

# HOUSING AUTHORITY



Operating Budget  
Fiscal Year 2018-19

# HOUSING AUTHORITY OPERATING BUDGET FISCAL YEAR 2018-19

## **Board Directors**

Dr. Jim Gardner, Chair  
Leah Basile, Vice Chair  
Thomas Cagley, Board Member  
Dwight Robinson, Board Member  
Scott Voigts, Board Member

## **Staff Members**

Debra Rose, Executive Director  
  
Keith Neves, Deputy Executive Director  
Kevin Shirah, Authority Finance Director  
Jennifer Connally, Acting Authority Secretary  
Matthew Richardson, Authority Attorney

# HOUSING AUTHORITY BUDGET

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**Mayor**  
Dr. Jim Gardner

**Mayor Pro Tem**  
Leah Basile

**Council Members**  
Tom Cagley  
Dwight Robinson  
Scott Voigts

**City Manager**  
Debra DeBruhl Rose

June 19, 2018

Honorable Chairman and Members of the Authority:

I am pleased to present the Lake Forest Housing Authority's ("Authority") Budget for Fiscal Year 2018-19 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 2017-18 in Review**

After entering into escrow to purchase of the Agency's 2.59-acre parcel located at El Toro Road and the railroad tracks, JW Congregation, Inc. has continued to work with staff and the City Attorney's Office to process entitlement applications JW Congregation filed for a General Plan Amendment, Zone Change and Parcel Map to allow for the development of two 3,000 square foot buildings and the creation of a separate parcel for that enables a Southern California Gas Company use as an above ground equipment and fencing. The separate parcel would allow their employees to remotely access a pipeline in an emergency situation. An environmental review is underway and it is anticipated that the project will be reviewed by the City Council in FY 18/19. Proceeds from the sale, once finalized, 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 Board selected National Community Renaissance (National CORE") as the City's development partner and entered into an Exclusive Negotiation Agreement ("ENA"), which reserves \$3.7 million in affordable housing funds for this partnership. The ENA establishes a one-year time period for National CORE to work with the City and Authority regarding the selection of a site for a project, identify housing needs, and negotiate an Affordable Housing



Agreement for the development and use of the City's/Authority's available affordable housing funds. A combination of tax credits, loans, and additional funding sources beyond the Authority's \$3.7 million funding for the acquisition and development of affordable housing would be assembled by National CORE

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 2018-19 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.

With respect to the ENA with National CORE, staff worked to complete the required affordable housing market study and anticipates completion of a siting analysis with potential development scenarios. Staff anticipates presenting these options to the Authority Board for further direction in the coming months. Subject to further direction, staff would negotiate and 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 \$1,063,300 fund balance at the end of Fiscal Year 2018-19, an increase of \$794,500 from the Fiscal Year 2017-18 adopted budget of \$268,800 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 2017-2018 MAJOR ACCOMPLISHMENTS***

1. Entered into escrow with JW Congregation 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 execute an Exclusive Negotiation Agreement with National Community Renaissance 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 2018-2019 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. Advance the ENA process with National CORE by identifying potential development sites and presenting options to the Authority Board. Hold a community workshop on affordable housing to assess feedback from residents. Advance the goals and objectives of the City's Housing Element and Five-Year CDBG Consolidated Plan.
3. Continue monitoring all condominium units and apartments at which transitional and affordable housing programs are implemented.
4. 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.
5. 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, 2018	Revenues	Available Funds	Expenditures		Total Expenditures	Transfers In/(Out)	Available Fund Balances June 30, 2019
				Operating	Capital Projects			
Housing Authority Fund	\$306,100	\$892,100	\$1,198,200	\$134,900		\$134,900		\$1,063,300
<b>Totals</b>	<u>\$306,100</u>	<u>\$892,100</u>	<u>\$1,198,200</u>	<u>\$134,900</u>	<u>\$0</u>	<u>\$134,900</u>	<u>\$0</u>	<u>\$1,063,300</u>



<b>HOUSING AUTHORITY BUDGET DETAIL</b>
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<b>Expense Classification</b>	<b>Actual 2015-16</b>	<b>Actual 2016-17</b>	<b>Adopted Budget 2017-18</b>	<b>Proposed Budget 2018-19</b>
<u>Contract Services:</u>				
General Consultant Services	\$28,825	\$41,990	\$80,000	\$80,000
Real Property Maintenance	23,174	11,096	12,400	12,400
Auditing	-	-	5,000	5,000
Rehabilitation Loan Fees	774	754	1,500	1,500
Rehabilitation Loan Services	897	1,020	1,000	1,000
Professional Services - Legal	-	-	35,000	35,000
Property Disposition	310,843	6,588	-	-
Subtotal	364,513	61,448	134,900	134,900
Activity Total	\$364,513	\$61,448	\$134,900	\$134,900
 Funding Source:				
Housing Authority Fund	\$364,513	\$61,448	\$134,900	\$134,900

# HOUSING AUTHORITY FISCAL YEAR 2018-19 ORGANIZATIONAL CHART

