

**Boulder City Council
STUDY SESSION**

**Tuesday
August 12, 2014**

**6-7:30 PM
2015-2020 Capital Improvement Program (CIP)**

**7:30-9 PM
Boulder Housing Partners (BHP)
Strategic Plan**

**Council Chambers
Municipal Building
1777 Broadway**

Submit Comments to City Council
Email: [council @bouldercolorado.gov](mailto:council@bouldercolorado.gov)

or

Attention: Alisa Lewis, City Clerk
PO Box 791, Boulder, CO 80306
Fax: 303-441-4478



**CITY OF BOULDER
STUDY SESSION**

TO: Members of City Council

FROM: Jane S. Brautigam, City Manager
Bob Eichen, Chief Financial Officer
David Driskell, Executive Director of Community Planning and Sustainability (CP&S)
Maureen Rait Executive Director of Public Works
Peggy Bunzli, Budget Officer, Finance
Jean Gatza, Sustainability Planner, CP&S
Milford John-Williams, Budget Analyst, Finance
Chris Meschuk, Flood Recovery Coordinator – Community Services
Joanna Crean, Flood Recovery Coordinator – Infrastructure/Operations
CIP Peer Review Team
CIP Staff Team

DATE: August 12, 2014

SUBJECT: City Council Study Session
Review of the Draft 2015-2020 Capital Improvement Program (CIP)

I. PURPOSE

The purpose of this item is to present the Draft 2015-2020 Capital Improvement Program (CIP) to the City Council. The study session provides Council with an opportunity to ask questions and comment on recommended capital projects in the Draft 2015-2020 CIP prior to the City Manager’s submission of the 2015 Recommended Budget to the City Council at the end of August.

II. BACKGROUND

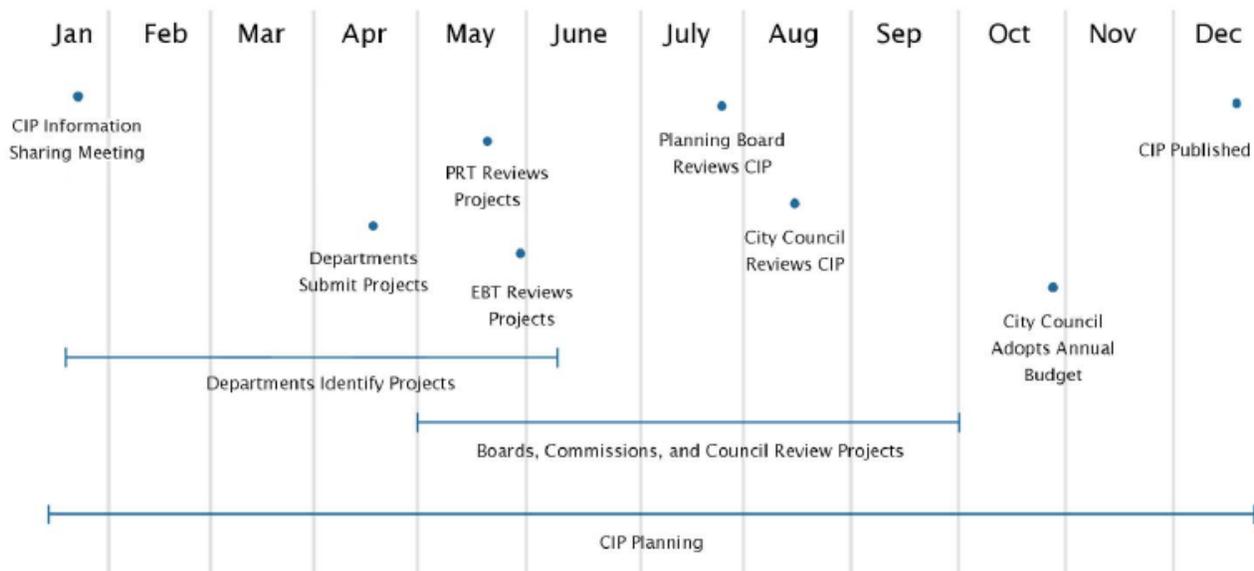
The City of Boulder’s Capital Improvement Program (CIP) is a six-year plan for maintaining and enhancing the city’s public infrastructure by correcting current facility deficiencies and constructing new service delivery infrastructure. The CIP provides a forecast of funds available for capital projects and identifies all planned capital improvement projects and their estimated costs over the six-year period. The Draft 2015-2020 Capital Improvement Program is available at the following link: [Draft 2015-2020 Capital Improvement Program](#).

The CIP document contains planned project funding summaries organized by department, project type,

and fund; detail sheets for every project and program included in the plan; maps illustrating the location of projects throughout the city; and narratives describing the rationale behind project prioritization. The document is organized into six main parts: an introduction, funding summaries, a 2013 Flood highlight, a Capital Improvement Bond highlight, department overviews and projects, and appendices.

Projects are selected for inclusion in the CIP through a process that involves matching available resources with the identified needs and priorities of the community. **Figure 1** diagrams the annual CIP process. To create a citywide understanding of which projects are chosen for inclusion in the CIP, and to ensure individual department priorities for CIP funding are aligned with city goals, the City developed nine CIP Guiding Principles to shape capital planning decisions made throughout the CIP process. These principles can be found on page 2 of the Draft 2015-2020 CIP and are included as **Attachment A** to this memo. Every project in the Draft 2015-2020 CIP addresses at least one of these principles, and many projects address all of them.

Figure 1, Annual CIP Process



The 2015-2020 CIP continues to focus on three major areas derived from the CIP Guiding Principles (see **Attachment A**): Maintaining and Enhancing Existing Assets, Coordination and Partnership, and Leveraging Funds. Additionally, this year’s CIP includes information on the impact of the September 2013 Flood on the 2015-2020 CIP.

Maintaining and Enhancing Existing Assets

One of the CIP Guiding Principles states that projects should sustain or improve maintenance of existing assets before investing in new assets. Maintaining or improving existing assets maximizes the return the city gets on an investment. A total of 65 percent (\$231 million) of the 6-year CIP is allocated to repair, rehabilitation, or enhancements of existing facilities. Highlights include: Wonderland Creek flood mitigation projects, maintenance of city buildings and recreation centers, and upgrades at the Betasso Water Treatment Facility. In 2015, 80 percent of proposed funding is allocated to maintaining and enhancing existing assets. This reflects the large number of flood recovery related projects proposed for 2015.

Coordination and Partnership

Another CIP Guiding Principle states that projects should be coordinated across departments within and across funds. This coordination allows for savings in project costs and minimizes the period during which areas of the city are disrupted by capital project work. In short, better coordination produces a completed project at an earlier date and with lower overall cost. The Draft 2015-2020 CIP has several examples of projects that are benefitting from coordination and partnership. Examples include coordination between Utilities and Transportation for replacement and upgrades to water and storm drainage systems in conjunction with street repair, the coordination of projects in the Boulder Civic Area between Library, Parks & Recreation, Facilities and Asset Management and Community Planning & Sustainability, and coordination between public projects and private development at Boulder Junction.

Leveraging Funds

The CIP Guiding Principles also call for projects to leverage external funds when possible. Leveraging external funds strengthens the city's return on investment by infusing more cash into projects. The Draft 2015-2020 CIP continues to utilize leveraged funds, with over \$18 million in external funding for projects in the 6-year period. Examples include: almost \$5 million in State and Urban Drainage and Flood Control District (UDFCD) funding over the course of the Wonderland Creek flood mitigation and improvement project, \$2.7 million Federal Hazard Elimination Program funding for safety improvements at Valmont and 29th Street, almost \$4.5 million Federal and State funding for runway and taxiway rehabilitation at the airport, and \$1.6 million Colorado Department of Public Health and Environment Natural Disaster Grant funding recently awarded for Area II Annexation water and sewer infrastructure, and wastewater interceptor realignment at 61st Street.

Additionally, DRCOG/Transportation Improvement Program (TIP) funding applications will be submitted in 2014 and any successful projects funding will be available in 2015 - 2018. The city will be submitting the highest priority projects identified in the Transportation Master Plan that meet DRCOG criteria, to compete for TIP funding.

2013 Flood

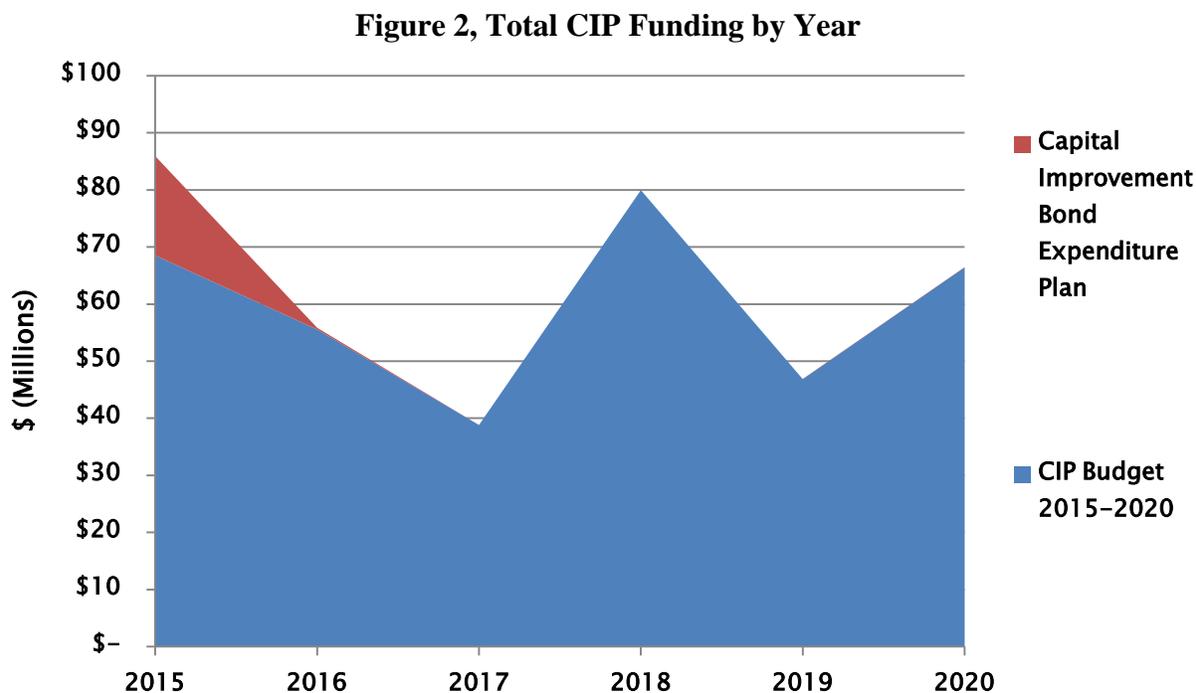
While full recovery from the September 2013 flood is likely to take years, affected critical services have been restored. The information learned from the flood has led to reprioritization of CIP projects. As a direct result of the flood, some previously planned projects have either been deferred or are no longer priorities. In some cases, funding previously identified for regular CIP projects has been used to cover the cost of flood repair and recovery and new or different funding sources will need to be identified to complete high priority projects, within the needed timeframe. This is reflected in new projects, changes in timing of projects, and changes in scope of projects. The flood also reinforces the need to think strategically about the future, specifically focusing on broad objectives that guide near-term recovery and long-term resilience.

The 2015-2020 Draft CIP includes a 2013 Flood Highlight section which provides summary information on the impact of the flood to the CIP. Each department section also includes further information on specific changes in the CIP related to flood recovery, future mitigation and resilience building, if relevant.

The city is utilizing all available resources to cover flood recovery and mitigation, including insurance proceeds, FEMA and State reimbursement of eligible costs, other disaster recovery funding, and hazard mitigation grants from various federal, state and other agencies.

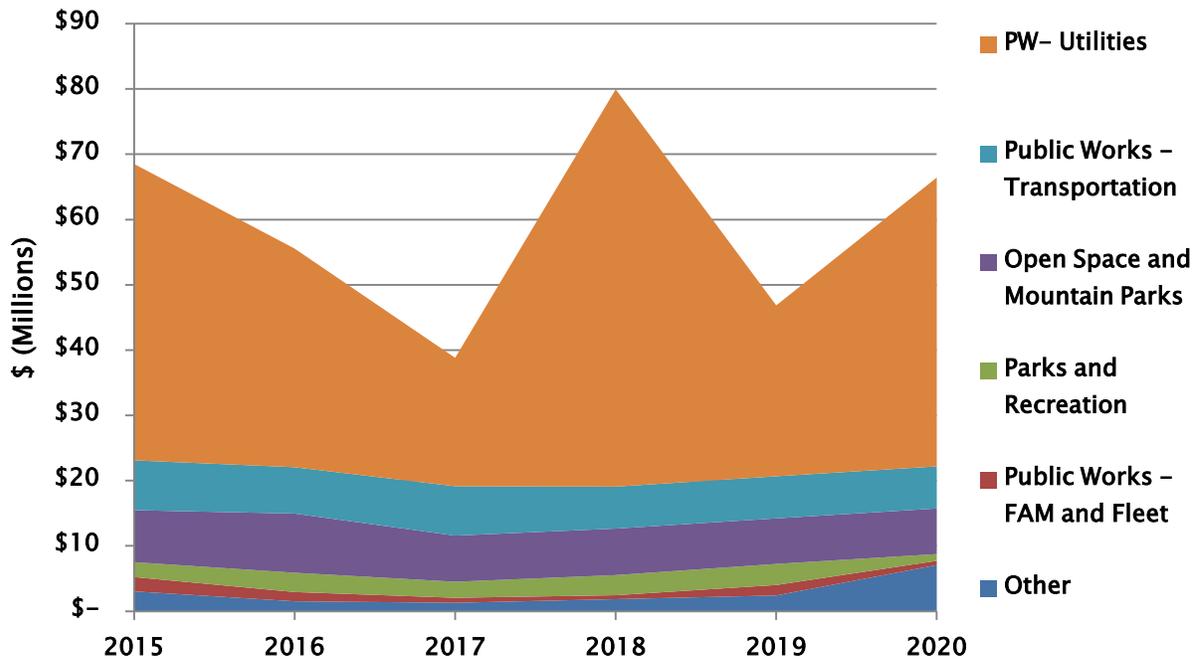
III. FINANCIAL SUMMARY

The Draft 2015-2020 CIP includes total funding of \$352.7 million for 156 projects. When Capital Improvement Bond funding is included, the six-year total is \$370.4 million. Before Capital Improvement Bond funds are added, 103 projects are recommended for funding in 2015, for a one year total of \$68.7 million. **Figure 2** shows the impact that the voter-approve bond measure has on the proposed CIP budget for 2015-2020.



For 2015 through 2020, 15 departments, divisions or programs have projects funded in the CIP. The amount of money per department varies year to year depending on the type and cost of projects recommended for funding in that year and the amount of external funding received. Many departments have dedicated revenue sources that keep CIP funding relatively constant. For example, both Open Space & Mountain Parks and Parks & Recreation have dedicated revenue sources, and their CIP funding remains relatively level through 2020. **Figure 3** displays the share of total 2015-2020 CIP funding by each department.

Figure 3, Funding by Department

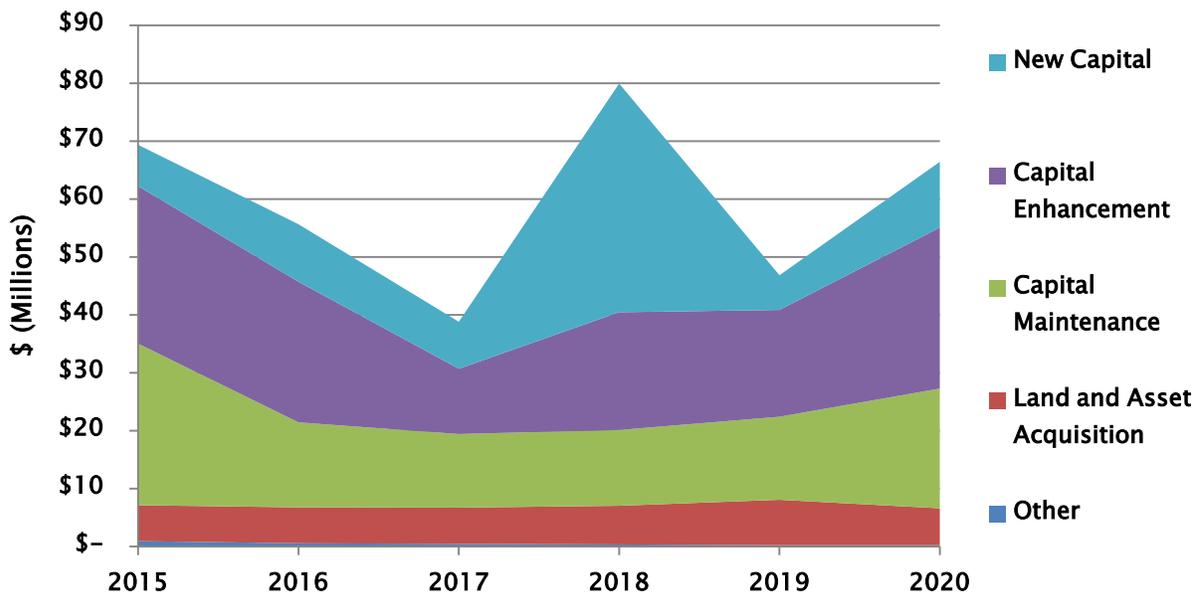


As stated above, a total of 65 percent (\$231 million) of the 6-year CIP is allocated to repair, rehabilitation, or enhancements of existing facilities. Of the remaining CIP, 23 percent of the 6-year CIP is allocated to new construction (\$80.8 million) such as Boulder Junction improvements or the Carter Lake Pipeline. 11 percent of the 6-year CIP is allocated to Land Acquisition (\$39.5 million). The remaining \$1.2 million (less than 1 percent) is for study and analysis projects. A total of \$1.7 million is allocated through the transfer of money from one fund to another or to a program, such as the funding for the Greenways program. **Table 1** and **Figure 4** shows the distribution of CIP funds by project type.

Table 1, Percent Funding by Project Type

Project Type	6-year Amount	Percentage
Existing Facilities (Enhancements & Maintenance)	\$231,180,215	65%
New Capital	\$80,826,828	23%
Land & Asset Acquisition	\$39,517,000	11%
Capital Planning Studies	1,170,000	<1%
Transfer	\$1,671,600	1%

Figure 4, Funding by Project Type



IV. BOARD AND COMMISSION COMMENT

Departmental advisory boards have reviewed the draft CIP related to their respective departments, and the recommendations are below. In addition, the Planning Board reviewed the full draft CIP according to their role defined in the Charter and Boulder Revised Code, and its recommendation is also included below.

Greenways Advisory Committee

The Greenways Advisory Committee met on May 22, 2014 and unanimously (5-0) recommended approval of the 2015-2020 Greenways Program CIP to Planning Board and City Council.

Open Space Board of Trustees

At its June 11, 2014 meeting, The Open Space Board of Trustees unanimously (5-0) passed a motion approving the 2015 OSMP proposed CIP and recommending approval of the same by the Planning Board and City Council.

Parks and Recreation Advisory Board

On April 28, 2014, the Parks & Recreation Advisory Board voted unanimously (6-0) to approve the recommended 2015-2020 Capital Improvement Program.

Transportation Advisory Board

On June 9, 2014, the Transportation Advisory Board voted unanimously (5-0) to recommend approval of the proposed 2015-2020 Transportation Fund, Transportation Development Fund and Boulder Junction Improvement Capital Improvement Programs.

Water Resources Advisory Board

The preliminary 2015 Utilities budget and 2015-2020 CIP was first presented to the WRAB on April 21, 2014 as a discussion item. WRAB hosted a public hearing and continued their discussion of the preliminary 2015 Utilities budget and 2015-2020 CIP on May 19, 2014. Seven members of the public addressed the WRAB during the public hearing and generally advocated for a more aggressive capital

improvement program focusing on the rehabilitation of the sanitary sewer system and additional flood mitigation.

At the June 16, 2014 meeting WRAB hosted a public hearing during which seven members of the public spoke advocating a more aggressive capital improvement program focusing on the rehabilitation of the sanitary sewer system and additional flood mitigation.

After discussion, WRAB passed the following motion by a 4-0 vote:

The Water Resources Advisory Board recommends approval of the 2015-2020 CIP for the Water, Wastewater, and Stormwater/Flood Management Utilities proposed in Attachment A including proposed rate adjustments to support 2015 revenue increases of 5% in the water utility, 25% in the wastewater utility, and 71% in the stormwater and flood control utility.

Planning Board

The Planning Board reviewed the draft CIP on July 31, 2014, pursuant to Charter Section 78. Planning Board's role in reviewing the CIP is to:

- 1) Evaluate CIP projects in the context of the long-term, "big picture" policies of the Boulder Valley Comprehensive Plan (BVCP);
- 2) Make recommendations on the scope, priorities, and scheduling of CIP projects;
- 3) Make recommendations on resolving policy issues raised by the proposed location and design of CIP projects; and
- 4) Make recommendations on the CIP projects that should undergo a Community and Environmental Assessment Process (CEAP) review.

The draft July 31, 2014 Planning Board action minutes on the Draft 2015-2020 CIP are included in **Attachment C**. On a motion by **J. Putnum**, seconded by **B. Bowen**, the Planning Board voted (7-0) to recommend to City Council the Draft 2015-2020 Capital Improvement Program, including the list of CIP projects to undergo a Community and Environmental Assessment Process, as outlined in the staff memorandum dated July 31, 2014.

Planning Board discussion included:

- Recognition that energy efficiency and resilience is considered across departments in the citywide CIP and in the design and planning for individual projects
- Suggestion that completion of capital projects as well as how they support renewable energy and energy efficiency goals should be communicated to the community
- Support for the intensive work done over the past year to assess the condition of utilities infrastructure as a result of the flood as well as general maintenance needs and the proposed plan for needed investments to be completed in a timely manner
- Suggestion to include in future CIPs, information assessing progress on capital needs particularly related to resilience.
- Support for the full capital plan in the ways these projects will contribute to keeping Boulder a dynamic place.

ATTACHMENTS

Attachment A: CIP Guiding Principles excerpted from page 2 of the Draft 2015-2020 CIP

Attachment B: CIP Definition and Criteria excerpted from page 14 of the Draft 2015-2020 CIP

Attachment C: Draft July 31, 2014 Planning Board action minutes and resolution on the Draft 2015-2020 CIP

Attachment D: CIP Tour Planning Board and Council member questions, and staff answers.

CIP Guiding Principles

The City of Boulder develops a Capital Improvement Program (CIP) that addresses the ongoing major business needs and maintenance and repair of city assets as well as enhancements and expansion called for in the Boulder Valley Comprehensive Plan. The CIP is a strategic document that assures that the municipal organization maintains a strong bond rating, implements community values, and has fiscal integrity. The city prioritizes its investments both across and within funds based on the following guiding principles:

- 1. Capital Improvement Programs should be consistent with and implement Council-accepted master plans and strategic plans.**
- 2. Capital Improvements should achieve Community Sustainability Goals:**
 - Environmental – sustainable materials, construction practices, renewable resources, etc.
 - Social – enhancements that improve accessibility to city services and resources provided to the community
 - Economic – effective and efficient use of public funds across the community.
- 3. As potential capital investments are identified, the city must demonstrate in the CIP process that there are sufficient funds to operate and maintain the project or program.**
- 4. Capital Improvement Programs should provide enough capacity and flexibility in our long-term planning to be able to respond to emerging, unanticipated needs.**
- 5. Capital Improvement Programs should maintain and enhance the supporting city-wide “business systems”, such as information and finance systems, for the city over the long term.**
- 6. Capital Improvement Programs should sustain or improve maintenance of existing assets before investing in new assets.**
- 7. Capital improvements should:**
 - Meet legal mandates from federal, state, or city levels
 - Maintain or improve public safety and security
 - Leverage external investments
 - Promote community partnerships
 - Reduce operating costs and improve efficiency.
- 8. Capital programming should maximize efficiency of investments demonstrated by measurable cost/benefit analyses and coordination of projects across departments within and across funds.**
- 9. The Capital Improvement Program should provide sufficient reserves to allow for a sound fiscal foundation with benefits that include:**
 - A strong bond rating
 - The ability to address emergencies and natural disasters.

CIP Definition and Criteria

Capital Improvement Program Projects

“CIP projects are any major projects requiring the expenditure of public funds (over and above operation expenditures) for the purchase, construction, or replacement of the physical assets of the community. This broad definition includes those projects that are bondable, technology infrastructure, new or expanded physical facilities as well as the land necessary for the project.”

Criteria for New Capital Project:

- Projects resulting in the construction or acquisition of a new asset.
- Construction resulting in additional square footage of an existing asset.
- Projects have a discrete start and end date.
- Projects are location specific.
- Projects are typically over \$50,000 in total project cost, but do not have to be.
- Projects result in a durable, long lasting asset, with a useful life of at least 15 years.

Criteria for Capital Enhancement:

- Construction resulting in the expansion or significant improvement of an existing facility or asset.
- Projects have a discrete start and end date.
- Projects are location specific.
- Projects are typically over \$50,000 in total project cost, but do not have to be. Information Technology projects are typically over \$25,000 in total project cost.
- Projects result in a durable, long lasting asset, with a useful life of at least 15 years. Information Technology projects may be as short as 5 years.

Criteria for Capital Maintenance:

- Projects result in the repair, replacement, or renovation of an existing asset.
- Projects may or may not have a discrete start and end date.
- Projects are location specific or programs that cover a geographic area.
- Projects are typically over \$50,000 in total project cost. Information Technology projects are typically over \$25,000 in total project cost.
- Projects result in a durable, lasting physical asset, with a useful life of at least 5 years. Information Technology projects may be as short as 3 years.

Criteria for Land & Asset Acquisition:

- Project or program results in the acquisition of real property, such as land, mineral or water rights, or permanent easements.
- Projects may have discrete start and end dates, or may be programmatic.
- Projects or programs may be location specific or city-wide.
- Projects or programs typically include acquisitions totaling over \$50,000.

Criteria for Capital Planning Studies:

- Project results in the development of a study or plan which is intended to identify, plan, or prepare for the construction or acquisition of capital assets or capital program.
- Projects have discrete start and end date.
- Projects are typically for studies that are over \$50,000 in total cost.

**Excerpt from Draft
July 31, 2014 Planning Board Minutes**

5. PUBLIC HEARING ITEMS

5B. 2015-2020 Capital Improvement Program

Staff Presentation:

J. Gatza and **P. Bunzli** presented the item.

Board Questions:

J. Gatza, P. Bunzli, S. Richstone, B. Harberg, J. Castro, K. Bauer and **D. Sullivan** answered questions from the board.

Public Hearing:

Board Comments:

J. Putnam thought the plan was solid and found the information helpful. He recommended that future reports include a dashboard that shows where we are and where we're going, as well as a snapshot of resilience and maintenance. He suggested that we should understand what we're trying to solve and address. He thought that the plan should be approved. Some scope, location and design issues will need to be addressed in the future; these items are already highlighted in the CIP.

A. Brockett thought this was a dynamic document and was impressed by the depth of effort and cross departmental work.

C. Gray liked that the city plans to raise water and sewage fees, and appreciated resiliency efforts surrounding agricultural uses, Emerald Ash Borer, mitigation carbon reduction and energy efficiency. She encouraged staff to remind residents about the city's efforts to improve energy efficiency in its own buildings and to communicate how funds are spent to this end. She thought that the CIP had improved over the years and was pleased with this document.

L. Payton recommended that Boulder protect, enhance and amplify its existing special places; it does not need to focus solely on the creation of new ones. Consider partnering with BVSD to make school yards special places that are available to community members, especially low income families.

Motion:

On a motion by **J. Putnam**, seconded by **B. Bowen**, the Planning Board voted 7-0 to recommend to City Council the 2015-2020 proposed Capital Improvement Program, including the list of CIP projects to undergo a Community and Environmental Assessment Process, as outlined in the staff memorandum dated July 25, 2014.

Capital Improvement Program (CIP) Tour List of Projects – July 24, 2014

The following is the list of projects and brief descriptions provided on the July 24 CIP Tour with members of Planning Board and City Council. Included with each project are questions asked by Planning Board or City Council members during the tour and the replies from staff.

The City of Boulder's Capital Improvements Program (CIP) is a six-year plan for maintaining and enhancing public infrastructure by correcting current facility deficiencies and constructing new service delivery infrastructure. The CIP provides a forecast of funds available for capital projects and identifies all planned capital improvement projects and their estimated costs over the six-year period.

This tour's focus is on providing information on impacts from the September 2013 Flood, key projects future needs and completion of Capital Bond Projects, highlighting projects in the Boulder Junction area.



Highlighted Projects



= Capital Bond Projects

1. Arapahoe Reconstruction

Reconstruct Arapahoe Ave between 15th Street and Folsom to concrete pavement with utility replacements including adding storm drainage system, sidewalk, landscaping and urban design treatments where possible.

Funding - \$5.3 million of capital bond funding

Q: What plans are there for working with property owners for landscaping along Arapahoe?

A: The city's landscape designer will propose a planting plan and work with adjacent property owners to refine their plant list. We will be planting trees where possible, with input from city Forestry staff. The new trees will be at properties where there is an existing irrigation system. There are a few cases where there was not landscaping before and we are adding irrigation and new plants that the property owner will maintain. We will work with the property owners to make sure the system modifications are working properly. We will do supplemental watering for the first year during the Fall and Winter to help establish the trees.

There are many rental properties along the corridor where we will not be able to plant trees. In those areas, we plan to plant some very drought resistant plants with our landscape contractor watering them by truck for the first year or two to get them established.

Q: Who will be responsible for irrigation along Arapahoe?

A: The adjacent property owners will be responsible for the irrigation, including maintenance. As we are working with the property owners to modify their systems, we will clarify that they are responsible for on-going maintenance and payment of water for the plant material.

2. 28th Street - Transit, Bicycle and Pedestrian Investments

28th Street Multi-Use Path Project – Arapahoe to Valmont – Capital Bond Funding:

The project will replace existing sidewalks - where bikes and pedestrians presently conflict - with a 10' multi-use path that will allow bikes and pedestrians to better coexist and access the businesses along 28th street and elsewhere. This project will construct multi-use paths along the WEST side of 28th from Arapahoe to Valmont, and the EAST side from Pearl to Valmont.

- The total project budget is \$1.2M



- Pearl to Valmont will also be widened to provide a continuous shared bus/bike lane in each direction supporting US 36 BRT and BOLT (eventually SH 119 BRT). This work will be funded by CIP dollars.

28th Street – Bus/Bike Lane and Multi-Use Project – Valmont to Iris – CIP Funding

28th street will be widened between Valmont and (south of) Iris to complete the continuous shared bus/bike lane (BOLT/eventual SH 119 BRT/205). This project will also replace existing sidewalks with 10' concrete multi-use paths along both sides of 28th.

- Several properties' frontages to 28th Street will require acquisition of easements/property in order to construct these new facilities.
- This work is funded by the existing 28th Street CIP budget, and is planned to be will be completed in 2016 or 2017.

28th St MUP: Iris to Yarmouth – Federally Funded TIP Project:

- The project includes:
 - Construction of a 10' wide concrete multi-use path on the west side of 28th St. from Iris to Fourmile Creek including a new pedestrian bridge over Fourmile and connection to the path in Elks Park.
 - Widening of the 28th Street Bridge over Fourmile to accommodate bicycle crossings in both directions
- Construction is anticipated to begin in the Spring of 2015.
- Funding: FHWA Grant matched with City Transportation Funds. The Total Funding is \$2.224M. It's an 80/20 split between Federal funds and City funds.



28th and Violet Intersection Project – Capital Bond Funding:

- Realign intersection to address skewed entry of Violet onto 28th street in order to help shorten bicycle crossings of the vehicular path. Violet that accesses 28th Street on the east side will be closed.
- Construction is anticipated to begin in the Fall of 2014
- Funding: City of Boulder bond, CIP and Boulder County funding and the budget is \$350k

Q: What is being done to give transit priority over other vehicles along 28th Street?

A: The project will construct a continuous 3rd (outside) lane – between Pearl and Iris - for transit and bikes. This lane will allow the buses to bypass the queues of other waiting vehicles at the signals, and continue straight through the cross street into a designated transit lane on the other side of the intersections.

Q: Is traffic signal preemption in the plan for the future?

A: Not at this time. This could be revisited in the future, if necessary, however it is not expected. Signal preemption is usually only considered when the bus needs to merge back into an adjacent lane and needs a "head start" to gain position. As mentioned, this project will provide the bus its own lane and eliminates the need for preemption.

Q: Will the sidewalks on the east side of 28th Street be widened as part of this project?

A: Eventually all of the sidewalks on the east and west side of 28th Street will be replaced with a 10' wide multi-use path between Arapahoe and Iris Avenue. The current project includes a section from Arapahoe to Valmont that was included in the capital improvement bond. The property acquisition is still in process for several properties around the Mapleton Street intersection and depending on the time that this takes, this work may lag the rest of the multi-use path installation. The last remaining project on 28th Street will be north of Valmont and south of Iris. This project will complete the 10' wide multi-use path on both sides and the

remaining outside bus/bicycle/right turning vehicle lane. Property acquisition will take place for this project in 2015 and the work is planned to be completed in 2016/2017.

3. Wonderland Greenways / Flood project

The city is in the process of designing a Greenways Improvement Project along Wonderland Creek from Foothills Parkway to Winding Trail. The project will include extending the multi-use path along Wonderland Creek, providing three new pedestrian and bicycle underpasses and constructing flood mitigation along the project reach.

The September 2013 flood event resulted in substantial damages along Wonderland Creek. Future flood risks in these heavily damaged areas will be mitigated by this Greenways project (the project will eliminate 100-year floodplain impacts to approximately 130 structures housing 580 dwelling units).

Funding: \$21,230,465

- Greenways \$957,157
- Flood \$17,373,308 (\$10 million bond)
- Federal TIP \$2.9 million

The project is estimated to cost between \$21-25 million. The project has received \$2.9 million in federal grant money based on the transportation elements of this project. The Urban Drainage and Flood Control District has also assisted with \$2.1 million of funding. The project is anticipated to be advertised for construction bids in June 2015.

Q: Will the Wonderland Creek Greenways project help alleviate flooding concerns at Kalmia and 28th?

A: The Greenways project will increase the flood conveyance capacity at the Wonderland Creek crossing of 28th Street. This will allow more water to pass under 28th rather than backing up into the neighborhood west of 28th as it did during the September 2013 flood event. In addition, the Wonderland Creek Greenways Improvement Project, though an entirely separate project, has been coordinated with the proposed private development located at the northeast corner of Kalmia Avenue and 28th Street.

Q: Will existing housing stay?

A: The Wonderland Creek Greenways Improvement Project requires the purchase of numerous temporary and permanent easements to construct. The project, however, does not require the purchase or deconstruction of any structures.

Q: When does the project go out for bid?

A: The federal TIP grant stipulates that the project go out for advertisement for bid by end of June 2015.

Q: When will the project start?

A: Once the contract is awarded, the contractor will mobilize and begin construction. We anticipate construction would begin by mid-summer 2015.

South Boulder Creek

Q: Is the South Boulder Creek Project moving forward?

A: The city began a major drainage way flood mitigation planning study for South Boulder Creek in 2010. We are currently bringing this study forward through the public process including the following upcoming meetings:

Open House and WRAB Meeting: Monday, 18 August 2014

When: 5:00 – 6:45 p.m. – Open House, 7:00 p.m. – WRAB meeting

Where: Municipal Building; 1777 Broadway

OSBT Meeting: Wednesday, 20 August 2014

When: 6:00 p.m.

Where: Open Space and Mountain Parks Administrative Building; 66 S. Cherryvale Road

4. Elks Park

Construction is almost complete for this neighborhood park at 28th south of Jay Road.

Funding: \$1.6M

- Fulfills Parks .25 Sales Tax requirements

5. Boulder Reservoir Projects

Improvements from the capital bond included a new entry complex including entrance sign, roadway, parking lot, utility infrastructure, and grounds and landscaping. Flood recovery initiatives are also underway.

Funding: \$3M

6. Wildland Fire Facility

This project will consolidate all of the Fire Department Wildland crews and their support functions into one location. The City of Boulder Fire Department funds a full-time and seasonal Wildland fire crew who are an initial attack group for wildland fires occurring on or near city-owned land, including Open Space and Mountain Parks. When not involved in fire fighting, the crews perform mitigation work on city land, thinning forests and conducting prescribed burns to reduce the intensity of wild fires. The crew currently works out of several locations. Offices, vehicle storage, and tool repair and storage are each in separate buildings. Final completion is expected in January 2015. The building will be rated LEED-Silver. Funding: Capital Improvements Bond Project - \$3.08M

- CIP Funds - \$919K

Q: Will the architecture continue the rural theme?

A: Yes, the architecture will be consistent with that of the Fire Training Center. See below for a rendering of the new Wildland Fire Station on the left with a photograph of the existing Fire Training Center on the right. View is towards the southeast from Boulder Reservoir.



7. Coot Lake

This project will provide stabilization and restoration of the north bank of Coot Lake that currently poses a critical safety issue and continued degradation of the resource values of the lake. The project will include trail restoration, bank stabilization and vegetative restoration of this important and highly used natural area within the city's system. This project will also provide updated amenities and signage to improve the visitor experience and meet current standards for park design and improvement.

Funding: \$250,000

Q: What is the status of the IBM Trail and will it be completed as part of the Coot Lake improvements?

A: The Boulder County Transportation Division is managing the IBM Trail project that will ultimately connect Gunbarrel east of HWY 119 to the Boulder Reservoir and points west of HWY 119. Earlier this summer, the County's project manager was still working through permitting and clearances associated with the BNSF Railroad, CDOT and wetland permitting through OSMP. Construction is anticipated this summer. Once the trail is constructed to 63rd Street, the Parks and Recreation Department will assist the County in constructing the trail to connect to the Coot Lake area trails.

8. Carter Lake Pipeline & Hydroelectric Facility

Boulder's municipal water from Carter Lake is presently carried to Boulder Reservoir in an open canal that is subject to contamination as well as service interruption during critical intervals as evidenced during Sept. 2013 flood and cannot be operated in winter months. Proposed pipeline will protect drinking water quality and permit year-round delivery to Boulder and other municipal water providers, such as Left Hand and Longs Peak.

The possibility of a hydroelectric facility in conjunction with the pipeline would be made available by the construction of the Carter Lake Pipeline Project as the pipeline head pressure would have to be dissipated before flowing into the Water Treatment Facility.

Funding: Pipeline: \$38.5M Hydro Facility: \$2.8M

Q: Can we leverage the Carter Lake pipeline project to create a trail corridor for the Boulder Feeder Canal trail?

A: The pipeline corridor is independent of the existing Boulder Feeder Canal (Canal) and generally follows roadways, but also crosses both city and county Open Space lands and private lands which are not conducive for a public trail. The proposed trail alignment options considered by Boulder County - go to: <http://www.bouldercounty.org/roads/plans/pages/lyonstobouldertrail.aspx> - include the use of substantial portions of the rights of way along the existing Canal. There has been significant public opposition from property owners adjacent to the Canal. Although Northern Water is the lead agency for the pipeline project, the City of Boulder and Left Hand Water District are the agencies that would benefit from its implementation. The trail and pipeline projects are separate projects, and it is not likely that the pipeline can be used as leverage to garner support for the proposed trail along the Canal.

Q: What will happen with the water in the Boulder Feeder Canal, once the pipeline is in place?

A: The water will continue to be used for agriculture.

Q: How much hydroelectric will be produced?

A: Less than 1 MW nameplate rating will be produced.

Q: What is the source of funding?

A: Rates will cover bonding. Bonds should be issued in 2017. Water rates will have to be increased temporarily to help with this.

9. Wastewater Sewer Interceptor Project

Utilities staff has identified the need for a \$10,000,000 bond in the 2015-2020 CIP to fund improvements to the city's largest sanitary sewer interceptor. The sanitary interceptor conveys 90% of the city's flow to the Wastewater Treatment facility (WWTF). City staff completed an inspection of approximately 6 miles of the interceptor in the spring of 2014 and found significant internal corrosion in numerous pipe sections. City staff will be completing inspection of an additional 10-12 miles of concrete sewer in 2014. The bond funds will be used to rehabilitate the worst condition sewer sections utilizing a combination of open cut and lining technologies.

Funding: \$10M

Q: Have the tier 1 projects been analyzed as a part of the \$10M identified need and how do they fit in?

A: The \$10M bond is anticipated to fund improvements to the city's large diameter Interceptor sewer that was shown to have severe internal corrosion in the 2014 Interceptor Sewer Condition Assessment evaluation. Regarding the Tier 1 priorities identified in the 2009 Wastewater Collection System Master Plan (WWCSMP), the Utilities workgroup is in the process of updating this master plan this year to incorporate flood inundation data from the September 2013 flood event and data from the recently completed 2014 city-wide inflow & infiltration (I&I) evaluation. This additional analysis will provide a higher confidence level regarding the Tier 1 priorities. In the Wastewater Utility CIP, the Tier 1 projects are scheduled for the 2016 to 2020 timeframe, and the Tier 2 projects are scheduled for the 2020 to 2030 timeframe.

Q: Are inappropriately connected sump pumps a problem?

A: They are. The flow from illicit connections to the wastewater collection system occupies capacity intended to convey wastewater flow. The water contribution from private sump pumps is one of several factors that contribute to the system's periodic surcharging during rain events.

Q: How can these violations be addressed?

A: It is problematic. The city has regulations that prohibit sump pumps from being discharged to the wastewater collection system, but the enforcement of those regulations is much more difficult.

10. Riparian Ecosystem Restoration Project

This project will repair the breach in the bank between Boulder Creek and Pit D to return flows to the historic channel and prevent flow from entering Pit D. Also, a stable creek channel through the project site will be built using natural channel design principles. The new channel will incorporate aquatic habitat features to support native fish and other endemic species. Riparian and wetland habitat adjacent to the new creek channel will also be restored.

Funding: CIP funds - \$300K, Grant funds (Colorado Water Conservation Board CWCB – pending \$200K)

11. Boulder Junction Projects

Private Development Projects

- 3100 Pearl and 3151 Pearl - Depot Square

Public Projects

- Capital Improvement Bond Projects
 - Junction Place Bridge over Goose Creek - \$3.512M City Bond Funds,
 - Pearl Multi-way Boulevard – 30th to the Railroad – south side - \$2.298M City Bond funds, \$0.267M Developer Funds



- Boulder Junction Fund Projects
 - Boulder Junction Pocket Park
 - Junction Place Enhancements (Goose Creek to Bluff - \$877k, Pearl to Goose Creek - \$1,082k)
 - Traffic Signal at Junction Place and Pearl - \$284k Total - \$120k from 3100 Pearl development, \$60K Depot Square Developer and \$104k city funds
 - Other future Traffic Signals - Junction Place at Valmont (pg. 322) \$304k, and Bluff at 30th Street \$228k
 - Overhead Electrical Utility Undergrounding - \$80k city funds – remainder Xcel 1% funds

- Federally Funded Projects
 - Pearl Parkway Multi-Use Path: 30th to Foothills – north side (pg. 334) \$6.75M total - \$4M federal and \$1M City Transportation funds, \$0.204M Developer Funds, \$1.55M Utility Funds

Q: Was there anything unexpected in the project?

A: There are major projects (public and private) underway in coordination with various entities, with no setback and multiple interfaces. This can provide challenges. For the most part things are going as planned. There have been some challenges related to the timing of the various entities portions of the projects as they abut each other, and there are some schedule delays on some of the projects.

Q: Who owns the garage?

A: There are four owners: RTD, the Hotel, the Housing owners, and the Parking District. The Parking District will have about 100 spaces.

Q: How do you manage who is parking where?

A: There will be an electronic counting system, based on number of spaces allotted to each of the four entities. Patrons will self report whether they are parking for housing, hotel, RTD or other. There will be license plate match up and proof of transit requirements.

Q: Is the technology for this commercially available or custom made?

A: It is custom made. We are working with an expert parking consultant (Carl Walker) on this.

Q: Why aren't we using sensors and dedicating specific spaces for specific purposes?

A: This is expensive, will be redundant to the management being put in place and the system being proposed allows for more flexibility if, for example, the hotel will not need all of its spaces and wants to loan them to the district.

Q: Is there a connection to the soccer facility from Boulder Junction?

A: There are planned pedestrian and bicycle connections from the Depot Square and Steel Yards sites down to the Goose Creek Path, which provides an access through the railway underpass. There is no road connection that will cross the railway at this location linking the Depot Square Site to the new Boulder Indoor Soccer facility. There are future TVAP Connections Plan links near the soccer facility for vehicular, ped and bike access, but none of those are included as part of that private project.

Q: What is the asphalt on the Goose Creek path right now?

A: This is a temporary path; a detour used intermittently around the construction, while construction is taking place, and will be removed when the project is complete. The Goose Creek Path has only had to be closed 9 days total since the beginning of the Junction Place Bridge at Goose Creek public project.

12. Relocation of Fire Station 3

Fire Station 3 is located within the 100 flood plain at 30th and Arapahoe Avenue.

- In 2011 potential sites were evaluated for relocation.
 - Thirteen sites were reviewed; six sites appeared to be usable.
- In September of 2013 each of the six sites were reviewed again:
 - Five of the six may still be viable.
 - The top site is 2900 Mapleton (Mapleton Ball Fields).
 - The other sites are along 30th Avenue.

The current proposal suggests incorporating office space to move the Fire Administration Offices to co-locate with the new Fire Station 3 and build a supply/truck storage building at a different location. Fire Admin offices are currently in the Public Safety Building with the Police Department.

Funding: The current cost estimate is \$12.7 million for building and up to \$8.6 million for land.

Q: Are other sites being considered (other than Mapleton Ball Fields) publicly owned?

A: No. The other sites are not publicly owned and have some potential acquisition complications due to multiple ownership, as well as redevelopment that has taken place since the sites were first identified as potential options for the relocation.

Q: What will happen to the ball fields?

A: As the plan for development of the South Valmont park (currently undeveloped portion of Valmont City Park) proceeds, it might be possible to include ball fields at that location. P&R will be doing a ball fields needs assessment.

Q: What is happening with the ball fields near the Boulder County facility at Iris?

A: The county is planning to expand, though the timing is unknown at this time, and that expansion would result in the loss of two ball fields.

MEMORANDUM

August 12, 2014

To: Mayor and Members of City Council
Jane Brautigam, City Manager

From: Angela McCormick, Chair, BHP Board of Commissioners
Betsey Martens, Executive Director

Re: BHP's Draft Strategic Plan

Attachments: Attachment A: Draft Strategic Plan Executive Summary

Attachment B: Brief summary of BHP statutory role and relationship with City of Boulder

Summary

Thank you for the opportunity to meet with you in Study Session regarding the draft of BHP's Strategic Plan. The purpose of the meeting is for the City Council and the Board of Commissioners of Boulder Housing Partners (BHP) to meet and discuss BHP's mission and strategic goals. This memorandum introduces the key issues and will be supplemented by a presentation by BHP at the Study Session.

In 2013, BHP began a process to update its Strategic Plan. The draft responds to current and projected changes in the housing market, economic conditions and demographic shifts. The plan proposes an aggressive response, particularly in the preservation of market-affordable housing. These efforts would result in a significant increase in BHP's inventory of affordable housing over the next ten years. Additional goals include an expanded role in Boulder County through regional partnerships on affordable housing or for income producing assets, expansion of current education programs for children living in BHP units, and greater advocacy for housing options.

Implementation of this draft Strategic Plan depends on the support of the City Council. The Board of Commissioners and its staff seek comments and feedback from the City Council on its willingness to act in several key areas including:

- Implementation of land use and policy changes to make affordable housing more financially feasible for development by the market, including through density bonuses, flexibility on land use regulations, etc;

- Work to preserve existing affordable housing, including public housing and housing that is priced in the market at affordable rents but is subject to strong market pressure to appreciate; and
- Prioritize funding for housing opportunities for vulnerable, hard to house, special populations, and very low income households.

Questions

Questions for discussion between the City Council and the Board of Commissioners are as follows:

1. Based on the data that suggests a small window of time to preserve market affordable rentals, does the City Council support BHP's strategy of aggressively acquiring affordable and workforceⁱ housing units and land and increasing our inventory of deeply affordable and workforce housing over the next ten years?
2. Does the City Council have any additional comments or suggestions on the proposed draft Strategic Plan which BHP would plan to implement over the next ten years?

Discussion

On June 9, 2014, the BHP Board of Commissioners released a public discussion draft of BHP's Strategic Plan ("Plan") prepared by BHP staff and its Board with help from BHP's economic and planning consultant Charles Buki and Associates. Since then, we have reached out to a broad cross section of the community for comments and suggestions regarding the content of the plan, its goals, and its new initiatives and focus. This input has been very positive and the feedback very helpful. We anticipate continuing that outreach in the coming month. As close partners, your thoughts and comments about our proposed strategic direction are crucial to the plan's successful implementation and we look forward to the conversation on August 12, 2014.

BHP began our strategic planning process in November, 2013. It began with a review of our current planning documents, an analysis of the economic issues facing our community, and meetings to discuss our values, mission and purpose. The draft, included with this memorandum as Attachment A, is the initial result of that process. City staff have been engaged in the process and have provided important feedback during the early stages.

The initial timeline for the adoption of BHP's Strategic Plan was to have aligned closely with the adoption of the City's Comprehensive Housing Strategy (CHS) process. As both timelines have evolved, BHP's Plan will be ready for final consideration and adoption this fall. Your consideration now allows BHP's Board to incorporate your ideas into its planning. Following

adoption, BHP's Plan will be available to the community as a resource for the CHS. Following the adoption of the CHS, BHP will review its Plan and amend it as necessary.

BHP has enjoyed a long and successful partnership with the city since the City Council took action to create us as the city's housing authority in 1966. Additional information about BHP, its statutory basis, role in the affordable housing market and relationship with the City is provided in Attachment B. We have been actively working to address the housing needs of this community since our formation. BHP operates today with approximately 1,100 housing units that we own and manage for low and moderate income households. We also manage approximately 860 Section 8 Housing Choice vouchers that support households that qualify for housing assistance. We serve a range of households including people with disabilities, young families, and seniors. The recently completed High Mar community and the soon-to-be completed 1175 Lee Hill are examples of BHP's response to some of our community's most compelling housing needs.

Approximately 300 of our units are classified as Public Housing, which means they were developed with support from the Department of Housing and Urban Development (HUD) and are available to households with incomes between 0% and 30% of the Area Median Income (AMI). Approximately 15% of our portfolio is unrestricted and available at market rental rates.

Policy, Economic and Financial Drivers

One of the primary driving forces behind our draft Plan is to interrupt current market trends and provide affordable housing so that the mix of housing opportunities in Boulder more closely aligns with the vision and goals articulated in Boulder Valley Comprehensive Plan (BVCP) including the following which are summarized from

Sections 1 and 7 of the BVCP:

- *Housing helps define a community;*
- *Affordable housing enables people to participate in their communities;*
- *Affordable housing can reduce the demands of low income households on public services;*
- *Affordable housing provides a significant community benefit;*
- *Boulder is committed to providing 10% of the housing stock as permanently affordable housing;*
- *City resources will be used to maintain the existing supply;*
- *The City will support community partnerships and local housing and service providers;*
- *Creating neighborhoods, community design and public spaces is important;*
- *The City will strengthen regional cooperation efforts;*
- *Housing shall be a mix of sizes, prices and types;*
- *Housing will be available for persons at all stages of life;*

- *Boulder will create housing for workers and foster mixed income multifamily options; and*
- *This community will avoid displacement of households.*

BHP is committed to these values and the other environmental and social goals articulated in the BVCP. We also reviewed and incorporated into the Plan some of the economic and political forces that impact affordable housing in this community including:

1. Shifting federal commitments: Capital and operations funding from HUD is flat or reduced and priorities are difficult to predict. This makes the public housing that relies on it difficult to sustain and puts families at risk;
2. BHP is a Moving to Work (MTW) organization: BHP has the opportunity to propose and implement more efficient practices, all of which shield, but don't insulate, BHP and the community from uncertainties at the Federal level;
3. Boulder demographics and needs: Because housing prices are rising so significantly, the make-up of Boulder's renter and owner households is steadily changing. We have become wealthier, older and less traditional in household composition;
4. Customer survey and internal feedback: Comments note the very low vacancy rates, the increased prices, the difficulty of finding housing using a voucher, and the consequent choice to commute into Boulder; and
5. Market and economic drivers including the following:
 - a. In the last 12 years, an average of 1,000 units of market affordable housing inventory per year have become unaffordable due to rapid market appreciation.
 - b. In 2000 there were a combined 24,723 homes for sale valued at under \$300,000 and apartments with rent less than \$1,000 per month.
 - c. In 2012 there were just 12,171 in the combined inventory, representing a 50% decline. If this rate continues, we project that by 2022 Boulder will have no homeowner units affordable to households with income under \$60,000 annually or apartments affordable to households with income under \$40,000 or \$19.23 per hour other than the 4,500 units (10% goal) protected by City covenant as permanently affordable.
 - d. Boulder has 24,000 jobs that pay at or below \$19.23 per hour, creating a demand of potentially 6 people for every 1 unit.

Eight Strategic Initiatives

For the reasons noted above, BHP's Plan proposes to implement eight strategic initiatives to help Boulder respond to the affordable housing needs in the community and remain consistent with the vision articulated in the BVCP as follows:

1. **More:** Through acquisition of existing inventory and land, as well as pursuit of every opportunity to grow our housing voucher program, BHP plans to increase our inventory of housing by 2,000 units over 10 years. The strategic shift of “more” also references more alignment with the BVCP vision of a diverse community. Boulder’s appreciating market is taking us further and further away from this vision.
2. **Broader:** While maintaining our traditional focus on the most vulnerable, expand our efforts to include workforce housing opportunities;
3. **Wider:** Expand our geographic focus in two ways:
 - Welcome the opportunity to partner on affordable housing projects that have regional significance; and
 - Consider income producing assets anywhere in Boulder County;
4. **Louder:** Increase our advocacy efforts related to preservation of existing affordable inventories and pursue a more ambitious and meaningful housing goal for the city;
5. **Greener:** Focus energy investment in our own portfolio and engage with the community in reporting outcomes and drawing the connection between housing and environmental impact;
6. **Bigger:** Catalyze an increased investment in children’s educational outcomes and continue support for service coordination for all residents;
7. **Better:** Improve on organizational excellence by stewarding a strong financial core, expanding internal operations and improving community outreach; and
8. **Smarter:** BHP believes in changing the focus in the housing industry from outputs to outcomes, or in other words, from counting units created (outputs) to measuring the impact on individuals, families and the community (outcomes).

Implementation of the plan depends on the support of the City Council in several key areas including:

- Land use and policy changes to make affordable housing more financially feasible including density bonuses, flexibility on land use regulations, etc;
- Leadership support for preserving existing affordable housing, particularly public housing and housing that is operating at affordable rents but is subject to strong market pressure to appreciate; and
- Continued funds to provide housing opportunity for special populations and low income households.

Several of the opportunity sites described in the memo to City Council for the May 27, 2014 Study Session on the CHS have been identified by BHP as having strong potential to address some of the housing needs in the community including the redevelopment of the Palo Park site and the redevelopment of the northeast corner of the intersection of Valmont Road and Folsom Ave. We have also identified several multi-family sites that, upon acquisition, could have an

impact on the mix and supply of affordable housing and the availability of housing that is preserved as market affordable.

ⁱ In the context of this Plan, the following definitions apply:

Public and Assisted Housing	0 – 30% AMI
Affordable Housing	31 – 60% AMI
Workforce Housing	61 – 80% AMI
Unrestricted or Market Housing	+ 80% AMI

Strategic Plan Executive Summary

Context

In the last 12 years, Boulder has lost an average of 1,000 units of market affordable rental and for sale housing each year. Since 2000, there has been a 50% decline in the number of rentals valued under \$1,000 and homes for sale under \$300,000. If this trend continues, we project that by 2020 Boulder's market will not respond to households with income less than \$50,000 and \$60,000 respectively, other than those homes in the city's permanently affordable program. For these and other reasons, Boulder Housing Partners is updating its strategic initiative to help Boulder course correct and remain consistent with the vision articulated in the Boulder Valley Comprehensive Plan.

Mission & Vision

BHP's mission is to provide homes, inspire community and create change. BHP will be a catalyst for the city's goal of a diverse, inclusive and sustainable community and will be known for the diversity and strength of our portfolio and for our neighborhood-based creative solutions.

Values

Through the life of this plan and beyond, these are the values that will infuse our daily work:

- An **inclusive and diverse** community
- Innovative and **courageous leadership**
- Thoughtful **stewardship** of our assets
- Practice of consistent compassionate **accountability**
- **Preservation** of housing for our residents and for the community
- Active **partnerships**
- Transparent **engagement** with customers and the community
- **Resilience** in all aspects of our work

Strategic Shifts

- . **More:** Increase production to 2000 units within 10 years.
- . **Broader:** While maintaining our traditional focus on the most vulnerable, expand our efforts to include workforce housing opportunities.
- . **Wider:** Expand our geographic focus in two ways: 1) welcome the opportunity to partner on affordable housing projects that have regional significance and 2) consider income producing assets anywhere in Boulder County.
- . **Louder:** Increase our advocacy efforts related to preservation of existing affordable inventories and pursue a more ambitious and meaningful housing goal for the city.
- . **Greener:** Focus energy investment in our own portfolio and engage with the community in reporting outcomes and drawing the connection between housing and environmental impact.
- . **Bigger:** Invest in children’s educational outcomes in a big way and continue support for service coordination for all residents.
- . **Better:** Improve on organizational excellence by stewarding a strong financial core, expanded internal operations and improved community outreach.
- . **Smarter:** BHP believes in changing the focus in the housing industry from outputs to outcomes; from counting units created (outputs) to measuring the impact on individuals, families and the community (outcomes)

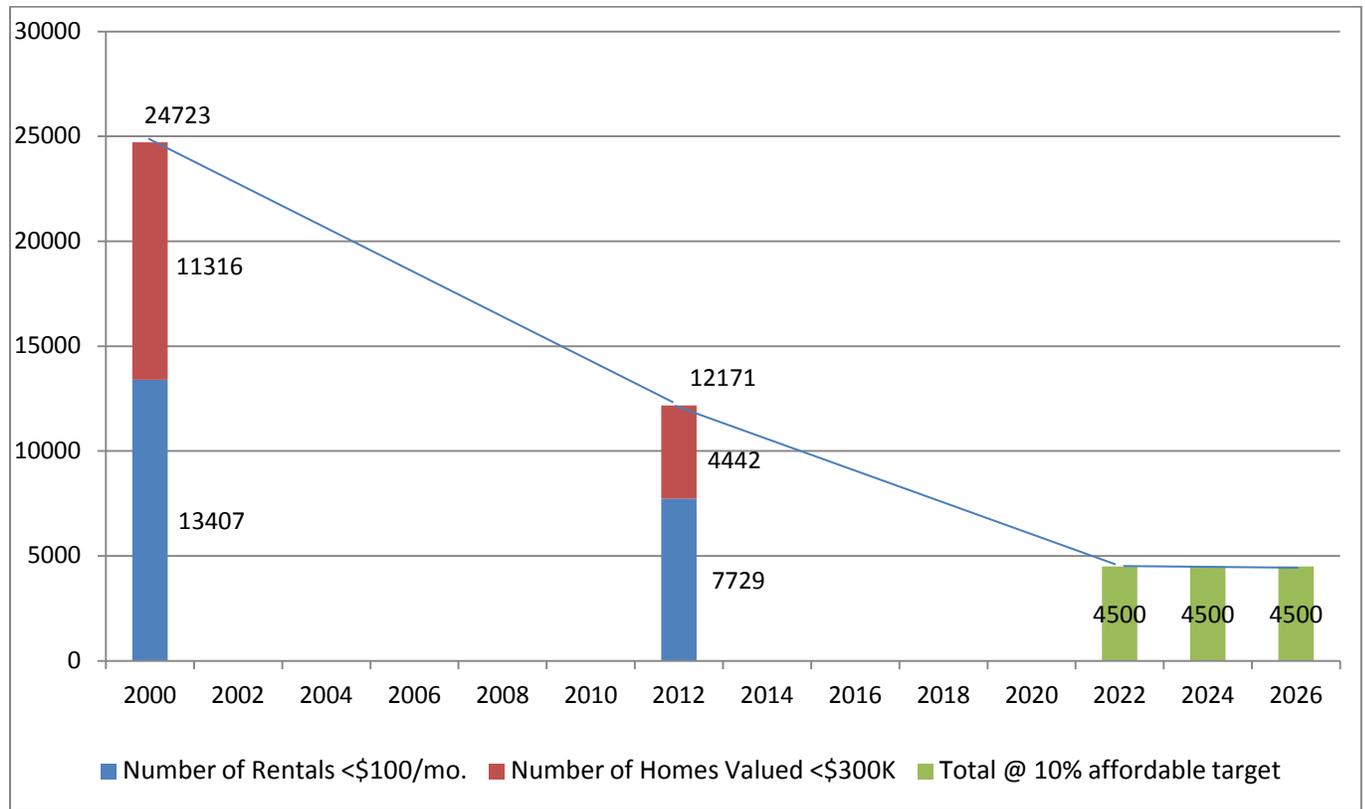
Scanning Boulder’s Affordability Horizon

Market and Economic Drivers

- ✓ In the last 12 years, Boulder has lost an average of 1,000 units of market affordable housing inventory per year.
- ✓ In 2000 there were a combined 24,723 homes valued at under \$300,000 and apartments with rent less than \$1,000 per month and in 2012 there were just 12,171, a 50% decline. If this rate continues, by 2022 Boulder will have no homeowner units affordable to households with income under \$60,000 annually or apartments affordable to households with income under \$40,000 or \$19.23 per hour other than the 4500 units (10% goal) protected by City covenant as permanently affordable.
- ✓ Boulder has 24,000 jobs that pay at or below \$19.23 per hour.

The full strategic plan may be found at www.boulderhousing.org in “About Us.”

Sharp Decline in Market Affordable Homes and Rentals in Boulder



Planning Context

- ✓ The Boulder Valley Comprehensive Plan (BVCP)¹ envisions Boulder as a “welcoming and inclusive” community with a diversity of housing types and price ranges.
- ✓ Boulder’s robust real estate market is quickly pricing the workforce out of the rental and homeownership markets (see below).
- ✓ Boulder’s many vulnerable households have long been unserved by the market and are increasingly affected by reductions in federal investment in subsidized housing.
- ✓ These factors create risk for the vision articulated in the BVCP.
- ✓ As the city’s housing authority, BHP plans to take an active role in preserving economic diversity and housing opportunities for those who the market currently and traditionally cannot reach. We believe that an aggressive community response and intervention can change the course of the loss of diversity in our city.

¹ <https://bouldercolorado.gov/planning/boulder-valley-comprehensive-plan>

Given Boulder's affordability horizon and the market and economic drivers listed above, Boulder is not on track to implement the vision articulated in the Boulder Valley Comprehensive Plan. Our community is at a critical juncture in which there is time to correct that course, but that course correction will require changes to land use regulation and other planning policies. The success of this plan depends on changes to the way we think about density, transportation, neighborhood and affordability. Boulder Housing Partners can help change that path.

Goal 1: Providing Homes

Ensure the promise of a diverse community by preserving existing affordable housing and increasing housing choice and inventory for Boulder residents. Between 2015 and 2025:

Outcome: Preserve the current affordability in BHP's existing portfolio of homes and vouchers.

Outcome: Increase service to an additional 2,000 households within a mix of income ranges.

Outcome: Add 250 housing options for special and vulnerable populations.

Goal 2: Partnerships and Community Engagement

Engage as a leader in housing policy discussions and pursue a wide range of partnerships and policy changes needed to increase housing choice and diversity in Boulder, reduce land cost per unit, and preserve the city's current affordable units.

Outcome: Successful progress towards the Boulder Valley Comprehensive Plan vision for the community and implementation of the aggressive goals in this strategic plan.

Goal 3: Resident Achievement and Quality of Life

Invest in focused service programming to improve the economic futures of children in BHP households. Develop successful partnerships to provide service coordination to work-abled adults, seniors, and people with disabilities in order to improve or preserve independence and quality of life.

Outcome: Youth are successful in school and have the skills necessary for self-sufficiency as an adult.

Outcome: Work-abled families will increase their independence and quality of life.

Outcome: Seniors and people with disabilities will preserve their independence and quality of life to the maximum extent possible.

Goal 4: Minimizing Environmental Impact

Pursue consistent and innovative improvement of portfolio and practices regarding environmental impacts to the maximum extent that is economically feasible while not reducing the number of units that can be produced.

Outcome: Improved building performance in BHP’s portfolio and reduced energy costs for residents.

Outcome: Increased access for BHP residents to bus passes and other affordable public and alternative transportation programs like bike sharing and car sharing.

Goal 5: Organizational Stewardship

Continuously improve BHP’s organizational sustainability, structure, and strategic outreach by stewarding a strong financial core, efficient internal operations and improved community outreach.

Outcome: Diversify BHP’s market reach and revenue sources; hire and retain qualified staff.

Outcome: Operate creatively, decisively, intentionally, and effectively, with strong and consistent values and an understanding that housing is as much about people as it is about place.

Housing Authority Enabling Legislation

Housing authorities, a product of the U.S. Housing Act of 1937, are enabled by state statute and created by local government. This combination of involvement and interaction at all three levels of government makes housing authorities a unique and distinct entity. The provisions for housing authority governance differ state by state. Colorado's housing authority law is found in the Colorado Revised Statute at Chapter 29, Chapter 4, Part 2, Sections 201-233 (CRS 29-4-201 *et seq.*). The law gives each local government the authority to create a housing authority which is a "body both corporate and politic" separate from the city. Case law refers to housing authorities as "political subdivisions of the state." Housing authorities have the same boundaries as the city creating the authority, and its commissioners are appointed by the mayor. Housing authorities also have "all the powers necessary or convenient to carry out and effectuate the purposes and provisions" of the statute including:

- To determine where unsafe, unsanitary, or substandard dwelling or housing conditions exist;
- To study and make recommendations concerning the city plan in relation to the problem of clearing, re-planning, and reconstruction of areas in which unsafe or substandard dwellings exist;
- To prepare, carry out and operate projects and to provide for the construction, reconstruction, improvement, alteration, or repair of any project thereof;
- To grant or lend moneys or otherwise provide financing;
- To establish entities controlled by the authority that may own, operate, act, invest in as a partner or take any and all steps necessary or convenient to undertake or otherwise develop a project;
- To take over by purchase, lease, or otherwise any project undertaken by any government or by the city;
- To manage as agent of the city any project constructed or owned by the city;
- To act as agent for the federal government in connection with the acquisition, construction, operation or management of a project;
- To borrow money upon its bonds, notes, debentures, or other evidences of indebtedness;
- To purchase, lease, obtain options upon, or acquire by eminent domain, gift, grant, or bequest any property, real or personal, or any interest therein from any person, firm, corporation, the city, or a government.

By federal law, BHP is charged with operating U.S. Department of Housing and Urban Development (HUD) programs with a statutory focus on the lowest income households, including public housing and the Section 8 Housing Choice Voucher program. BHP's dual role as the housing authority of the city and federal agent for affordable housing in the city make opportunities available to the City of Boulder that would not otherwise be available. As a partner to the city and the largest contributor to the city's affordable housing goals, BHP also focuses on a broader range of low and moderately-low income households in order to provide affordable housing options for Boulder's workforce consistent with the city's goals.

Board Appointments

The appointment of BHP's Board of Commissioners (Board) is governed by state statute at CRS 29-4-205. The Board consists of no more than nine members, one of whom must be elected by the resident body. Not more than one Commissioner can be a city official. The term of office is five years and a Commissioner may be reappointed. The Board members are "appointed by the mayor or such other appointing authority as is otherwise provided by charter or ordinance." Council may, "by resolution, change the method of appointment of commissioners after a proper notice and hearing and set a date for the changed method to become effective."

Boulder's practice has been to appoint the BHP Board members as part of the city's board recruitment and appointment process. In an effort to help maintain the working relationship between the city and BHP, a Council member is traditionally appointed as a voting BHP commissioner. Councilmember Andrew Shoemaker is the current liaison. The city has no direct responsibility for, or control over, the Board or BHP's Executive Director, with the exception of the provision that the mayor can remove a commissioner for neglect of duty or misconduct in office.

History of BHP and Relationship with the City

The management of the authority was initially vested with the Planning Department and later, in the 1980's, transferred to the Housing and Human Services Department. For many years, the roles of director of BHP and the city's director of the Division of Housing were combined and filled by one city employee.

As BHP grew and operated more programs separate from the city, confusion about the relationship between the city and BHP became more of an issue. While property management operations were always separate from the city, the planning and development functions were long embedded with city staff. In the mid-1980s HUD strongly encouraged housing authorities to contract with their local governments to administer personnel programs. In 1986, BHP passed a resolution adopting the city's personnel practices and policies as its own. Soon thereafter, the city began administering BHP's payroll. BHP employees were treated as if they were city employees, rather than BHP employees being paid through city payroll.

Attachment B: Brief Summary of BHP Statutory Role and Relationship with City of Boulder

From 1999, when Boulder Housing Partners (BHP) and the city Division of Housing separated, through 2010 the city provided an average of almost \$30,000 per year in salary support to BHP. In addition, from 2007 through 2010 the city provided BHP with an average of \$113,500 in general operating support. Both types of support were discontinued in 2011 and both BHP and the city do not anticipate resuming operating support.

BHP owns its own building, vehicles, and other assets. BHP pays for the use of the city's maintenance shop for its vehicles.

The most significant services provided to BHP by the city include legal services through the City Attorney's Office¹ and access to the city's health benefits programs. BHP hires separate legal counsel regarding construction contracts, funding agreements, tenant and employee relations. However, the City Attorney's Office provides general legal services related to BHP's existence as a governmental entity and housing authority of the city, acquisition contracts, and other contracts. BHP pays for all health benefits for its employees, plus an administrative fee to the city for HR to make the calculations necessary to separate the costs for city employees and BHP employees.

The only funding that BHP does receive from the city are affordable housing funds for capital projects which the city raises from several sources including federal grants (HOME and CDBG), cash-in-lieu contributions and general funds (AHF), and housing excise tax and property tax revenue (CHAP). Together these funds support the production and preservation of affordable housing, associated housing programs like housing counseling, and the city's administrative costs. Most funding is awarded to housing providers through an annual competitive funding process open to all including for- and non-profit entities and BHP. Occasionally funding is awarded outside the fund round to respond to specific or unique opportunities. BHP competes with other developers and housing providers for these funds.

¹ Statutory reference to the services of the City Attorney's Office is found at CRS 29-4-205