

Attachment 1. Plan Essential Elements

Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.

The Housing Authority adopted the revised Admissions and Continued Occupancy Policies on 02/01/2017. The Admissions and Continued Occupancy Policies (“ACOP”) is DHA’s written statement of policies used to carry out the housing program in accordance with federal law and regulations, HUD requirements, and state and local laws. All issues related to public housing not addressed in this ACOP are governed by the federal regulations, the Department of Housing and Urban Development (“HUD”) handbooks and guidebooks, HUD notices, and applicable state and local laws.

DHA will review and update the ACOP as needed to reflect changes in regulations, DHA operations, or when needed to ensure staff consistency in operation. If DHA and ACOP conflict with the regulations listed above then, HUD regulations will have precedence.

Deconcentration Policy (Denver Housing Authority ACOP 2017)

It is the policy of DHA to provide for the deconcentration of poverty and encourage income mixing by bringing higher income families into lower income developments and lower income families into higher income developments, pursuant to current HUD regulations, and any subsequent amendments. Toward this end, DHA has instituted local preferences and will continue to affirmatively market our housing to all eligible income groups. Lower income residents will not be steered toward lower income developments and higher income people will not be steered toward higher income developments.

Prior to the beginning of each DHA fiscal year, staff will analyze the income levels of families residing in each of our developments. Based on this analysis, and the then current HUD regulations, DHA will determine which, if any, DHA developments are above, within, or below the DHA Established Income Range (EIR). Any developments above the EIR will be designated as high-income. Any developments with incomes below the EIR will be designated as low-income. Based on this analysis, DHA will determine the marketing strategies and whether or not additional incentives will have to be developed and implemented to deconcentrate poverty.

Deconcentration Strategies (Denver Housing Authority ACOP 2017)

DHA may, in its sole discretion, utilize one or more of the following strategies to encourage applicant families whose income classification would help to meet the deconcentration goals of a particular development: 1) incentives designed to encourage families with incomes below the EIR to accept units in developments with incomes above the EIR, and vice versa; 2) target investments and capital improvements; and 3) continue use of working family preferences. These strategies may be used at different times, or under different conditions, but will always be used in a consistent and non-discriminatory manner. Deconcentration incentives may apply to Mixed Income Developments applicant families at the sole discretion of the Owner.

Financial Resources (Denver Housing Authority 2018 Annual Budget)

The adopted budget for 2018 is \$217,283,555. As in prior years, majority of DHA's operating revenues is coming from federal financial assistance to provide low-income housing. Rental revenues are budgeted higher in 2018 to reflect new units coming on-line from development activity and the increase in rents collected from individual units. Rental revenues represent all tenant rents paid in the public housing units, Denver Housing Corporation units, and all DHA non-HUD units. Interest revenues are budgeted higher due to the anticipated increase in interest rates. The decrease in Developer fees is due to the timing of construction of new properties. Federal financial assistance from HUD of \$107.1 million includes \$72.1 million in Housing Assistance Payments for the HCV and tenant based program clients, \$16.5 million in public housing operating subsidies and the remainder in various capital grants and other resident program grants. Other income and contributions of \$5.8 million consist mainly of commercial leases, service charges and late payment charges to tenants, lease revenues from rooftop antennas, DHA Partnerships' management fees and ground lease revenues. The increase in 2018 is due to the lease up of preciously vacant commercial space and additional management fees. Sales proceeds are budgeted based on planned sales of land and property. There were significant casualty losses (mainly hail damage) in 2017 which enabled the budgeting of insurance proceeds for 2018. All Capital financings are shown as revenue sources due to DHA being the developer in various mixed finance real estate developments. These sources include, but not limited to, Low Income Housing Tax Credit (LIHTC) equity, construction and permanent financing from banks and various HUD Capital grants. There is an increase in development activity in 2018.

2018 BUDGET SUMMARY COMPARATIVE SUMMARY OF TOTAL 2018 REVENUES AND EXPENSES

	2016	2017	2018	Increase (Decrease)
	Budget	Budget	Budget	From Prior Year
Revenues				
Rental income	\$21,787,272	\$23,587,050	\$25,522,639	8.2%
Interest income	463,992	1,426,963	1,877,356	31.6%
Management fees	1,288,000	1,131,389	1,166,669	3.1%
Developer fees	2,237,930	2,880,050	2,256,845	(21.6%)
Federal financial assistance	91,326,551	108,168,537	107,099,761	(1.0%)
Other income	3,076,947	4,181,273	5,843,740	39.8%
Sales proceeds	4,750,000	1,700,000	11,768,000	592.2%
Insurance proceeds	-	-	6,500,000	100.0%
Use of replacement & operating reserves	3,369,099	3,113,464	2,519,774	(19.1%)
Capital financing/Tax Credit Equity	18,439,543	11,002,500	52,728,771	379.2%
Total	\$146,739,334	\$157,191,226	\$217,283,555	38.2%
Expenses				
Administration	\$22,963,123	\$25,172,836	\$27,553,491	9.5%
Rent to owners	56,090,991	77,312,658	68,822,688	(11.0%)
Utilities	7,750,075	7,426,517	7,439,870	0.2%
Maintenance	15,910,070	16,168,591	15,864,512	(1.9%)
Debt service/Interest expense	7,322,082	6,548,204	7,631,795	16.5%
General	2,361,925	2,901,982	3,313,059	14.2%
Operating/Replacement Reserves	2,761,445	5,631,911	4,958,813	(12.0%)
Capital Investments	31,579,623	16,028,527	81,699,327	409.7%
Total	\$146,739,334	\$157,191,226	\$217,283,555	38.2%
Net of interfund transfers and interfund revenues and expenses				

Substantial Deviation

Substantial deviation is defined as: 1) discretionary changes in the plans or policies of the housing authority that fundamentally change the mission, goals, objectives, or 2) plans of the agency which require formal approval of the Board of Commissioners or the addition of any large capital item to the Capital Fund 5-Year Action Plan. Large capital items are defined as any work item that is 10% or more of the average annual Capital Fund Grant award.

Significant Amendment or Modification

Significant amendment or modification is defined as: 1) discretionary changes in the plans or policies of the housing authority that fundamentally change the mission, goals, objectives, or plans of the agency and which require formal approval of the Board of Commissioners or 2) the addition of any large capital item to the Capital Fund 5-Year Action Plan. Large capital items are defined as any work item that is 10% or more of the average annual Capital Fund Grant award.

