

BOULDER COUNTY
HOUSING
& HUMAN
SERVICES

Hope for the future, help when you need it.

Boulder County Housing & Human Services
2016 Budget Work Session
October 13, 2015

Our Mission:

**Promoting safe, healthy
and thriving
communities**

BCDHHS is dedicated to supporting and sustaining healthy communities that strengthen individuals and families while promoting human dignity and hope for the future.



Our Goals for Today:

- Support Commissioners' understanding of HHS budget at the agency level
- Discuss identified strategic topics in the PowerPoint
 - Use the key discussions to identify the tools and further work for the public hearing on October 27th



Key Considerations in Reviewing these Budgets



1. Long-term goals of stable and sustainable Housing and Human Services
2. Managing our personnel to withstand potential future downturns
3. Ensure our investments in the community align with our strategic goals



Key Considerations in Reviewing these Budgets



1. Kestrel is a major project for HHS in 2016. The Kestrel project will drive a significant amount of work and fiscal discipline in in 2016.
2. The Human Services budget is largely continuation funding with the most significant increase associated with merit.
3. BCHA operations are in a stable phase and the budget reflects a largely continuation funding.

Agenda

- Housing Authority Budget Overview
- Human Services Budget Overview



Boulder County Housing Authority



611 units of affordable housing throughout Boulder County



BCHA Structure - 2016

												COMPONENT UNITS			
Operating Fund				Grant Fund								Low Income Housing	Low Income Housing Tax Credit Properties		
General Admin	North Properties	South Properties	Rural Dev	Wx	REHAB	HCV	TBRA	Housing & Comm Ed	Housing Stabilization	CDBG-DR	FSS HUD	MFPH	Josephine Commons	Aspinwall LLC	Kestrel
JC Kitchen S T H	1327 Emery 1410 Emery 902 Emery Bloomfield Pl Cambridge Catamaran Ct Cottonwood Ct E Saint Clair Eagle Place Meadows Rees Sumner Wedgewood	602 Geneseo 821 E Cleveland Acme Place Avalon Beaver Creek Lilac Place Lydia Morgan Regal Court I Regal Court II Hillside Regal Square Sunnyside	Casa Esperanza Prime Haven Walter Self	CEO ESPLUS CIP Unclassified	DOH COB ABR			CompCons CHFA HBE NW AHF Bldr CDBG Lngmt HC BOCC PDFC	HC 1-A Primary HC 1-A Contingency ESG	HB1002 CDBG-DR rehab CDBG-DR tra		Bedivere Carr Chester Lucerne Lyonesse Mt Gate Rodeo Sagrimore		Aspinwall 72 Units 501 Geneseo 503, 515 Gen. 505 Geneseo 507 Geneseo 509 Geneseo 517 Geneseo Finch 506 Geneseo 608 E Chester W Cleveland Milo Dover Laf Villa W Villa West II 712 Geneseo	



2015 Successes

Housing portfolio is strong with low vacancy

Increased affordable housing stock with completion of Aspinwall in Lafayette

\$2.3 million in developer fees – reinvested in increasing affordable housing stock and maintaining current housing stock

2016 Opportunities

Kestrel development project adding another 195 affordable housing units upon completion

BCHA's partnering with DHHS to integrate programming, including short-term emergency housing

\$2,582,123 CDBG-DR round 2 funding

Higher rent allowances – 79% of maximum (excluding component units)

Land Donation in Lafayette



2016 Risks

Real estate risk in financing and constructing Kestrel

Changes in Federal funding

- HUD support for the planned growth of the Housing Choice Voucher Program
- HOME program funding for TBRA

Remediation: \$1,500 per unit for tests & \$10,000 per unit for insurance deductible

- 2016 budget has \$309,145 set aside for non-routine maintenance costs

2013 flood support structures scaling back and ending (2016 / 2017)





2016 Assumptions

Kestrel development project approved and funded

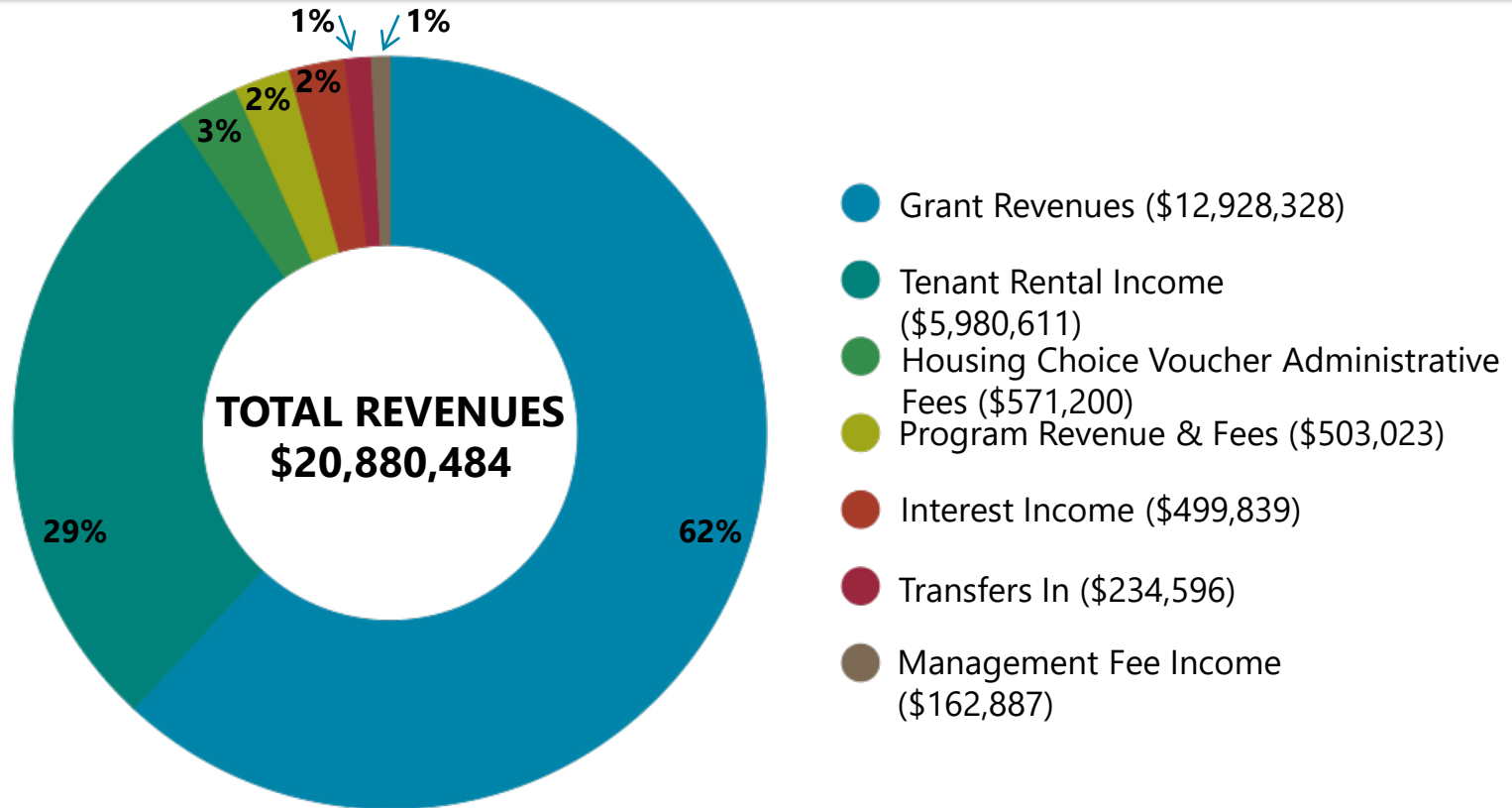
- Low income housing tax credit formed in early 2016
- LIHTC completion by the end of Q1 2017

97% Occupancy Rate of rental properties

2% inflation rate

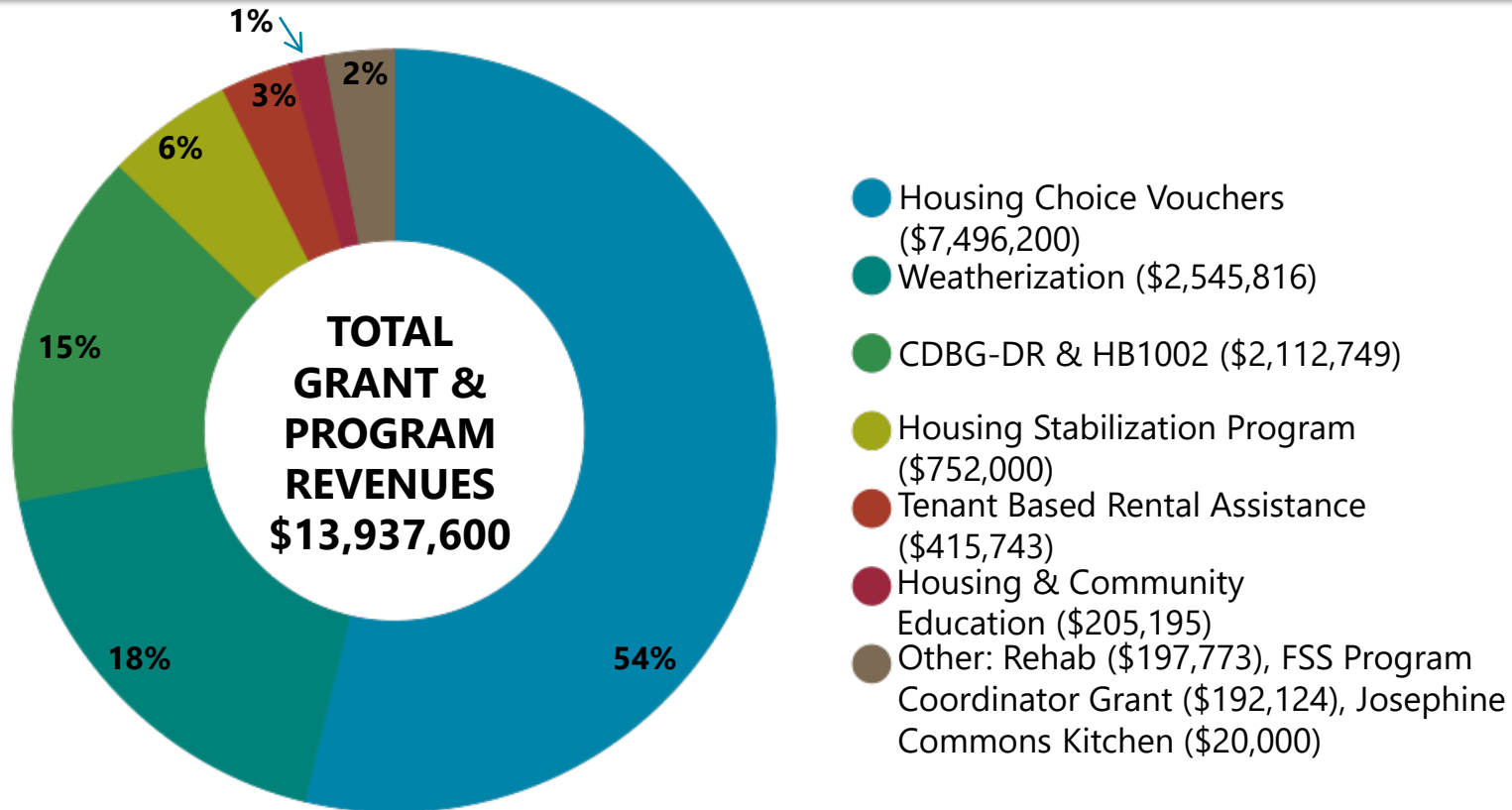


BCHA Revenues \$20,880,484 w/ component units

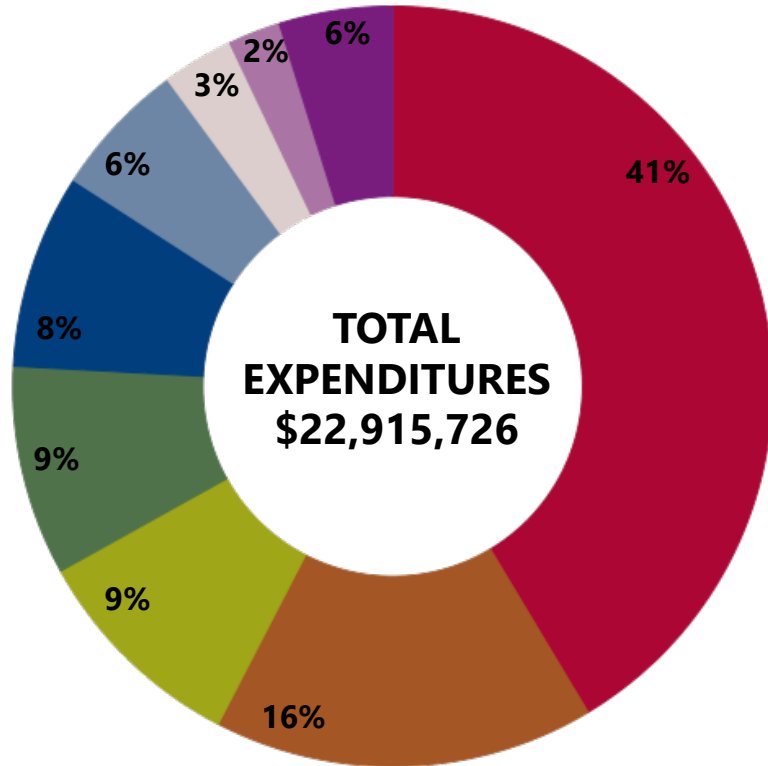


BCHA Grant and Program Revenues

\$13,937,600



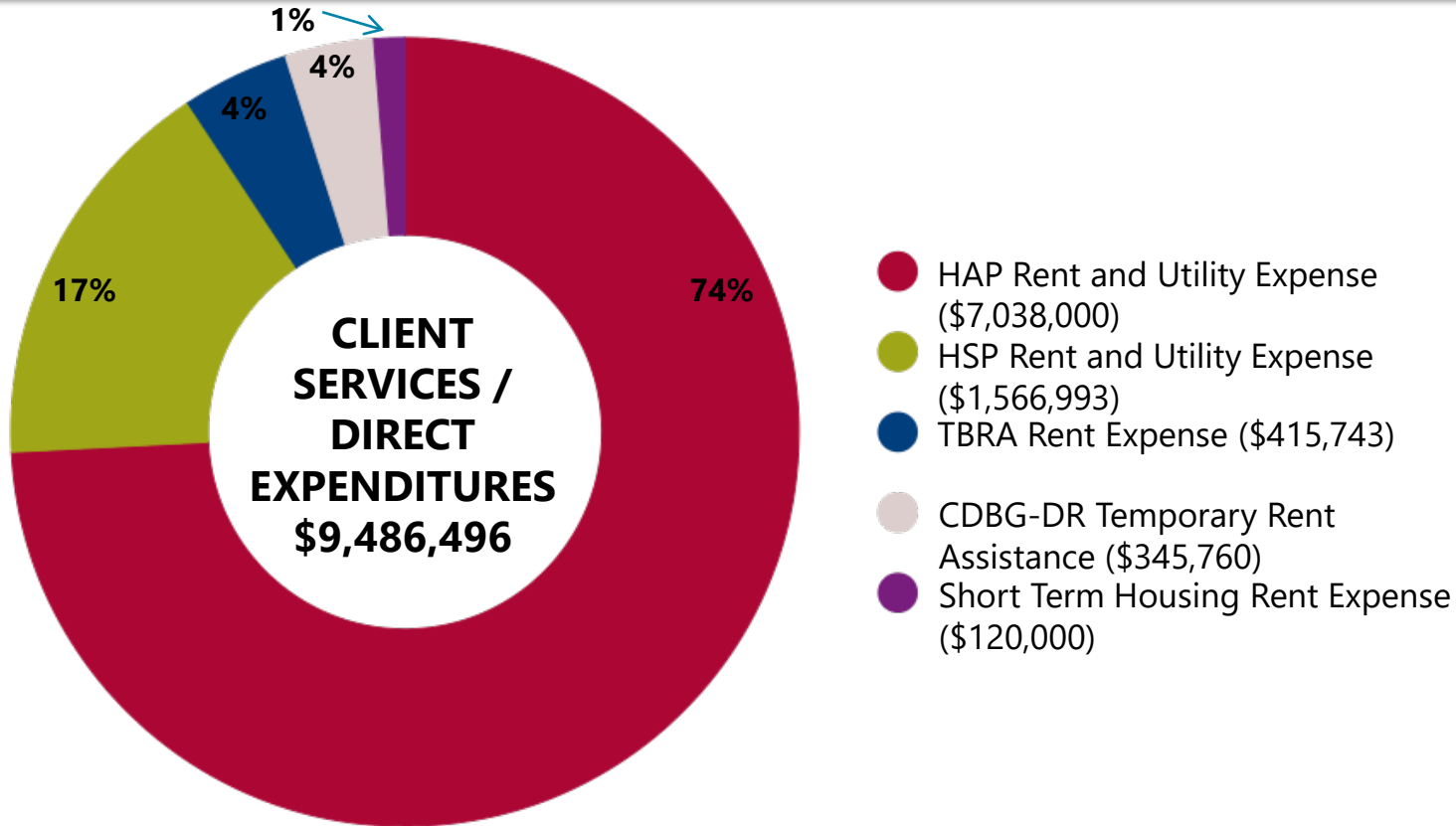
BCHA Expenses \$22,915,726 w/ component units



- Client Services/Expense (\$9,486,496)
- Direct Salary & Benefits (\$3,712,668)
- Depreciation (\$2,137,856)
- Contractual Services (\$2,044,748)
- Direct Non-payroll Expenses (\$1,896,044)
- Interest Expense (\$1,326,730)
- Indirect Salary & Benefits (\$694,800)
- Weatherization Operational (\$510,635)
- Other: Indirect Non-payroll Expenses (\$409,121), Non-Routine (\$320,569), Legal & Other Fees (\$178,576), Management Fees (\$162, 887), Transfer Out (\$34,596)¹⁴

Client Services/ Direct Expenditures

\$9,486,496



BCHA 2016 Operating Budget

	Excluding Component Units	MFPH	Tax Credit Property Josephine Commons	Tax Credit Property Aspinwall	Total
Total Revenues	18,250,257	263,064	694,738	1,672,425	20,880,484
Total Expenditures (operating)	18,173,316	147,846	381,759	713,622	19,416,543
Net Operating Income	76,941*	115,218	312,979	958,802	1,463,941
Less Non-Op Cash Expenditures	535,504	79,704	206,119	540,000	1,361,327
Less Depreciation	741,577	35,514	489,753	871,011	2,137,856
Net Income	-1,200,140	0	-382,893	-452,209	-2,035,242



Component units operating budgets are cash flow favorable.

*

In addition \$1,425,502 to be drawn from pre-planned reserves, bringing BCHA net cash flow favorable.

BCHA Capital Spending Plan



2016 Capital Plan Summarized

- \$602,074 Controlled maintenance Costs
 - \$ 31,000 Replacement vehicle
 - \$ 10,000 Development Land Bank
- \$643,074

BCHA 2016 CAPITAL PLAN - \$643,074

**\$485,000 from unrestricted (Master) & \$158,074
from restricted funds**

**Controlled Maintenance when completed will touch
half of the BCHA units excluding JC & AW.**

Controlled Maintenance (17 properties)	
Grounds	\$29,300
Parking Lot	\$134,746
Kitchen	\$35,000
HVAC/Water Heater	\$66,000
Siding	\$120,000
Flooring	\$22,028
Bathroom	\$18,000
Exterior Painting	\$137,000
Driveway & Sidewalk	\$15,000
Roof	\$25,000



LOUISVILLE, COLORADO



Capital Development – Kestrel

- Estimated project capital budget for 2016 is \$35,038,313
- January 15th construction close date

Accomplishments for 2016

- All infrastructure complete
- Construction on both senior and multi-family will be well under way

Big bang for the county's buck!

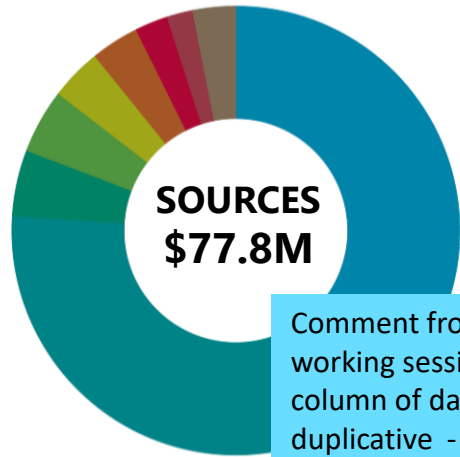
- The project creates 195 new affordable units plus it allows the housing authority the ability to reinvest in affordable housing with developer fee
- BCHA/BCHHS/Worthy Cause contribution = 7% of total budget

Annual Estimated Revenues = \$2.7M

Annual Estimated Expenses = \$1.1M

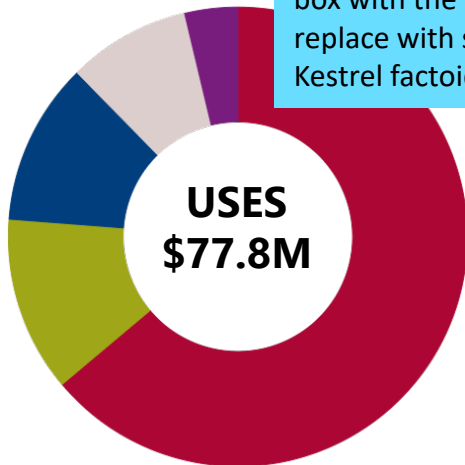
Net Operating Income = \$1.6M

Annual Estimated Debt Payment = \$1.3M



- LIHTC Equity (Redstone) (\$34.6M)
- Private Activity Bonds (\$24.5M)
- CDBG-DR Funds (\$3.7M)
- BCHA/BCDHHS (\$3.6M)
- Land Carryback (\$2.9M)
- Deferred Developer Fee (\$2.7M)

Comment from 10/13 working session – the two column of data are duplicative - remove one (maybe keep the brown box with the Kestrel, but replace with some other Kestrel factoid)



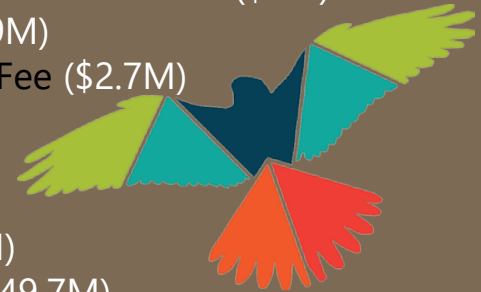
- New Construction (\$49.7M)
- Infrastructure (\$9.6M)
- Construction & Financing (\$8.9M)
- Developer Fee (\$6.7M)
- Land (\$2.9M)

Sources = \$77.8M

Private Activity Bonds (\$24.5M)
LIHTC Equity (Redstone) (\$34.6M)
Construction Loan – Citibank
BCHA/BCHHS (\$3.6M – includes lot sales)
Colorado Division of Housing – CHIF Loan (\$1.45M)
Energy Credits Equity (\$500K)
Worthy Cause Funds (\$1.85M)
HOME Funds (\$900K)
CDBG-DR Funds (\$3.7M)
Louisville Permit Fees and Rebates (\$1M)
Land Carryback (\$2.9M)
Deferred Developer Fee (\$2.7M)

Uses = \$77.8M

Land (\$2.9M)
Infrastructure (\$9.6M)
New Construction (\$49.7M)
Developer Fee (\$6.7M)
Interim Construction and Financing Costs (\$8.9M)



Fund 098 Funded 2016 Decision Package Requests

Replace One 2006 Ford Van with comparable new vehicle

\$31,000

One Housing FTE (annualized increase from base + 20% PERA/FICA)

\$54,000

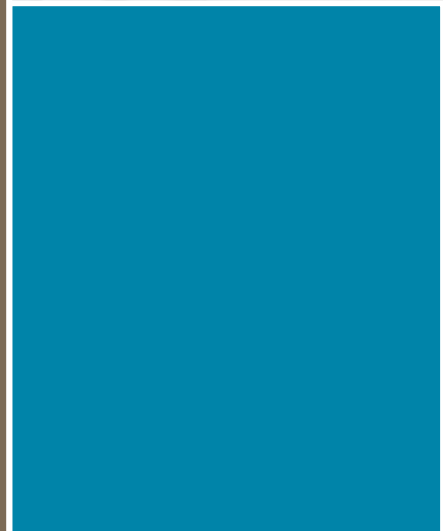
Section 8: New position to start early 2016

- One occupancy assistant
 - Funded by surplus HUD admin fund disbursements and HUD unrestricted net asset reserves
 - BCHA anticipates issuing an additional 50 vouchers over the next 1-2 years
 - Current caseload is prohibiting a supervisor from fully assuming supervisor duties.
 - A pro-active enhanced service delivery model resulting in increased front end work

Anticipated budget supplemental request (estimated October 2016)

New positions to manage and maintain Kestrel:

- Two property managers (PM4) six months prior to occupancy
- One maintenance tech plus vehicle (MT2 or MT3) six months prior to occupancy





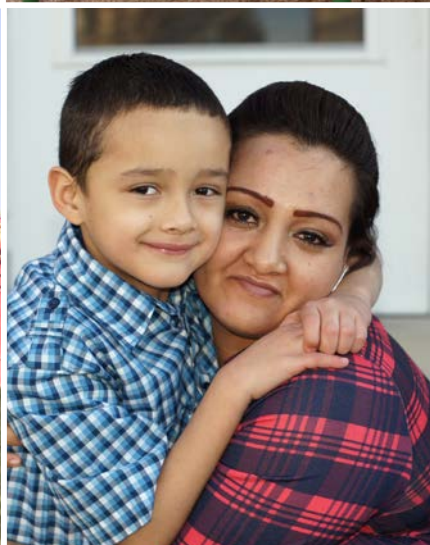
Boulder County Human Services



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Hope for the future, help when you need it.





2015 Successes

Passage of Boulder County Human Services Safety Net 2014 Ballot Initiative (November 2014) at approximately \$6M/year

Award of a third IV-E Waiver: Trauma-informed programming \$107,218

Favorable State 2014-15 year-end closeouts that covered over-expended Child Welfare, Core Services and CCCAP programs

Contributions to new St. Vrain Building (\$2.915M), including administrative partnerships with Public Health and Community Services. New North Broadway lobby (\$166k) (expected 4Q15)

Benefits of integration of safety net services, infrastructure systems, and funding streams

Strengthened community partnerships



Risks 2016 and Beyond

Effect of TABOR limitations – more pressure on programs with no additional funds

Block grant funding level changes made through allocation committees (Child Welfare, Colorado Works, Child Care, County Administration)

Increased Child Care spending at the State level may reduce or eliminate surplus distributions at closeout

Managing increased referrals for APS and Child Welfare Hotline

Child Care requirements, including impact of HB 1317, exceed expanded funding opportunities

Unforeseen natural, economic or other disasters

The level of term staffing and turnover within our term staffing.



Opportunities 2016 and Beyond

Year 1 of extended 15 year Boulder County Human Services Safety Net funds will continue to provide resources for a larger community impact of services (approximately \$6M/year)

Year 3 of consolidation of Human Services contracts under the BCDHHS umbrella for more strategic and effective partnering and service delivery (approximately \$8.2M)

Potential further funding from the State for additional Child Welfare FTE

IMPACT transition to HHS (new appropriation HU2) will afford new efficiencies and more collaborative programming (approximately \$2.3M)

Continuation of Child Abuse hotline funding to supplement State-wide rollout of focused programming into 2016

Community of Hope - new opportunities to strengthen our generative safety net



2016 Assumptions

DHHS unbudgeted reserves for disaster emergency operations

Social Services Fund property tax revenue has a 5.5% increase over 2015

Human Services Temporary Safety Net increase by \$977,693 over 2015

Non-Profit Community Contracts funding consistent with 2015 funding

No or minimal available HSSN Fund 032 balance

First six months SFY16-17 major program allocations same as final six months SFY15-16

Fund 012 Funded 2016 Decision Package Requests

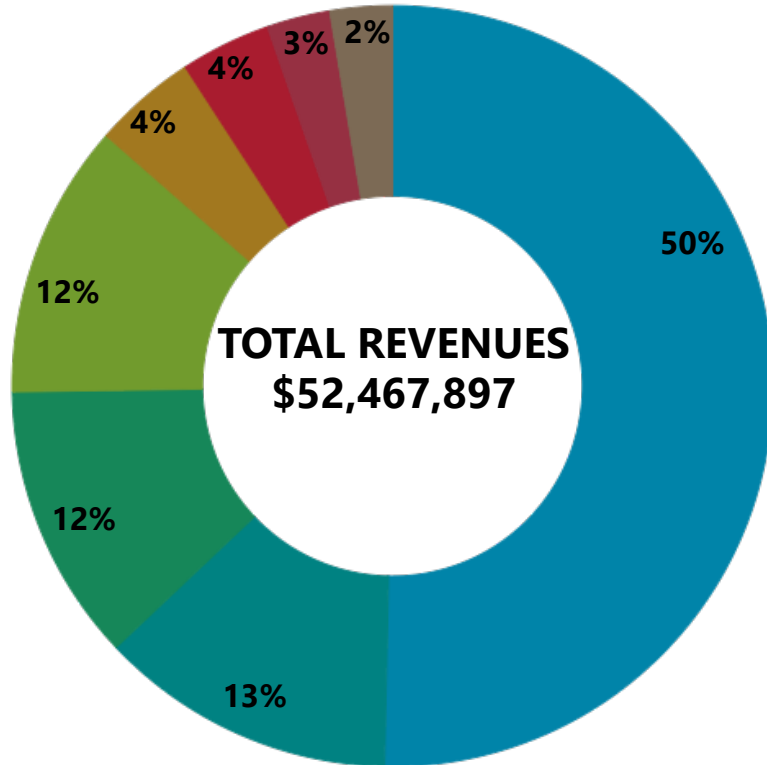
3400 Broadway Family Visitation Room Reconfiguration	CEF 46411	\$ 29,198
3400 Broadway Family Visitation Room Video Equipment	COM 46410	<u>\$ 25,825</u>
Total Requested One-time Funding		\$ 55,023

General Fund 01 has a \$208,473 request (BAR 46717) that would partially offset increases to our St. Vrain Community Hub Coffman Street rental expense. It will be considered in conjunction with similar requests from Community Services and Public Health in the Fund 01 budget review.



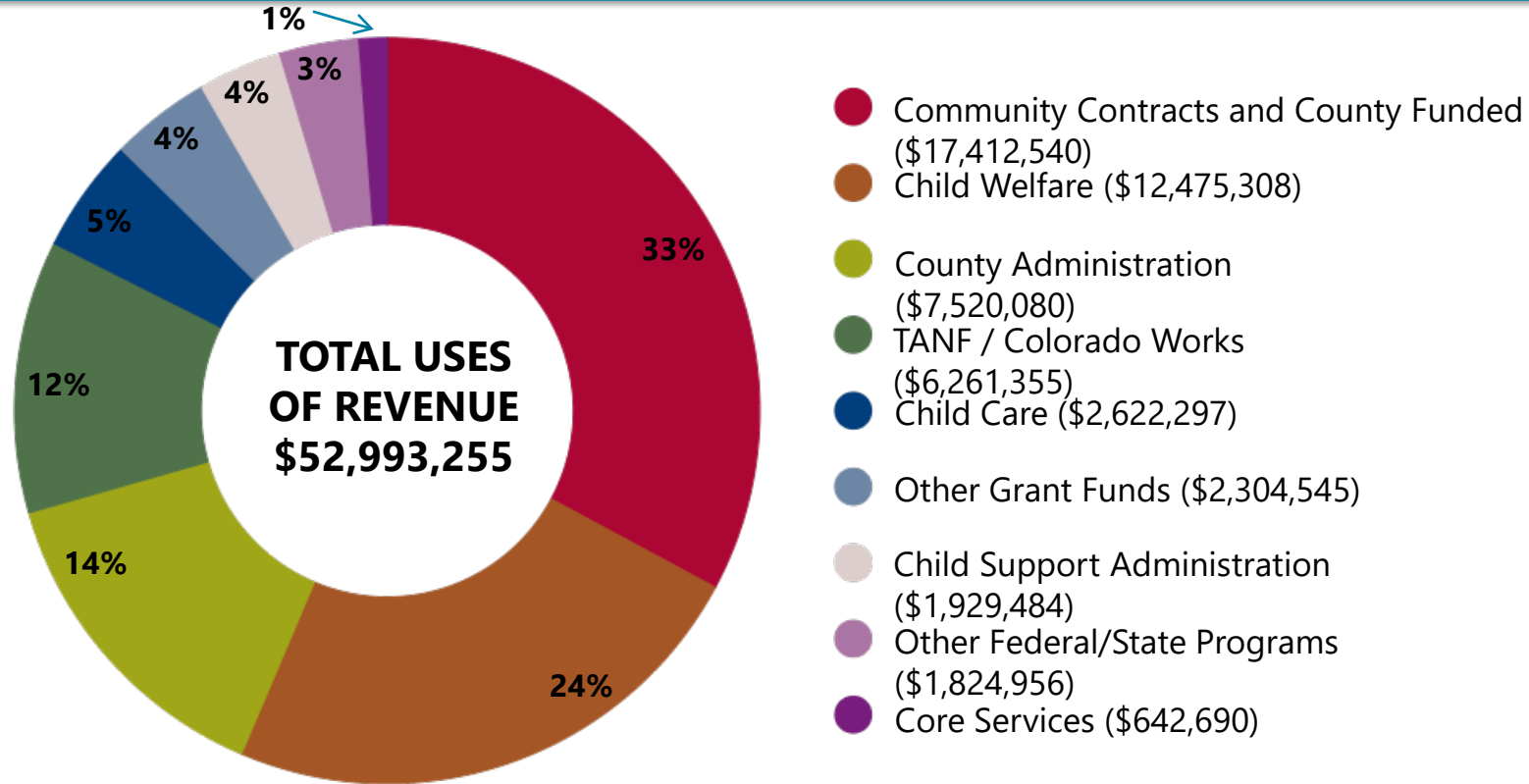
2016 Budgeted Sources of Revenues Program View

\$52,467,897 (Preliminary)



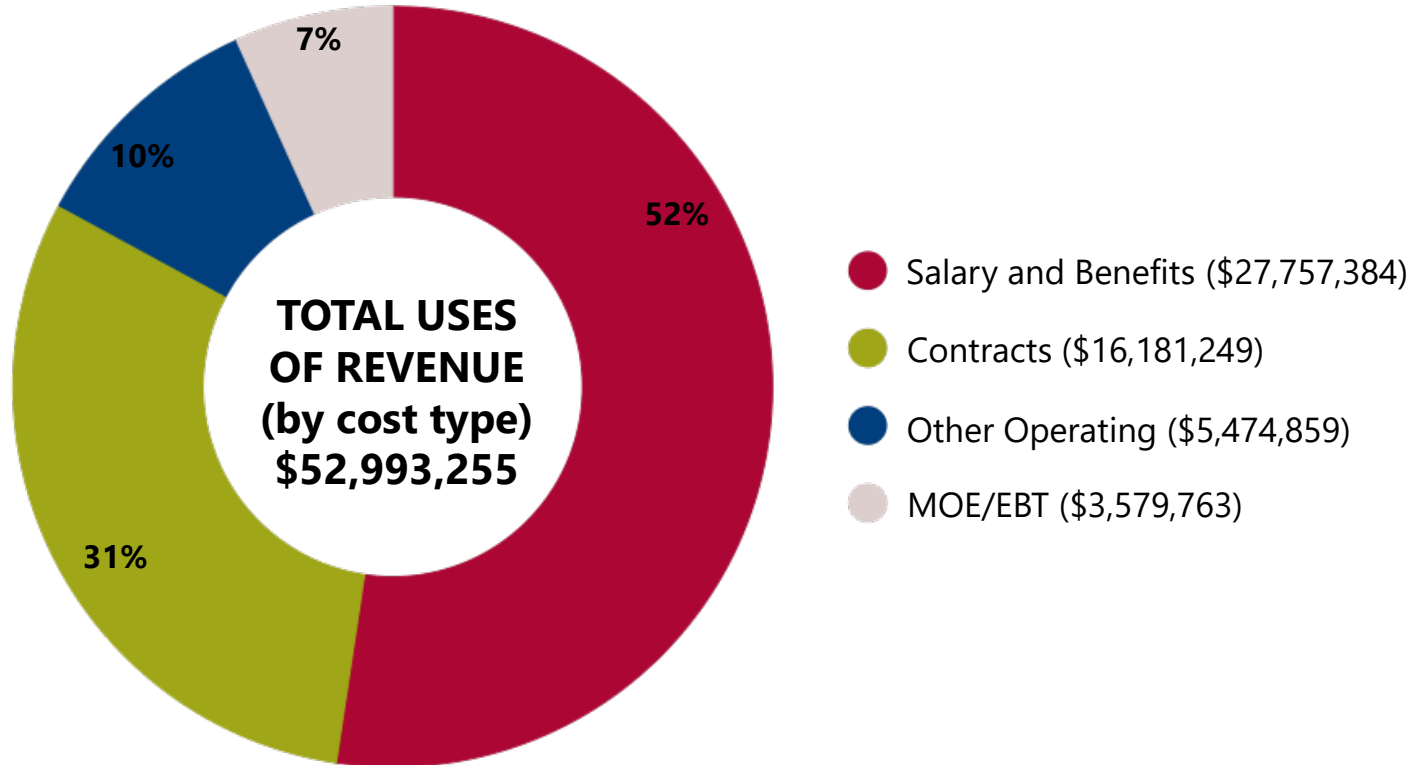
- Intergovernmental - Fed/State (\$26,409,572)
- Property Taxes (\$6,619,954)
- HHS Contracts Fund 01 (\$6,195,179)
- Human Services Safety Net Fund (\$6,129,344)
- IMPACT (\$2,304,545)
- HHS Contracts Fund 020 (\$2,012,289)
- HHS Fund 020 (\$1,412,286)
- Other: Earned Incentives - Fed/State (\$693,417), Private Grant Funds (\$641,311), Investment Interest Income (\$50,000)

2016 Budgeted Uses of Revenues \$52,993,255 (Preliminary)



2016 Budgeted Uses of Revenues Cost Type View

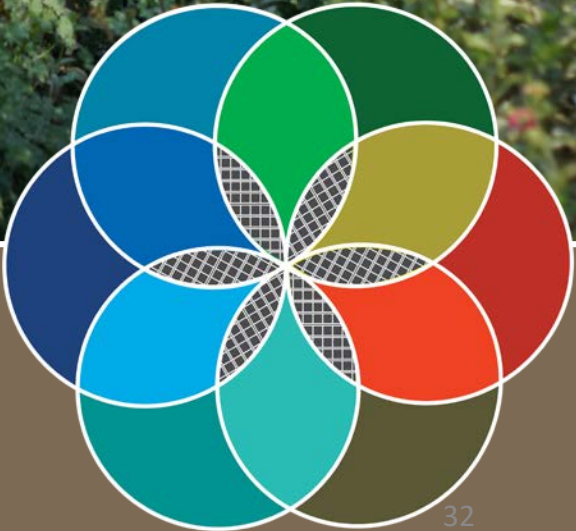
\$52,993,255 (Preliminary)





Projected 2016 Fund Balance - Fund 012

IMPACT Fund Balance at Jan. 1, 2016	\$ 1,690,977
Human Services Fund Balance at Jan. 1, 2016	\$ 7,550,613
Beginning Fund Balance at Jan. 1, 2016	\$ 9,241,590
2016 revenue budget base	\$ 52,467,897
2016 expense budget base	\$ (52,993,255)
2016 Budgeted Use of Fund Balance	\$ (525,358)





Community Investments

Community of
hope



Moving toward a more family driven,
prevention oriented and holistic safety net.



Community Investments

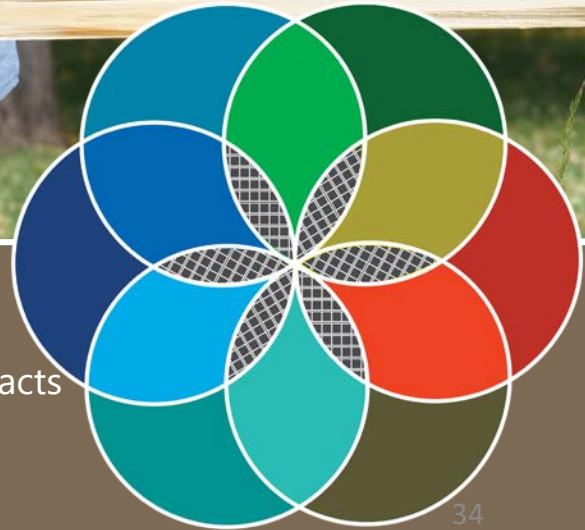
General Fund 001 and Health & Human Services 020

Investment by Pillar	<u>2016 Budget</u>
Housing Stability	375,470
Food & Basic Needs	789,833
Health & Well-Being	1,302,859
Community Mental Health	4,685,366
Safety	391,324
Education	277,616
IMPACT Transition from MHP to HHS	400,000



2016 Highlights

- Continuation of 2015 investments across 34 agencies
- Begin transition of general operating contracts to performance-based contracts starting 2017



Human Services Safety Net Investments

Investment by Pillar	2015 Budget	2016 Budget	Variance
Housing Stability	1,006,422	1,859,788	853,366
Health & Well-Being	934,050	1,044,606	110,556
Safety	-	15,000	15,000
Education & Skill Building	843,499	923,000	79,501
Access to Benefits (Eligibility Staff)	2,211,192	2,173,416	(37,776)
Mid-Year Emergent Needs	156,488	113,524	(42,964)
Grand Total	\$ 5,151,651	\$ 6,129,334	\$ 977,683

2016 Highlights

- Additional revenue of \$977,683
- Transition Housing Stabilization Program contracts to performance-based contracts
- Additional investments in homelessness services and early childhood education
- Investment in a family resource center in Longmont
- Budget for mid-year disbursement for emergent needs



Leveraging of Community Investments

Re-purpose
Underspent
Funds

Additional mid-year
\$500,000 investment in
Health & Well-Being in
2015

*Dental Aid, Clinica, Boulder
Valley Women's Health,
Public Health (GENESIS/TER)*

Identify
Additional
Funds

Utilize estimated "surplus"
from State Fiscal Year close to
fund mid-year, emergent
community needs

More
Focused
Investments

- Support collaborative efforts across agencies
- Increase data quality and create shared data systems
- Focus on client outcomes
- Refine payment structure to incentivize achievement





BCHA requested budget \$22,915,726
Human Services requested budget \$52,993,255

FTE & Term Positions (as of October 13, 2015)

	Fund 001	Fund 010	Fund 012	Fund 098	Grand Total
FTE	10.00	-	307.35	62.25	379.60
Term	-	8.00	90.35	11.00	109.35
Total	10.00	8.00	397.70	73.25	488.95



Next steps - BCDHHS:

- 1. Research and make any modifications to 2016 BCHA and BCHS budgets or materials based on today's work session and any new information available before 10/27 hearing**
- 2. Finalize presentation for 10/27 public hearing with the Commissioners**

After 10/27 hearing:

- 3. Budget Office finalizes budgets with November upload of 2016 personnel schedules**
- 4. Commissioners adopt 2016 budget on December 10th**