

# HOUSING AUTHORITY



Operating Budget  
Fiscal Year 2016-17

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# HOUSING AUTHORITY OPERATING BUDGET FISCAL YEAR 2016-17

## **Board Directors**

Andrew Hamilton, Chair  
Scott Voigts, 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

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# HOUSING AUTHORITY BUDGET

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**Mayor**  
Andrew Hamilton

**Mayor Pro Tem**  
Scott Voigts

**Council Members**  
Dr. Jim Gardner  
Adam Nick  
Dwight Robinson

June 21, 2016

Honorable Chairman and Members of the Authority:

**City Manager**  
Robert C. Dunek

I am pleased to present the Lake Forest Housing Authority's ("Authority") Budget for Fiscal Year 2016-2017 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 2015-16 in Review**

One of the most significant accomplishments this year was the Authority's sale of the four-unit apartment building located on Saguaro Avenue to Families Forward, an affordable housing nonprofit corporation. After renovating the interior of the units and exterior of the building, Families Forward is now renting the units to income-eligible families and will maintain affordable rents for a State-mandated period of 55 years. The rehabilitated apartment complex and sale of the property have advanced the Authority and City's affordable housing goals.

Additionally, the Authority held an "Affordable Housing Workshop" to evaluate policy options to create and/or preserve affordable housing in Lake Forest. The Workshop also focused on complying with State mandates pertaining to the proper disposition and development of the former Agency's remaining real property assets. Remaining Agency assets include 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.

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, and the Americans with Disabilities Act (“ADA”) Access Ramp Improvement Project.

### **Fiscal Year 2016-17 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. Subject to the Authority Board’s direction, the Authority staff will work with its affordable housing consultant to prepare a Notice of Funding Availability (NOFA) or Request for Proposals (RFP) for the potential development and/or sale of the 1.67-acre and 7,000 square foot parcels owned by the Authority. Potential 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.

### **Fund Balance**

Staff is projecting a \$256,800 fund balance at the end of Fiscal Year 2016-17, a decrease of \$61,200 from the Fiscal Year 2015-16 adopted budget of \$318,000 for the Authority’s operating budget. This decrease will be the result of the Authority staff working with its affordable housing consultant for the potential development and/or sale of the parcels owned by the Authority and future affordable housing projects.

Authority staff looks forward to working with the community and Authority Board in furthering the accomplishments of the past fiscal year and making further progress on achieving the community’s affordable housing goals.

Sincerely,



Robert C. Dunek  
Executive Director

## **MAJOR ACCOMPLISHMENTS AND INITIATIVES**

### ***FISCAL YEAR 2015-2016 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 and Five-Year CDBG Consolidated Plan.
3. Sold the Housing Authority's Sagurao fourplex to Families Forward, an affordable housing nonprofit, to rent the units to income-eligible families and maintain affordable rents for a period of 55 years.
4. 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.
5. Held an Affordable Housing Workshop to evaluate policy options to create and/or preserve affordable housing in Lake Forest and ensure compliance with State mandates pertaining to the proper disposition and development of the former Agency's remaining real property assets.

### ***FISCAL YEAR 2016-17 MAJOR INITIATIVES***

1. Advance the goals and objectives of the City's Housing Element and Five-Year CDBG Consolidated Plan.
2. Continue monitoring all condominium units and apartments at which transitional and affordable housing programs are implemented.
3. Subject to the Authority Board's direction, prepare a Notice of Funding Availability (NOFA) or Request for Proposals (RFP) for the potential development and/or sale of the 1.67-acre and 7,000 square foot parcels owned by the Authority.
4. Subject to the Authority Board's approval to issue a potential NOFA or RFP, conduct negotiations and prepare agreements for consideration by the Authority Board for the sale and development of the "Authority Parcel" and the Mamie Thomas parcel.
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, 2016	Revenues	Total Funds Available	Expenditures		Total Expenditures	Transfers In/(Out)	Available Fund Balances June 30, 2017
				Operating	Capital Projects			
Housing Authority Fund	\$314,700	\$11,800	\$326,500	\$69,700		\$69,700		\$256,800
Totals	\$314,700	\$11,800	\$326,500	\$69,700	\$0	\$69,700	\$0	\$256,800

<b>HOUSING AUTHORITY BUDGET DETAIL</b>
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<b>Expense Classification</b>	<b>Actual 2014-15</b>	<b>Adopted Budget 2015-16</b>	<b>Proposed Budget 2016-17</b>	<b>Adopted Budget 2016-17</b>
<u>Contract Services:</u>				
General Consultant Services	\$17,909	\$25,000	\$50,000	
Real Property Maintenance	78,019	45,000	12,200	
Auditing	-	5,000	5,000	
Rehabilitation Loan Fees	885	1,500	1,500	
Rehabilitation Loan Services	1,014	1,000	1,000	
Subtotal	97,827	77,500	69,700	-
Activity Total	\$97,827	\$77,500	\$69,700	\$0
<u>Funding Source:</u>				
Housing Authority Fund	\$97,827	\$77,500	\$69,700	\$0

# HOUSING AUTHORITY FISCAL YEAR 2016-17 ORGANIZATIONAL CHART

