

HOUSING AUTHORITY



Operating Budget
Fiscal Year 2015-16

HOUSING AUTHORITY OPERATING BUDGET FISCAL YEAR 2015-16

Board Directors

Scott Voigts, Chair
Andrew Hamilton, Vice Chair
Dr. Jim Gardner, Board Member
Adam Nick, Board Member
Dwight Robinson, Board Member

Staff Members

Robert C. Dunek, Executive Director

Debra Rose, Deputy Executive Director
Keith D. Neves, Authority Finance Director
Stephanie D. Smith, Authority Secretary
Matthew Richardson, Authority Attorney

HOUSING AUTHORITY BUDGET

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Mayor
Scott Voigts

Mayor Pro Tem
Andrew Hamilton

Council Members
Dr. Jim Gardner
Adam Nick
Dwight Robinson

City Manager
Robert C. Dunek

June 16, 2015

Honorable Chairman and Members of the Authority:

I am pleased to present the Lake Forest Housing Authority's ("Authority") Budget for Fiscal Year 2015-2016 for your review and approval. The Authority's work program reflects the goals and objectives of the City's Housing Element and the Consolidated Plan for use of the City's Community Development Block Grant (CDBG). In addition, the work plan includes the continuation and potential completion of affordable housing programs and projects initiated by the Lake Forest Redevelopment Agency ("Agency") prior to its dissolution pursuant to AB1X 26 and AB 1484. The activities proposed are consistent with all applicable laws and sound management practices.

Fiscal Year 2014-15 in Review

The Authority was activated for the purpose of consolidating affordable housing activities of the City and former Agency. One of the most significant accomplishments this year was resuming negotiations for the disposition and development of the former Agency's real property assets. Specifically, the Authority Board resumed negotiations with Families Forward to evaluate the feasibility of pursuing the affordable housing project envisioned for the Saguaro Apartments before dissolution of the Agency. On April 21, 2015, the Authority Board and City Council adopted resolutions approving a Disposition and Development Agreement (DDA) and Regulatory Agreement (collectively the "Agreements") with Families Forward. The Agreements provide for Families Forward's purchase and use of the property as affordable housing for the State-mandated period of 55 years. The project will realize the goals identified at the time the Agency acquired the property and generally advance the Authority and City's affordable housing goals.

In addition, the Authority advanced its negotiations for the potential sale and development of the 1.67-acre Authority parcel formerly owned by the



Orange County Transportation Authority and the approximately 7,000 square foot parcel acquired in tax default from the Orange County Tax Collector. The Authority completed fair market appraisals of the parcels which were used to advance negotiations with the potential buyer.

In addition, the Authority monitored affordable housing programs at the following properties not owned by the Authority: eight condominiums for transitional housing, and six apartments and one condominium for affordable housing. Using the annual Community Development Block Grant (CDBG), the Authority, in collaboration with the City, continued the on-going successes of the Housing Rehabilitation Loan and Neighborhood Pride Paint Programs.

Fiscal Year 2015-16 Overview

The primary mission of the Authority is to advance the goals and objectives of the City's Housing Element and the Consolidated Plan. To this end, the Authority will continue implementing the Transitional Housing Program at the Madrid Condominiums with its non-profit partner, Families Forward. Additionally, the Authority will implement the DDA and Regulatory Agreement with Families Forward for the Saguaro Property. Required activities will include completing the relocation of existing tenants using Agency former tax increment, satisfying all the conditions for the close of escrow, and working with Families Forward as it completes the rehabilitation of the property. Moreover, the Authority will advance negotiations in the hopes of finalizing purchase and sale agreements for the 1.67-acre and 7,000 square foot parcels owned by the Authority. The sale proceeds would be deposited in the Low/Moderate Income Asset Fund to be used for future affordable housing purposes. Once finalized, the Purchase and Sale Agreements would be considered by the Authority Board at noticed public hearings.

The Authority will work cooperatively with the City to help achieve the City's housing goals, including continuation of the Housing Rehabilitation Loan and Neighborhood Pride Paint Programs. In addition, the Authority will work cooperatively with developers in the Opportunities Study Area to facilitate implementation of their respective Affordable Housing Implementation Plans.

Authority staff looks forward to working with the community and Authority Board in furthering the accomplishments of the past fiscal year.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dunek", with a long horizontal flourish extending to the right.

Robert C. Dunek
Executive Director

MAJOR ACCOMPLISHMENTS AND INITIATIVES

FISCAL YEAR 2014-15 MAJOR ACCOMPLISHMENTS

1. Worked with the Lake Forest Successor Agency Oversight Board to preserve tax increment from the El Toro Redevelopment Project Area to fund housing-related enforceable obligations of the former Lake Forest Redevelopment Agency, including the relocation obligation for the Sagurao Apartments.
2. Advanced the goals and objectives of the City's Housing Element.
3. In partnership with Families Forward, maintained and monitored two condominiums owned by the Authority for a transitional housing program. In addition, the Authority monitored affordable housing programs at the following properties not owned by the Authority: 8 condominiums for transitional housing, and 6 apartments plus 1 condominium for affordable housing.
4. Maintained an Authority-owned four-unit apartment building including management of tenants, repairs and landscape improvements. The Authority completed negotiations with Families Forward for the sale of the property for an affordable housing project. The negotiations resulted in the City Council and Authority Board approving a Disposition and Development Agreement and Regulatory Agreement on April 21, 2015.
5. Resumed negotiations for the potential sale and development of the 1.67-acre parcel located adjacent to the railroad right-of-way ("Authority Parcel") and the approximately 7,000 square, remnant parcel ("Mamie Thomas Parcel") located on the north side of El Toro Road, west of Jeronimo Road. Authority staff retained consultant services and completed a fair market appraisal of the properties that was used to inform the negotiations.

FISCAL YEAR 2015-16 MAJOR INITIATIVES

1. Advance the goals and objectives of the City's Housing Element.
2. Continue monitoring all condominium units and apartments at which transitional and affordable housing programs are implemented.
3. Finalize negotiations and prepare agreements for consideration by the Authority Board for the sale and development of the "Authority Parcel" and the Mamie Thomas parcel.
4. Work with Families Forward to implement the Disposition and Development Agreement and Regulatory Agreement for the Saguaro Property with the goal of closing escrow and conveying title as soon as possible.
5. Work cooperatively with developers in the Opportunities Study Area to facilitate implementation of their respective Affordable Housing Implementation Plans.

SUMMARY of REVENUES, EXPENDITURES, TRANSFERS, and FUND BALANCES

	Available Fund Balances July 1, 2015	Revenues	Total Funds Available	Expenditures		Total Expenditures	Transfers In/(Out)	Available Fund Balances June 30, 2016
				Operating	Capital Projects			
Housing Authority Fund	\$264,500	\$131,000	\$395,500	\$77,500		\$77,500		\$318,000
Totals	\$264,500	\$131,000	\$395,500	\$77,500	\$0	\$77,500	\$0	\$318,000

HOUSING AUTHORITY BUDGET DETAIL
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Expense Classification	Actual 2013-14	Adopted Budget 2014-15	Proposed Budget 2015-16	Adopted Budget 2015-16
<u>Contract Services:</u>				
Low/Mod Housing	\$840			
General Consultant Services	290	\$10,000	\$25,000	\$25,000
Real Property Maintenance	29,800	55,100	45,000	45,000
Auditing		5,000	5,000	5,000
Rehabilitation Loan Fees	901	1,500	1,500	1,500
Rehabilitation Loan Services	1,446	1,000	1,000	1,000
Subtotal	33,277	72,600	77,500	77,500
Activity Total	\$33,277	\$72,600	\$77,500	\$77,500
 Funding Source:				
Housing Authority Fund	\$33,277	\$72,600	\$77,500	\$77,500

HOUSING AUTHORITY FISCAL YEAR 2015-16 ORGANIZATIONAL CHART

