

HOUSING AUTHORITY



Operating Budget
Fiscal Year 2017-18

HOUSING AUTHORITY OPERATING BUDGET FISCAL YEAR 2017-18

Board Directors

Scott Voigts, Chair
Leah Basile, Vice Chair
Dr. Jim Gardner, Board Member
Andrew Hamilton, Board Member
Dwight Robinson, Board Member

Staff Members

Debra Rose, 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
Leah Basile

Council Members
Dr. Jim Gardner
Andrew Hamilton
Dwight Robinson

City Manager
Debra DeBruhl Rose

June 20, 2017

Honorable Chairman and Members of the Authority:

I am pleased to present the Lake Forest Housing Authority's ("Authority") Budget for Fiscal Year 2017-2018 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 2016-2017 in Review

The most significant accomplishment this year was the Authority's approval of a Purchase and Sale Agreement with JW Congregation, Inc. for the sale of the 2.59-acre parcel located at El Toro Road and the railroad tracks. This sale complies with State law pertaining to real property assets inherited from former Redevelopment Agencies. Proceeds from the sale will be deposited in the Low/Moderate Income Housing Asset Fund designated for affordable housing. Additionally, the Authority Board approved a Notice of Funding Availability (NOFA) inviting developer proposals for the acquisition, development, rehabilitation, or preservation of affordable housing for lower income Veterans.

The Authority monitored affordable housing programs at the following properties: 189 housing units at the Arroyo at Baker Ranch development, four units on Saguaro, 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 2017-18 Overview

The Authority's primary mission is to advance the goals and objectives of the City's Housing Element and the City's Five-Year Consolidated Plan. To this end, the Authority will implement the Purchase and Sale Agreement for the 2.59 acre Parcel and will coordinate with the buyer to ensure all required City entitlements are met as a condition to finalizing the sale. Additionally, the Authority will review developer proposals received through the Notice of Funding Availability and, subject to the Authority Board's direction, enter into corresponding Affordable Housing Agreements for the acquisition, development, rehabilitation, or preservation of affordable housing for lower income Veterans.

Pending the sale of the 2.59 acre Parcel, the Authority's only remaining Agency asset is the approximately 7,000 square foot "Mamie Thomas" parcel acquired in tax default from the Orange County Tax Collector. Staff will advance efforts to dispose of the site or, subject to the Authority Board's direction and approval, extend the disposition period by an additional five years.

In the coming year, the Authority will continue implementing the Transitional Housing Program at the Madrid Condominiums with its non-profit partner, Families Forward, and will continue monitoring all condominium units and apartments at which transitional and affordable housing programs are implemented.

The Authority also will continue working 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 to facilitate implementation of their respective Affordable Housing Implementation Plans.

Fund Balance

Staff is projecting a \$268,800 fund balance at the end of Fiscal Year 2017-18, an increase of \$12,000 from the Fiscal Year 2016-17 adopted budget of \$256,800 for the Authority's operating budget.

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,



Debra Rose
Executive Director

MAJOR ACCOMPLISHMENTS AND INITIATIVES

FISCAL YEAR 2016-2017 MAJOR ACCOMPLISHMENTS

1. Obtained Authority Board approval to enter into a Purchase and Sale Agreement with JW Congregation Inc. for the sale of the 2.59 acre Authority Parcel. Funds from the sale will be deposited in the Authority's Low/Moderate Income Housing Asset Fund designated for affordable housing purposes.
2. Obtained Authority Board direction to issue a Notice of Funding Availability inviting developer proposals for the acquisition, development, rehabilitation, or preservation of affordable housing for lower income Veterans.
3. Advanced the goals and objectives of the City's Housing Element and Five-Year CDBG Consolidated Plan.
4. Implemented the Regulatory Agreement with Families Forward for the Saguaro fourplex, and monitored affordability to ensure the units are rented to income-eligible families and maintained as affordable for a period of 55 years.
5. 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: 189 affordable housing units at The Arroyo at Baker Ranch apartments, 8 condominiums for transitional housing, and 6 apartments plus 1 condominium for affordable housing.

FISCAL YEAR 2017-2018 MAJOR INITIATIVES

1. Implement the Purchase and Sale Agreement for the Authority Parcel and coordinate with the buyer to ensure buyer fulfills all required City entitlements as a condition to finalizing the sale.
2. Review developer proposals received through the Notice of Funding Availability and, subject to the Authority Board's direction, enter into corresponding Affordable Housing Agreements for the acquisition, development, rehabilitation, or preservation of affordable housing for lower income Veterans.
3. Advance the goals and objectives of the City's Housing Element and Five-Year CDBG Consolidated Plan.
4. Continue monitoring all condominium units and apartments at which transitional and affordable housing programs are implemented.
5. Subject to the Authority Board's approval, conduct negotiations and prepare agreements for consideration by the Authority Board for the sale and/or development of the "Mamie Thomas parcel.
6. Work cooperatively with developers to facilitate implementation of their respective Affordable Housing Implementation Plans.

SUMMARY of REVENUES, EXPENDITURES, TRANSFERS, and FUND BALANCES

	Available Fund Balances July 1, 2017	Revenues	Total Funds Available	Expenditures		Total Expenditures	Transfers In/(Out)	Available Fund Balances June 30, 2018
				Operating	Capital Projects			
Housing Authority Fund	\$392,500	\$11,200	\$403,700	\$134,900		\$134,900		\$268,800
Totals	\$392,500	\$11,200	\$403,700	\$134,900	\$0	\$134,900	\$0	\$268,800

HOUSING AUTHORITY BUDGET DETAIL
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Expense Classification	Actual 2014-15	Actual Budget 2015-16	Adopted Budget 2016-17	Adopted Budget 2017-18
Contract Services:				
General Consultant Services	\$9,409	\$28,825	\$50,000	\$80,000
Real Property Maintenance	78,019	23,174	12,200	12,400
Auditing	-	-	5,000	5,000
Rehabilitation Loan Fees	885	774	1,500	1,500
Rehabilitation Loan Services	1,014	897	1,000	1,000
Professional Services - Legal	-	-	-	35,000
Property Disposition	8,500	310,843	-	-
Subtotal	97,827	364,513	69,700	134,900
Activity Total	\$97,827	\$364,513	\$69,700	\$134,900
Funding Source:				
Housing Authority Fund	\$97,827	\$364,513	\$69,700	\$134,900

HOUSING AUTHORITY FISCAL YEAR 2017-18 ORGANIZATIONAL CHART

