.2 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:

2025	\$ 4,800,000
2026	\$ 5,400,000

### 10.3 Replacement Reserves

<b>BHP Replacement Reserves - Unrestricted</b>	<b>2025 Budget</b>	<b>2026 Projected</b>	<b>2027 Projected</b>	<b>2028 Projected</b>	<b>2029 Projected</b>
<b>Projected Beginning Balance</b>	\$ 4,153,245	\$ 2,945,270	\$ 2,924,386	\$ 2,903,502	\$ 2,882,618
<b>Sources:</b>					
Capital Reserve addition; Tax Credit cash flow	\$ 87,909	\$ 600,000	\$ 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
<b>Total Sources</b>	\$ 317,025	\$ 829,116	\$ 429,116	\$ 429,116	\$ 429,116
<b>Uses:</b>					
Capital Needs - Workforce Properties (estimate)	\$ 1,500,000	\$ 800,000	\$ 400,000	\$ 400,000	\$ 400,000
Capital Needs - COCC (estimate)	\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
<b>Total Uses</b>	\$ 1,525,000	\$ 850,000	\$ 450,000	\$ 450,000	\$ 450,000
<b>Balance - End of Year</b>	\$ 2,945,270	\$ 2,924,386	\$ 2,903,502	\$ 2,882,618	\$ 2,861,734
<b>Designations:</b>					
Board Designated Reserve	\$ 1,722,000	\$ 1,813,000	\$ 1,813,000	\$ 1,813,000	\$ 1,813,000
<b>Surplus /(Deficit) vs Reserve Goal</b>	\$ 1,223,270	\$ 1,111,386	\$ 1,090,502	\$ 1,069,618	\$ 1,048,734

Our current funding levels averaging \$368 per unit per year for 2025. 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 2025.

## 10.4 MTW Operating Reserves

MTW Operating Reserves (restricted to MTW)*	2025 Budget	2026 Projected	2027 Projected	2028 Projected	2029 Projected
MTW Operating Reserve - Beginning Balance	\$ 159,860	\$ 110	\$ 110	\$ 110	\$ 110
Sources: HUD held fund	\$ 133,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
Net 2025 Operating budget	\$ (312,751)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)
<b>Total Sources</b>	<b>\$ (179,751)</b>	<b>\$ (20,000)</b>	<b>\$ (20,000)</b>	<b>\$ (20,000)</b>	<b>\$ (20,000)</b>
Uses:					
Funding Landlord Initiatives	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
<b>Total Uses</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>
<b>Balance - End of Year</b>	<b>\$ 110</b>	<b>\$ 110</b>	<b>\$ 110</b>	<b>\$ 110</b>	<b>\$ 110</b>

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 \$159,860. 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. In addition, BHP has HUD held reserves (HAP) of approximately \$2.8MM. BHP can use these funds to supplement HAP payments beyond annual award levels.

## 10.5 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 2024.

- \$460,230 in tenant security deposits fluctuates per resident move-ins or move-outs and property acquisitions.
- \$329,682 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 \$1,021,875 in 2024 and we anticipate the same funding to occur in 2025. As of September 2024, \$300,855 funds remain from the 2024 prepayment.
  - NED (non-Elderly Disabled) and Mainstream programs; These programs are overspent by \$43,433 HAP expense in excess of revenue. This typical timing for HUD to fund HAP at the current spend levels.

## 10.6 Insurance Reserve: 2024 - \$865,862

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, \$100,000 deductible for 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.



**RESOLUTION #2024-11**

**APPROVAL OF THE 2024 COMBINED OPERATING AND CAPITAL BUDGETS FOR BOULDER HOUSING PARTNERS.**

**WHEREAS**, the Executive Director has submitted to the Board an Operating and Capital Budget for the fiscal year ending December 31, 2025 a copy of which is included in the Board packet for the December 11, 2024 meeting of the Board; and

**WHEREAS**, the Board has determined that the proposed expenditures in the 2025 Operating Budget are necessary for the efficient and economical operation of the Housing Authority for the purpose of serving low-income family households; and

**WHEREAS**, the Board has determined that adequate resources are available to cover the proposed expenditures reflected in the proposed budget; and

**WHEREAS**, all proposed rental charges and expenditures will be consistent with current provision of law and comply with the terms of the Annual Contributions Contract; and

**WHEREAS**, the Board has determined that sufficient cash flow is being invested in replacement reserves to meet current and expected future needs; and

**WHEREAS**, the Board has reviewed the expected contributions to and uses of BHP Cash Reserves; and

**WHEREAS**, the Capital Budget includes long term projections of expenditures on potential capital projects and approval of the Capital Budget is not an authorization to proceed on any one project; and

**WHEREAS**, Boulder Housing Partners is a Moving-to-Work (“MTW”) agency; and

**WHEREAS**, MTW agencies have the authority to utilize MTW funds for any MTW activity.

**NOW, THEREFORE**, be it resolved that the Board of Commissioners does hereby approve the Operating and Capital Budgets and related documents as presented on December 11, 2024 and adopts the following minimum reserve targets for the fiscal year ending December 31, 2025:

Operations cash reserve balance	\$ 2,750,000
Workforce replacement reserve balance	\$ 3,500/Unit
Insurance Reserve Balance	\$ 800,000

**Adopted this 11th day of December, 2024**

(SEAL)

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

ATTEST:

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Jeremy Durham  
Executive Director

# Upcoming Conference & Training Opportunities

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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](#) Oct 14-17, 2025 Keystone, CO

## NAHRO

- [2025 Washington Conference](#) Mar 10-12, 2025 Washington, DC
- [2025 Summer Symposium](#) July 17-18, 2025 New York, NY
- [National Conference](#) Sept 28-30, 2025 Phoenix, AZ

## NAHRO Professional Development

- [Ethics for Commissioners](#) Dec 19, 2024 Online
- [HCV Occupancy, Eligibility, Income and Rent Calculation](#) Feb 4, 2025 Online
- [Commissioners' Fundamentals](#) Feb 18, 2025 Online

## NeighborWorks

- [Training Institute](#) TBA TBA

## PHADA (Public Housing Authorities Directors Association)

- [2025 Commissioners' Conference](#) Jan 5-8, 2025 Miami, FL
- [2025 Annual Convention & Exhibition](#) May 13-16, 2025 Seattle, WA

# FUTURE BOARD ITEMS

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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.

	<b><u>Anticipated Date</u></b>
• Lee Hill Annual Report & Good Neighbor Statement of Operations	February 2025
• Sustainability Presentation	February 2025
• Arapahoe Court Sale	March 2025
• Partnership Awards	March 2025
• Update from Kurt Firnhaber, Housing and Human Services Director	1 <sup>st</sup> Quarter 2025
• Board Outreach	1 <sup>st</sup> Quarter 2025
• Partnership Awards	June 2025
• Moving to Work Annual Proposed Activities	June 2025
• Moving to Work Annual Report	2 <sup>nd</sup> Quarter
• Moving to Work Annual Plan - Draft	September 2025
• Partnership Awards	October 2025
• Moving to Work Annual Plan - Final	October 2025
• 2026 Payment Standards	November 2025
• Board Elections	December 2025
• Tax Credit Exits and Reinvestment	As Time Allows
• Unit Turn Process	As Time Allows

# 2025

## Boulder Housing Partners Commissioners' Calendar



Date	Group	Time
JANUARY	BOARD RECESS	-----
Mon. February 10	Development Committee (as needed)	4:00-5:00
Wed. February 12	Board Meeting	9:00-11:30
Wed. March 5	NPG Committee	3:30-5:00
Mon. March 10	Finance Committee – 2024 Financials Review	3:00-4:00
Mon. March 10	Development Committee (as needed)	4:00-5:00
Wed. March 12	Board Meeting	9:00-11:30
Wed. April 9	Board Retreat	9:00-3:30
Wed. April 30	NPG Committee	3:30-5:00
Mon. May 5	Finance Committee –Financials Review	3:00-4:00
Mon. May 5	Development Committee (as needed)	4:00-5:00
Wed. May 7	Board Meeting	9:00-11:30
Wed. June 4	NPG Committee	3:30-5:00
Mon. June 9	Finance Committee –Financials & Audit Review	2:30-4:00
Mon. June 9	Development Committee (as needed)	4:00-5:00
Wed. June 11	Board Meeting	9:00-11:30
Mon. July 7	Development Committee (as needed)	4:00-5:00
Wed. July 9	Board Meeting	9:00-11:30
AUGUST	BOARD RECESS	-----
Mon. September 15	Finance Committee – Financials Review	3:00-4:00
Mon. September 15	Development Committee (as needed)	4:00-5:00
Wed. September 17	Board Meeting	9:00-11:30
Mon. October 20	Development Committee (as needed)	4:00-5:00
Wed. October 22	Board Meeting	9:00-11:30
Mon. November 10	Finance Committee – Financials & Draft 2025 Budget Review	3:00-4:00
Mon. November 10	Development Committee (as needed)	4:00-5:00
Wed. November 12	Board Meeting	9:00-11:30
Mon. December 8	Finance Committee – Financials & Final 2025 Budget Review	3:00-4:00
Mon. December 8	Development Committee (as needed)	4:00-5:00
Wed. December 10	Annual Board Meeting	9:00-11:30