

HOUSING AUTHORITY



Operating Budget
Fiscal Year 2014-15

HOUSING AUTHORITY OPERATING BUDGET FISCAL YEAR 2014-15

Board Directors

Dwight Robinson, Chair
Adam Nick, Vice Chair
Dave Bass, Board Member
Kathryn McCullough, Board Member
Scott Voigts, Board Member

Staff Members

Robert C. Dunek, Executive Director
David E. Belmer, Deputy Executive Director
Keith D. Neves, Authority Finance Director
Stephanie D. Smith, Authority Secretary
Scott C. Smith, Authority Attorney

HOUSING AUTHORITY BUDGET

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May 13, 2014

Honorable Chairman and Members of the Authority:

I am pleased to present the Lake Forest Housing Authority's ("Authority") Budget for Fiscal Year 2014-2015 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 2013-14 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 completing the final step in the State-mandated process for the transfer of real property assets from the former Agency to the Authority. The transfer process was initiated in Fiscal Year 2012-13 when the Lake Forest Successor Agency and Lake Forest Successor Agency Oversight Board approved a Housing Asset Transfer Form ("Transfer Form") required by AB 1484. This action allowed for the transfer of the Madrid Condominiums, the Authority Parcel (former OCTA parcel), and the Saguaro Apartments from the former Agency to the Authority. The Transfer Form ultimately was approved by the State. Subsequently, the Lake Forest Successor Agency completed a State-mandated Due Diligence Review of the former Agency's Housing Fund and transfer of real property assets from the Agency to the Housing Authority. The Due Diligence Review also was approved by the State. The final step in the review process was completed in Fiscal Year 2013-14 when the State Controller's Office audited the transfer of funds and real property assets from the Agency to the Authority. The State Controller's Office approved all of the transfers. Completion of this final step in the State-Mandated review process allows the Authority, without oversight from the State, to retain or sell these assets in a manner that maximizes the Authority's goals and objectives.

Mayor
Dwight Robinson

Mayor Pro Tem
Adam Nick

Council Members
David A. Bass
Kathryn McCullough
Scott Volgts

City Manager
Robert C. Dunek

As a result of the transfer, 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. 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.

The Authority Board authorized staff to advance negotiations that may result in the sale and development of the 1.67-acre Authority Parcel and the approximately 7,000 square foot remnant parcel acquired in tax default. The Authority's goal is to sell the parcels for development that will improve the community.

Fiscal Year 2014-15 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 advance its negotiations with Families Forward in an effort to complete the affordable housing program originally envisioned for the Saguaro Apartments. In addition, the Authority will advance negotiations in an effort to finalize Purchase and Sale Agreements for the sale and development of Authority Parcel and tax default remnant parcel.

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.

During the upcoming year, the Authority's primary sources of funding will be rental revenue from the Saguaro Property, and CDBG funds. These sources will be used to fund ongoing programs and projects and to pursue affordable housing and neighborhood stabilization programs and projects.

In addition, at the discretion of the Authority Board, developer affordable housing "in-lieu" fees generated by construction activity in the Opportunities Study Area may be used as programs and projects warrant.

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 "R. Dunek", with a long horizontal flourish extending to the right.

Robert C. Dunek
Executive Director

MAJOR ACCOMPLISHMENTS AND INITIATIVES

FISCAL YEAR 2013-14 MAJOR ACCOMPLISHMENTS

1. Worked with the Lake Forest Successor Agency Oversight Board to finalize the State-mandated process required for the Housing Authority to successfully retain the housing assets of the former Lake Forest Redevelopment Agency.
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. Additionally, 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. Resumed negotiations with Families Forward for the potential sale of the property for an affordable housing project.
5. Initiated 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.

FISCAL YEAR 2013-14 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, development, and/or rehabilitation of Authority-owned properties, including the "Authority Parcel," the Saguaro apartment property, and the Mamie Thomas parcel.
4. 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, 2014	Revenues	Total Funds Available	Expenditures		Total Expenditures	Transfers In/(Out)	Available Fund Balances June 30, 2015
				Operating	Capital Projects			
Housing Authority Fund	\$150,000	\$120,600	\$270,600	\$72,600		\$72,600		\$198,000
Totals	\$150,000	\$120,600	\$270,600	\$72,600	\$0	\$72,600	\$0	\$198,000

HOUSING AUTHORITY BUDGET DETAIL

Expense Classification	Actual 2012-13	Adopted Budget 2013-14	Proposed Budget 2014-15	Adopted Budget 2014-15
<u>Contract Services:</u>				
General Consultant Services			\$10,000	\$10,000
Real Property Maintenance	\$56,639	\$65,100	55,100	55,100
Auditing		5,000	5,000	5,000
Rehabilitation Loan Fees	3,099	3,500	1,500	1,500
Rehabilitation Loan Services	4,641	2,000	1,000	1,000
Low/Mod Housing	3,171			
Subtotal	67,550	75,600	72,600	72,600
Activity Total	\$67,550	\$75,600	\$72,600	\$72,600
 Funding Source:				
Housing Authority Fund	\$67,550	\$75,600	\$72,600	\$72,600

HOUSING AUTHORITY FISCAL YEAR 2014-15 ORGANIZATIONAL CHART

