Boulder County Housing Authority
2018 Budget
September 26, 2017
Our Mission:
Building Community, Empowering People, Strengthening Families

We are building a healthy, connected community that empowers people and strengthens families by confronting the root causes of crisis and instability.
Boulder County Housing Authority

809 units of affordable housing
Affordable Housing Unit Growth 2013-2018

78 Kestrel Units added 2018
122 Kestrel Units added 2017
House removed to develop Kestrel 2016
16 Aspinwall units added 2015
56 Aspinwall units added 2014
74 Josephine Commons Units 2013

Hope for the future, help when you need it.
## 2017 Successes

<table>
<thead>
<tr>
<th>Success</th>
<th>Details</th>
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</thead>
<tbody>
<tr>
<td>Increased affordable housing stock in Boulder County</td>
<td>(added 122 units in 2017)</td>
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<tr>
<td>Kestrel construction, on-time and on-budget</td>
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<tr>
<td>Set up development pipeline with land purchases in Nederland and Lafayette</td>
<td></td>
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<tr>
<td>Received new Colorado Energy Office grant for solar installation</td>
<td>($145K grant for 12 units)</td>
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<tr>
<td>BCHA’s LIHTC properties performing well adding to the overall health of the Housing Authority</td>
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### 2018 Opportunities

<table>
<thead>
<tr>
<th>Kestrel lease-up and permanent conversion</th>
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<tbody>
<tr>
<td>Continue to partner with BCDHHS to integrate programming, including short-term emergency housing &amp; housing stabilization programs</td>
</tr>
<tr>
<td>Continue to refine and implement BCHA’s development pipeline strategy to provide more affordable housing in the county</td>
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### 2018 Risks

<table>
<thead>
<tr>
<th>Kestrel lease-up and permanent conversion</th>
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<tbody>
<tr>
<td>Federal funding levels for programming</td>
</tr>
<tr>
<td>Balancing changes to cost structure and rental rate increases</td>
</tr>
<tr>
<td>Decreased Federal/State funding for LPEC</td>
</tr>
<tr>
<td>2018 Assumptions</td>
</tr>
<tr>
<td>-------------------</td>
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<tr>
<td>Kestrel lease-up by the end of Q1 2018</td>
</tr>
<tr>
<td>Convert to permanent financing by mid-2018 on the Kestrel project</td>
</tr>
<tr>
<td>95% occupancy rate of rental properties (93% for LIHTC properties)</td>
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<tr>
<td>3% payroll expense increase</td>
</tr>
<tr>
<td>Maintain current funding levels for federal programs</td>
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</tbody>
</table>
2018 BCHA Revenues Budget with Component Units

- Grant & Program Revenues: $13,488,586 (46%)
- Tenant Rental Income w/ Subsidy: $9,139,502 (31%)
- Developer Fee: $5,441,976 (18%)
- Fees & Other Income: $872,459 (3%)
- Interest Income: $658,210 (2%)

Total Revenue: $29,600,733
Comparative Overview
BCHA Revenues with Component Units

Revenue Highlights

• Decreasing CDBG-DR activity
• Decreasing Weatherization activity
• Increasing rents, Kestrel operational
• $5.4M developer fee revenue recognized in 2018; however $2.4M cash received in 2018
2018 BCHA Expenses Budget with Component Units

- Client Services/Expense: $10,557,177 (37%)
- Depreciation (& other non-cash): $6,435,618 (22%)
- Salary & Benefits: $4,346,474 (15%)
- Direct Expenses w/ insurance & utilities: $3,821,236 (13%)
- Interest Expense: $2,041,355 (7%)
- Other: $1,223,483 (4%)
- Pre-development: $500,000 (2%)

Total Expenses: $28,925,343
Comparative Overview
BCHA Expenses with Component Units

Expense Highlights

• Level direct client support
• 2016 payroll actuals less than planned spending due to unfilled vacancies
• Financial Counseling personnel moved from BCHA to Human Services
• Reduced Weatherization staffing planned for 2018
• Higher contract costs in 2016 due to CDBG-DR activity. CDBG-DR is phased out for 2018.
• Kestrel depreciation added for 2018
BCHA Structure - 2018

**Operating Fund**
- General Admin
- North Properties
- South Properties
- Rural Development
- Multi-Family Public Housing
- Pre-development
- 368 Units
- 19% of expense budget

**Grant-Program Fund**
- Weatherization
- Rehab
- Housing Choice Vouchers
- Tenant Based Rental Assist.
- Housing Counseling
- Housing Stabilization (HSP)
- Family Self-Sufficiency (FSS)
- 48% of expense budget

**LIHTC Partnerships**
- Josephine Commons  74 Units
- Aspinwall LLC  167 Units
- Kestrel  200 Units in 2018
- 33% of expense budget
BCHA Operating Fund
2018 Budgeted Expenses

$5,603,308
Operating Expenses

- Maintenance Expenses (incl. payroll)
  $1,564,783
- Other - Legal, Rent, Training, Travel, Supplies, Phone,
  $1,082,188 Printing, Admin, Indirect costs
- Salary & Benefits (non-maintenance)
  $832,332
- Depreciation (& other non-cash)
  $708,662
- Interest Expense
  $604,604
- Pre-development
  $500,000
- Utilities
  $310,739
BCHA Grant-Program Fund
2018 Budgeted Expenses

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>11,208,778</td>
</tr>
<tr>
<td>Human Services</td>
<td>1,774,000</td>
</tr>
<tr>
<td>State &amp; non-Boulder County Local</td>
<td>431,524</td>
</tr>
<tr>
<td>BCHA</td>
<td>231,623</td>
</tr>
<tr>
<td>BCHA Grant Reserves</td>
<td>155,772</td>
</tr>
<tr>
<td><strong>Total Grants</strong></td>
<td><strong>13,801,697</strong></td>
</tr>
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**Grant Expenses**

- Housing Choice Voucher w/ admin: $8,610,332 (62%)
- Housing Stabilization: $2,290,560 (17%)
- Weatherization: $1,979,707 (14%)
- Tenant-Based Rental Assistance: $390,248 (3%)
- FSS Program Coordinator Grant: $239,439 (2%)
- Rehab: $118,911 (1%)
- Short Term Housing: $120,000 (1%)
- Housing & Community Education: $52,500 (1%)

**Grant-Program Fund Uses**

1. Housing Choice Voucher w/ admin $8,610,332
2. Housing Stabilization $2,290,560
3. Weatherization $1,979,707
4. Tenant-Based Rental Assistance $390,248
5. FSS Program Coordinator Grant $239,439
6. Rehab $118,911
7. Short Term Housing $120,000
8. Housing & Community Education $52,500
LIHTC Partnerships
2018 Budgeted Expenses

$9,520,338 LIHTC Expenses

- Depreciation (& other non-cash) $5,010,208
- Interest Expense $1,436,751
- Other - direct admin, legal, and other fees $1,053,480
- Maintenance Expenses (incl. payroll) $857,026
- Accrued Interest & Amortization $704,128
- Management Fees $255,063
- Salary & Benefits (non-maintenance) $203,682

2018 Budgeted Expenses - direct admin, legal, and other fees
$9,520,338

LIHTC Expenses 53%
- 11%
- 15%
- 9%
- 7%
- 3%
- 2%

Other 15%
- 9%
- 7%
- 3%
- 2%
### BCHA 2018 Operating Budget

<table>
<thead>
<tr>
<th></th>
<th>BCHA (Operating &amp; Grant-Program Funds)</th>
<th>Tax Credit Property</th>
<th>Tax Credit Property</th>
<th>Tax Credit Property</th>
<th>LIHTC Partnerships Total</th>
<th>BCHA &amp; LIHTC Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>24,121,702</td>
<td>686,273</td>
<td>2,109,079</td>
<td>2,683,679</td>
<td>5,479,031</td>
<td>29,600,733</td>
</tr>
<tr>
<td><strong>Total Expenditures (Cash &amp; Non-Cash)</strong></td>
<td>19,405,005</td>
<td>1,154,421</td>
<td>3,234,944</td>
<td>5,130,973</td>
<td>9,520,338</td>
<td>28,925,343</td>
</tr>
<tr>
<td><strong>Non-Cash Exp (Depreciation)</strong></td>
<td>721,282</td>
<td>461,353</td>
<td>1,322,238</td>
<td>3,226,617</td>
<td>5,010,208</td>
<td>5,731,490</td>
</tr>
<tr>
<td><strong>Non-Cash Exp (Accrued Interest &amp; Amortization)</strong></td>
<td>75,866</td>
<td>383,327</td>
<td>244,935</td>
<td>704,128</td>
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</tbody>
</table>

- Kestrel conversion to permanent loan expected mid-2018
- Low Income Housing Tax Credit properties are audited and reported separately from BCHA
Impact of Developer Fees 2012 to 2018

Annual Developer Fee Recognized

2018 $5.4M
2017 $0
2016 $650K
2015 $0
2014 $3.2M
2013 $186K
2012 $0

BCHA Rev/Exp with developer fees

2018
2017
2016
2015
2014
2013
2012

Millions

Revenue
Expense

Hope for the future, help when you need it.
Fund 098 Funded 2018
Decision Package Requests

Two new replacement maintenance vehicles  $73,000

• 2018 Fleet Replacement List recommended that three maintenance vehicles be replaced.

• BCHA plans to replace the two oldest vehicles with the highest mileage.

• Each vehicle is estimated to be replaced at $36,500.
Thank you

Boulder County Commissioners
Residents
Partners
County staff

for your on-going support and leadership!