

REGULAR MEETING AGENDA - ORANGE COUNTY HOUSING FINANCE TRUST

WEDNESDAY, MARCH 20, 2024 - 10:00 A.M.

MEETING WILL BE HELD IN-PERSON ONLY

**COUNTY ADMINISTRATION NORTH – MULTI-PURPOSE ROOM – 1ST FLOOR
400 W. CIVIC CENTER DRIVE
SANTA ANA, CA 92701**

KATRINA FOLEY
Chair

JESSIE LOPEZ
Vice Chair

VICENTE SARMIENTO
Director

NATALIE MOSER
Director

TAMMY KIM
Director

NORMA CAMPOS KURTZ
Director

SHARI FREIDENRICH
Director

MIKE FROST
Director

(VACANT)
Director

Trust Manager
Adam Eliason

Trust Counsel
Lauren Kramer

Clerk of the Trust
Valerie Sanchez

Except as otherwise provided by law, no action shall be taken on any item not appearing in the agenda. When addressing the Orange County Housing Finance Trust, please state your name (or pseudonym) for the record prior to providing your comments. **In compliance with the Americans with Disabilities Act and County Language Access Policy, those requiring accommodation or services of an interpreter for this meeting should notify the Clerk of the Board's Office 72 hours prior to the meeting at (714) 834-2206. Requests received less than 72 hours in advance will still receive every effort to reasonably fulfill within the time provided.**

This agenda contains a brief general description of each item to be considered. The Orange County Housing Finance Trust encourages public participation. Members of the public may address the Trust regarding any item in the following ways:

1. **In-person:** If you wish to speak during public comment, please complete a Speaker Request Form and deposit it in the Speaker Form Return box located next to the Clerk. Speaker Forms are located on the table next to the entrance doors.
2. **Written Comment** – The Trust is also accepting public comments to be submitted by emailing them to aeliason@ochft.org. The comments will be distributed to all of the Directors and read into the record. If you wish to comment on a specific agenda item, please identify the item in your email. General public comments will be addressed during the general public comment item on the agenda. In order to ensure that staff has the ability to provide comments to the Directors in a timely manner, please submit your comments prior to noon the day before the meeting. Public comments will be made available to the public upon request.

*All supporting documentation is available for public review online at:
www.OCHFT.org and in the office of the Clerk of the Board of Supervisors located in the
County Administration North building, 400 W. Civic Center Drive, 6th Floor,
Santa Ana, California 92701 during regular business hours,
8:00 a.m. - 5:00 p.m., Monday through Friday.*

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CONSENT CALENDAR ITEMS:

1. Approve Orange County Housing Finance Trust minutes from the January 17, 2024 regular meeting.

DISCUSSION ITEMS:

At this time, members of the public in attendance may ask the Board to be heard, and emails received by members of the public will be read into the record on the following items as those items are called.

2. Receive and file Federal and State funding advocacy update from Townsend Public Affairs
3. Approve endorsement with amendment for Assembly Bill 1657 – The Affordable Housing Bond Act of 2024 to fund Local Housing Trust Fund Program and approve endorsement of initiatives to distribute 2024 Proposition 1 Bond funding for housing in a formula-based allocation
4. Select and approve one of two financing options utilizing FY 2023 federal funding grant and authorize issuance of Request for Proposal to hire a Federal Grant Management consultant
5. Approve Request for Proposal for loan fulfillment and loan servicing of Trust Affordable ADU Loan Program and authorize issuance of Request for Proposal on March 22, 2024

HOUSING TRUST MANAGER REPORT:

6. Oral Report from the Housing Trust Manager

PUBLIC COMMENTS:

At this time members of the public may address the Trust, and emails received by deadline will be read into record on any matter not on the agenda but within the jurisdiction of the Trust. The Trust or Chair may limit the length of time each individual may have to address the Trust, and emails received are to be read.

DIRECTOR COMMENTS:

ADJOURNED:

NEXT MEETING: May 15, 2024 – 10:00 am

Agenda Item 1
Minutes – January 17, 2024

**REGULAR MEETING SUMMARY ACTION MINUTES
ORANGE COUNTY HOUSING FINANCE TRUST**

WEDNESDAY, JANUARY 17, 2024, 10:00 A.M.

KATRINA FOLEY
Chair

JESSIE LOPEZ
Vice Chair

VICENTE SARMIENTO
Director

NATALIE MOSER
Director

MIKE FROST
Director

NORMA CAMPOS KURTZ
Director

SHARI FREIDENRICH
Director

TAMMY KIM
Director

VACANT
Director

Trust Manger
Adam Eliason

Trust Counsel
Lauren Kramer

Clerk of the Trust
Valerie Sanchez

ATTENDANCE: Directors Campos Kurtz, Foley, Kim, Moser and Sarmiento

ABSENT: Directors Freidenrich, Frost and Lopez

PRESENT: Trust Counsel
Clerk of the Trust
Trust Manager

Lauren Kramer
Valerie Sanchez
Adam Eliason

CALL TO ORDER

The Chair called the meeting to order at 10:03 a.m.

PLEDGE OF ALLEGIANCE

Director Sarmiento led the pledge of allegiance

ROLL CALL

The Clerk called the roll and confirmed quorum

CONSENT CALENDAR

1. Approve Orange County Housing Finance Trust minutes from the December 12, 2023 special meeting
ON THE MOTION OF DIRECTOR MOSER, SECONDED BY DIRECTOR KIM, BY A VOTE OF 5 TO 0, WITH DIRECTORS FREIDENRICH, FROST AND LOPEZ BEING ABSENT, THE BOARD APPROVED THE MINUTES OF THE DECEMBER 12, 2023 SPECIAL MEETING

DISCUSSION ITEMS:

2. Authorize the Trust Manager to execute a revised funding letter of commitment extending the funding expiration date for two projects awarded funding by the Orange County Housing Finance Trust.
ON THE MOTION OF DIRECTOR SARMIENTO, SECONDED BY DIRECTOR FOLEY, BY A VOTE OF 5 TO 0, WITH DIRECTORS FREIDENRICH, FROST AND LOPEZ BEING ABSENT, THE BOARD APPROVED ITEM AS RECOMMENDED
3. Approve 2024 Notice of Funding Availability (NOFA); and authorize issuance of NOFA on January 26, 2024
ON THE MOTION OF DIRECTOR SARMIENTO, SECONDED BY DIRECTOR KIM, BY A VOTE OF 5 TO 0, WITH DIRECTORS FREIDENRICH, FROST AND LOPEZ BEING ABSENT, THE BOARD APPROVED ITEM AS RECOMMENDED

HOUSING TRUST MANAGER REPORT:

4. Oral Report from the Housing Trust Manager
TRUST MANAGER ADAM ELIASON REPORTED THAT CONGRESSMAN LOU CORREA WOULD PRESENT A CHECK FOR \$3 MILLION TO THE TRUST AT THE JANUARY 23, 2024, 9:00 A.M. BOARD OF SUPERVISORS MEETING, AND THE MARCH TRUST BOARD MEETING WILL PROVIDE FUNDING MATCH PROPOSALS FOR THESE FUNDS; ALSO REPORTED THAT THE ADU LOAN PROGRAM IS ON HOLD DUE TO LEGAL REQUIREMENTS AND STATE OR FEDERAL REGULATIONS AND MAY REQUIRE EXPERT LEGAL COUNSEL TO ASSIST WITH LOAN DISCLOSURES

PUBLIC COMMENTS:

None

DIRECTOR COMMENTS:

Director Kim – Oral Re: Announced she is no longer serving on the Irvine Community Land Trust, but under the OC Housing Finance Trust, work can continue

Director Sarmiento – Oral Re: Requested discussion of the ADU Loan Program be placed on the agenda for the next Trust board meeting

Orange | Housing
County | Finance
Trust

Chair Foley – Oral Re: Requested the Trust website be updated informing the public about the hold on the ADU loan program and to notify Senator Umberg

ADJOURNED: 11:06 a.m.

NEXT MEETING: March 20, 2024 at 10:00 a.m.

KATRINA FOLEY
Chair, Orange County Housing Finance Trust

VALERIE SANCHEZ
Clerk of the Orange County Housing Finance Trust

DRAFT

Agenda Item 2
Funding Advocacy Update

REQUEST FOR ORANGE COUNTY HOUSING FINANCE TRUST (TRUST) BOARD ACTION

MEETING DATE: March 20, 2024

SUBJECT: Receive and file Federal and State funding advocacy update from Townsend Public Affairs and Chair Foley

RECOMMENDED ACTION:

RECEIVE AND FILE FEDERAL AND STATE FUNDING ADVOCACY UPDATE FROM TOWNSEND PUBLIC AFFAIRS AND CHAIR FOLEY.



Adam B. Eliason, Manager

BACKGROUND:

Attachment A is a memorandum that provides a summary of recent funding advocacy efforts conducted by Townsend Public Affairs. A representative from Townsend Public Affairs will present this summary at the Board Meeting and address any questions from the Board.

Chair Foley will also update the Trust Board on her recent advocacy efforts on behalf of the County and the Trust.

ATTACHMENT:

Attachment A – Memo from Townsend Public Affairs - Advocacy Update

MEMORANDUM

To: Orange County Housing Finance Trust

From: Townsend Public Affairs

Date: March 6, 2024

Subject: Advocacy Update

Townsend Public Affairs (TPA) is currently working with the Orange County Housing Finance Trust (Housing Trust) staff on a state and federal advocacy strategy to secure funding in Sacramento and Washington DC.

State Legislative Calendar and Update–

The Legislature’s bill introduction deadline of February 16, featuring the introduction of over 1,500 new bill vehicles for the 2024 legislative session, gave new insight into legislative trends for the 2024 Legislative Session.

The February bill introduction deadline also signaled a change in legislative action, with the beginning of legislative policy committee hearings to kickstart the bill deliberation process. It is anticipated that hundreds of bills will begin to be heard in their respective policy and fiscal committees in the next couple of weeks.

State Budget Opportunities –

On February 20, the Legislative Analyst’s Office (LAO) released an update to state revenues in relation to the State Budget. Previously, the LAO estimated that the State is facing a budget deficit of about \$58 billion, under the Governor’s Proposed Budget released on January 10. The LAO estimates that the deficit is about \$24 billion below the Governor’s Budget across 2022-23 to 2024-25. Under the LAO’s estimates, this increases the previously estimated \$58 billion deficit to \$73 billion.

Despite the downward financial trend, TPA is working with the Housing Trust to develop a State budget request to help facilitate the construction of affordable and permanent supportive units by 2025. In the Fall, TPA and Trust staff met with several members of the Orange County Delegation to lay the groundwork for this request, and has continued those advocacy efforts in anticipation of there being an opportunity to request funding.

In addition, TPA is working with the Housing Trust on a letter to the Orange County Delegation advocating to maintain current funding levels for affordable housing programs included in the 2024-2025 State Budget, including but not limited to, the Regional Early Action Planning (REAP) grant program and the Multifamily Housing Program (MHP).

State Housing Bond Opportunities –

TPA and Trust staff are currently working with various members of the Legislature to advocate for additional funding for the expiring Local Housing Trust Fund program. The Housing Trust has been successful in the past four years in obtaining Local Housing Trust Fund monies for affordable housing projects in Orange County.

Specifically, TPA has engaged Assembly Member Wick's office, as well as Senator Portantino's office, who each have competing Housing Bonds moving through the legislative process. TPA and Trust staff has drafted language that would extend the Local Housing Trust Fund program as well as allocate additional funds and is advocating for the language's inclusion in the competing Housing Bonds. TPA worked alongside Trust staff to build a statewide coalition of Housing Trusts to advocate for this program. That coalition, spearheaded by the Orange County Housing Trust, includes, but is not limited to, Housing Trust Fund Ventura County, Silicon Valley Housing Trust, San Gabriel Valley Regional Housing Trust, San Bernardino County Transportation Authority, Housing Trust Fund San Luis Obispo County, Alameda Affordable Housing Corporation, Gateway Cities Affordable Housing Trust, Sacramento Housing and Redevelopment Agency, and the Cities of Santa Monica, Fairfield, and West Hollywood.

TPA is continuing to meet with key members of the Legislature in Sacramento to advocate for the inclusion of this program in a Housing Bond, and is coordinating with key members of the above coalition on advocacy efforts.

Federal Budget Opportunities –

TPA is working with the Housing Trust to submit a request for funding through the federal community project funding process. During the Fall, TPA facilitated and participated with Trust staff in meetings with Congressman Kim and Congressman Steel to brief them on the priorities of the Housing Trust in anticipation of the community project funding process. TPA is now working on the formal request that will be submitted to Senator Butler, Senator Padilla, and several Members of the House Delegation including, but not limited to, Congressman Kim and Congressman Steel.

Furthermore, TPA is working to set up a meeting with Congressman Levin to brief him on the Trust's current pipeline of projects and applications for community project funding.

Additional Opportunities –

TPA is working with the Housing Trust to identify opportunities for the Housing Trust to secure funding through Caltrans' proposed mitigations efforts for the I-5 freeway expansion project in Orange County. TPA is working on a strategy to engage the Orange County Delegation to advocate that funding for affordable housing be included as a preferred source of funds for mitigation efforts in the final adopted Environmental Impact Report (EIR).

Agenda Item 3
Letter of Support if Amended
for AB1657

REQUEST FOR ORANGE COUNTY HOUSING FINANCE TRUST (TRUST) BOARD ACTION

MEETING DATE: March 20, 2024

SUBJECT: Approve endorsement of AB 1657 (Wicks), with an amendment to fund the Local Housing Trust Fund Program. In addition, approve endorsement of initiatives to distribute 2024 Proposition 1 bond funding for housing from the State to Counties in a formula-based allocation.



Adam B. Eliason, Manager

RECOMMENDED ACTION:

APPROVE ENDORSEMENT OF AB 1657 (WICKS), WITH AN AMENDMENT TO FUND THE LOCAL HOUSING TRUST FUND PROGRAM. IN ADDITION, APPROVE ENDORSEMENT OF INITIATIVES TO DISTRIBUTE 2024 PROPOSITION 1 BOND FUNDING FOR HOUSING FROM THE STATE TO COUNTIES IN A FORMULA-BASED ALLOCATION.

DISCUSSION

In the 2017/2018 legislative session, the Legislature and voters passed SB 3 (Beall), the Veterans and Affordable Housing Bond Act. This bond allocated \$300 million to establish the Local Housing Trust Fund (LHTF), with the condition that local and regional housing trusts match 1:1 the LHTF funding. The LHTF supports a wide range of affordable housing initiatives, including rental housing projects, emergency shelters, transitional housing, permanent supportive housing, and homebuyer/homeowner projects for purchasing or rehabilitating housing units. Funds can also be used for constructing, converting, repairing, and rehabilitating Accessory Dwelling Units.

The Trust has successfully applied and received nearly \$13 million in funding from the LHTF Program and expects to receive another \$5 million in this final year of the program for a total of nearly \$18 million. This \$18 million has been, and will be, matched 1:1 with County of Orange MHSA dollars and County General Fund dollars, furthering the value of the Local Housing Trust

Fund. Of the 20 Trust funded projects, 15 have had LHTF dollars. LHTF dollars has subsidized the most vulnerable population of tenants which is 30% of the area median income or below. All 15 projects are mixed-income with Trust funded units totaling 191 and the total project unit total equaling 983. LHTF funding has a multiplying effect of 5:1.

AB 1657 (Wick) also known as The Affordable Housing Bond Act of 2024 is under consideration for the November 2024 election. This bill, if adopted, would authorize the issuance of bonds for \$10,000,000,000 pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds would be used to finance programs to fund affordable rental housing and homeownership programs, including, among others, the Multifamily Housing Program, the CalHome Program, and the Joe Serna, Jr. Farmworker Housing Grant Program.

The Trust Chair, Townsend Public Affairs, and Trust staff have been working to gather support to propose adding the Local Housing Trust Fund to the list of housing programs funded by AB 1657. A total of twelve housing trusts in California have joined this effort and are independently working with their local legislators in the state.

In addition, Proposition 1, which was on the March 2024 ballot, includes a 6.38 billion dollar bond. The County of Orange staff has researched this and is advocating that any bond funding for housing from the State to Counties be distributed in a formula-based allocation. This fixed formula-based allocation, such as population, ensures that the County of Orange gets its fair share of funding. The alternative is being considered by the State which is based upon a competitive process that has a scoring system that does not favor the County of Orange and/or another allocation system that strongly favors the larger cities of the State.

ATTACHMENTS:

Attachment A – Letter of Support to Assemblymember Wicks

March 14, 2024

The Honorable Buffy Wicks
California State Assembly
1021 O Street, Suite 8140
Sacramento, CA 95814

**RE: AB 1657 (Wicks) The Affordable Housing Bond Act of 2024
Orange County Housing Finance Trust – Notice of Support if Amended**

Dear Assembly Member Wicks,

On behalf of the Orange County Housing Finance Trust, I am writing to express our support, if amended, for AB 1657. AB 1657 will fund the State's affordable housing programs, including affordable rental housing for lower income families, homeownership opportunities, and supportive housing for people experiencing homelessness.

We respectfully request an amendment to include Local Housing Trust Fund (LHTF) funding within AB 1657, specifically, an additional \$300 million in funding that can be added to the housing bonds for the Local Housing Trust Fund program. The Local Housing Trust Fund, originally created through bond funding from SB 3 (Beall, 2018) is a dedicated grant source of match funding for local and regional housing trusts across the State and provides crucial funding for the creation of affordable housing. There are dozens of additional housing trusts that have been formed since the passage of SB 3 (Beall, 2018), further supporting the need for additional funding.

Currently, the Local Housing Trust Fund is nearly out of funding, and the notice of funding availability (NOFA) in 2024, is the last planned. The Orange County Housing Finance Trust has received nearly \$13 million of funding from the Local Housing Trust Fund over the past four years and expects to receive \$5 million in its final year for a total of nearly \$18 million. The \$18 million in funding was matched 1:1 with County of Orange MHSA dollars, and County General Funds, furthering the value of the Local Housing Trust Fund, and supporting 191 extremely low-income affordable units scattered among 15 different projects that have a combined total of 983 units.

The Orange County Housing Finance Trust truly appreciates your efforts to help end the housing crisis in California and your consideration of our requested amendment.

Sincerely,

Katrina Foley
Chair, Board of Directors
Orange County Housing Finance Trust

Cc:

Agenda Item 4
Federal Funding
Financing Options

REQUEST FOR ORANGE COUNTY HOUSING FINANCE TRUST (TRUST) BOARD ACTION

MEETING DATE: March 20, 2024

SUBJECT: Provide Board direction and approval for one of the two financing options utilizing FY 2023 federal funding grant. Additionally, it is recommended that the Trust initiates the preparation and issuance of a Request for Proposal to hire a federal grant management consultant and bring proposals and recommendations to the Trust Board Meeting scheduled for May 2024.



Adam B. Eliason, Manager

RECOMMENDED ACTION:

PROVIDE BOARD DIRECTION AND APPROVAL FOR ONE OF THE TWO FINANCING OPTIONS UTILIZING FY 2023 FEDERAL FUNDING GRANT:

1. LONG-TERM LOANS FOR CAPITAL FUNDING FOR 2-3 PROJECTS REPAYED IN APPROXIMATELY 15-17 YEARS.
2. SHORT-TERM REVOLVING LOAN FOR PREDEVELOPMENT FUNDING MATCHED WITH AN ADDITIONAL \$3 MILLION CDFI FUNDING, AIMING TO SUPPORT 4-6 PROJECTS EVERY 2-5 YEARS.

ADDITIONALLY, IT IS RECOMMENDED THAT THE TRUST INITIATES THE PREPARATION AND ISSUANCE OF A REQUEST FOR PROPOSAL TO HIRE A FEDERAL GRANT MANAGEMENT CONSULTANT. THE PROPOSALS AND RECOMMENDATIONS SHOULD BE PRESENTED AT THE TRUST BOARD MEETING SCHEDULED FOR MAY 2024.

BACKGROUND:

With the support of Congressman Correa, the Trust secured a \$3 million FY 2023 federal funding grant to finance the development of affordable housing. This report presents two financing options for Board consideration and requests direction on which one to pursue:

1. Long-term loans for capital funding for 2-3 projects repaid in approximately 15-17 years.
2. Short-term revolving loans for predevelopment funding matched with an additional 3 million CDFI funding and assist 4-6 projects every 2-5 years.

As a requirement of this funding, funds must be first expended on projects located in the 46th Congressional District, which includes portions of Orange, Garden Grove, Anaheim, and Santa Ana. Any repayment in the future no longer has that condition and can then go towards any project within Trust member cities and unincorporated portions of the County.

Irrespective of the chosen financing option, the Trust acknowledges the complexity of federal grant management. To ensure compliance and effective management, it is recommended that the Trust prepare and issue a Request for Proposal to hire a grant management consultant with federal funding experience. Proposals and a recommendation should be presented at the Trust Board Meeting in May 2024.

LONG-TERM LOAN FOR CAPITAL FUNDING:

This type of financing is what the Trust has provided developers for the past five years for twenty different projects. The financing is considered a “soft” loan that has a deferred monthly payment to the Trust that will be repaid at some point in the future when the cash flow from the project is sufficient. Trust capital funding represents one layer in the total subsidy funding needed for an affordable housing project.

Each year for the past five years the Trust has issued a Notice of Funding Availability (NOFA) and has used various local and state funding that has allowed the Trust to commit funding to twenty different projects totaling just over 1,600 affordable housing units. The Trust has not used Federal funds to provide financing to projects in the past.

Federal financing that is used for construction requires a federal environmental review process to analyze the effect a proposed project will have on the people and the natural environment within a designated project area and the effect the material and social environment may have on a project.

If this option is selected, it is estimated that the \$3 million in federal funding would assist 1-2 Trust-funded projects. This financing will usually get repaid when the developer recapitalizes the project in 15 to 17 years although the affordability covenant remains for 55 years.

SHORT-TERM REVOLVING LOAN FOR PREDEVELOPMENT FUNDING

While the Trust and County currently offer long-term capital subsidy funding, developers struggle with identifying new potential sites for affordable housing and securing those sites for

development. One challenge facing developers is the high-cost predevelopment funding and the competition with other market-rate acquisition buyers that can offer much shorter escrow periods.

To overcome this issue and incentivize developers, this financing option offers a new revolving loan product for predevelopment and acquisition financing. This loan product would be modeled after other successful programs such as the Los Angeles County Housing Innovation Fund which combines a local government source with a matching amount from participating community lenders also known as Community Development Financial Institutions (CDFIs). The experienced CDFIs accept all funding applications, perform the underwriting to the program requirements, and provide all the loan servicing for the term of the loan. The Trust funding is then matched with CDFI funding which lowers the loan interest rate and fees.

This funding offers developers streamlined, low-cost acquisition and predevelopment funding within 45 days of application. The intention is to create an environment that is attractive to developers, encouraging them to build more in Orange County.

This funding could also be extended to support cities as well, providing an avenue for accessing funds to acquire properties identified in their Housing Element. Cities can then issue RFPs to developers, with the Trust offering technical assistance.

This funding builds upon current Trust efforts of subsidy funding by offering a new below-market-rate loan, covering acquisition and predevelopment expenses such as design plans, permits, due diligence, and securing additional subsidy funding from other sources.

The funding could catalyze more affordable housing projects in the Orange County pipeline.

Federal funding for predevelopment costs has an exemption that does not require an environmental review.

It is estimated that the \$3 million in federal funding would be matched with another \$3 million from a CDFI entity and assist 4-6 Trust-funded projects. Typically, predevelopment loan terms are 2-5 years. Once repaid, the entire funding would revolve to fund another 4-6 Trust-funded projects in perpetuity.

The Trust recently applied to CalOptima for grant funding for a predevelopment loan program which would increase the amount available for more projects. CalOptima is expected to announce its decision on the award of funding in early May 2024. Additionally, the Trust recently applied for an additional federal grant and that funding announcement will be later in the year.

Agenda Item 5
RFP for loan servicing of
ADU Loan Program

REQUEST FOR ORANGE COUNTY HOUSING FINANCE TRUST (TRUST) BOARD ACTION

MEETING DATE: March 20, 2024

SUBJECT: Approve Request for Proposal (RFP) for loan fulfillment and loan servicing of the Trust Affordable ADU Loan Program, and authorize the issuance of RFP on March 22, 2024



Adam B. Eliason, Manager

RECOMMENDED ACTION:

APPROVE REQUEST FOR PROPOSAL (RFP) FOR LOAN FULFILLMENT AND LOAN SERVICING OF THE TRUST AFFORDABLE ADU LOAN PROGRAM, AND AUTHORIZE THE ISSUANCE OF RFP ON MARCH 22, 2024

BACKGROUND:

At the Trust Board Meeting on January 17, 2024, a non-agenda discussion update about the Trust Affordable ADU Loan Program (Program) included some staff concerns related to potential loan disclosure and licensing requirements.

The ADU Program launched on October 24, 2023, two business days after receiving the final approval of loan documents from the Trust Counsel. This started the 30-day applicant sign-up window to allow marketing and promotion of the program and for homeowners to register on an interest list located on the Trust website. Trust staff established November 27, 2023, to perform the selection of the first lottery group of applicants to proceed with the application process. However, Trust staff does not have the expertise to underwrite and process the ADU loans and is therefore recommending the issuance of a Request for Proposal (RFP) to hire a company that specializes in loan fulfillment and loan servicing.

DISCUSSION:

The Trust intends to outsource the fulfillment and servicing responsibilities of the Affordable ADU Loan Program to an experienced loan company, aiming to achieve efficient, cost-contained, and legally compliant loan administration.

While the loan company will handle the administration of the loans, the Trust will retain responsibilities for promoting and disseminating information on the Program. Additionally, the Trust will manage and select potential applicants from the interest list on the Trust website. Furthermore, the Trust will review and provide final approval based on the loan company's underwriting, ensuring compliance of the participating homeowner with the program terms.

Outsourcing similar types of work is not without precedence. The County outsources the administration and underwriting of its first-time homebuyer program to an independent company to review loan applications and make loan recommendations to the County.

Trust staff has prepared the attached RFP to solicit qualified companies with a proposal deadline of April 17, 2024. The proposals and recommendations will be presented to the Trust Board on May 15, 2024.

ATTACHMENTS: Attachment A – Request for Proposal

REQUEST FOR PROPOSAL

ADU Loan Fulfillment & Servicing



1 League #62335

Irvine, CA 92602

(909) 706-7193

Key RFP Dates

Issue Date:	March 22, 2024
Question Cut-off Date:	April 12, 2024, by 5 p.m.
Proposal Submission Deadline:	April 17, 2024, by 5 p.m.

Submission Instructions: Via email to RFP Contact

RFP Contact: Amanda Grill

Telephone: (949) 229-1180

Email: agrill@ochft.org

The Orange County Housing Finance Trust (“OCHFT” or “Trust”) is issuing this Request for Proposal (RFP) and contract with a firm (Consultant or Proposer) to provide loan fulfillment and servicing services for the Affordable ADU Loan Program (Program). This RFP is not a solicitation for employment or posting of a job opening with the Trust.

OCHFT Background

The Orange County Housing Finance Trust is a Joint Powers Authority formed in March 2019 between the County of Orange and 27 cities in Orange County, California. A complete list of member cities can be found in Attachment 1.

The mission of the Trust is to strengthen the communities in Orange County by financing the development of affordable housing for homeless and low-income individuals and families.

Affordable ADU Loan Program

The OCHFT’s innovative Program generates a new accessory dwelling unit that provides an affordable unit to rent by offering a discounted capital loan and leasing support to Orange County homeowners.

The program offers a construction-to-permanent loan to homeowners who agree to rent their ADU for ten years to a very low-income tenant. The loans are up to \$100,000, with variable low or no interest, partially forgivable, and deferred payments for up to 20 years.

These ADU rentals provide ten years of stable, appropriately priced housing for very low-income households and helps to contribute towards a regional housing affordability crisis. Upon repayment of the loan, owners have the flexibility to use the ADU to best meet their needs, and the repayment of the loan funds helps create another new ADU.

See supporting documents for this RFP for more information on the ADU Loan Program as it relates to the scope of work.

Scope of Work

Project Objectives

The Trust intends to outsource the fulfillment and servicing responsibilities of the Affordable ADU Loan Program to an experienced loan company, aiming to achieve efficient, cost-contained, and legally compliant loan administration.

While the loan company will handle the administration of the loans, the Trust will retain responsibilities for promoting and disseminating information on the Program. Additionally, the Trust will manage and select potential applicants from the interest list on the Trust website. Furthermore, the Trust will review and provide final approval based

on the loan company's underwriting, ensuring compliance of the participating homeowner with the program terms.

All proposals must demonstrate an understanding of and account for the unique design of the Program which is detailed in the supporting Program documents and includes:

- Construction-to-permanent loan
- Secured on primary residence as a 2nd or 3rd position lien dependent on other financing of the remaining construction costs
- 20 years deferred
- Partially forgivable, applied halfway through the loan period
- Due at Maturity
- Interest rate adjustments based on borrower behavior
- Three distinct interest periods, one period with three possible interest rates that change intermittently
- Last-in funding, possibly necessitating a dry-close of the loan
- Minimal underwriting standards
- No escrow (can ride along another loan that uses an escrow account)

Technical Assistance

- Validate that the Program and Trust meet all legal and regulatory requirements for any applicable state or federal laws or regulations and provide guidance if any adjustments are needed to be in legal compliance.
- Advise the Trust on lender policies, including loss mitigation, bankruptcy, and refinancing.

Loan Fulfillment

- Create and collect loan applications and make determinations on eligibility per terms of the program (not required to brand fulfillment and servicing in Trust's name).
 - o Construction: the applicant has submitted evidence that:
 - Collecting a loan condition document verifying the general contractor/ADU professional has provided a statement that the proposed ADU meets the standards of the city, has mobility accessibility, and provides a detailed, line-item budget.
 - Receive an acknowledgment letter from the borrower that the ADU has not been completed already with a certificate of occupancy.
 - o Borrower: verify the property is owned by the applicant and occupied by the same.
 - o Finances:
 - confirm with title information that the Trust loan will be no lower than 3rd lien,
 - 90% CLTV,

- Loan company to verify sufficient source of funds for the completion of the ADU budget,
 - total debt for build is less than 120% of construction costs.
- Generate and provide all required and applicable disclosures to applicants.
- Assess the feasibility of the project and contractor experience.
- Coordinate with other lenders to minimize closing costs to the borrower.
- Validate the financial contingencies prior to loan closing.
- Coordinate loan closings including signing of documents and working with Trust preferred title company to record documents.
- NOTE: There is no need to monitor the construction process or approve construction draws. The Trust has already created a loan agreement, regulatory agreement, promissory note, and deed of trust for use in this program.
- Provide customer service for applicants throughout the loan application and closing process and maintain an electronic file and where required a paper file, for each borrower.

Loan Servicing

- Provide diligent and customary loan servicing functions, including set-up of new loans, modifications, payoffs, collections, loss mitigation, defaults, foreclosures, and bankruptcy.
- Apply interest rate changes throughout the life of the loan per program guidelines.
- Verify income qualification of tenants using HUD-adjusted income standards.
- While the Program allows borrowers to defer all their payments, the company will provide a borrower online account that is secure and allows automatic or occasional payment options.
- Provide online, secure portfolio access to accounts for the Trust, with an option to customize portfolio and individual loan reports
- Annual loan statements to borrowers and applicable tax forms.
- Escrow accounts for property taxes and insurance, if necessary (e.g. borrower does not have a loan on their home).
- Transfer of payments to the Trust.
- Assist in regulatory and financial audits as necessary.
- Portfolio transfer if required.
- Spanish and Vietnamese language staffing is an advantage

Contract Term

The initial period of performance for this contract will be two years from the date of Trust Board approval to award the contract, with a possibility of one extension of two years.

Preparation of Proposals

Proposals shall be accepted via email only to agrill@ochft.org no later than April 17, at 5:00 PM. Proposals should be sent as a single PDF file. Do not send hard-copy of proposal.

The proposal shall include the following information:

1. **Cover Letter/Letter of Transmittal.** Include at a minimum a summary of the proposal and proposer firm and the main point of contact, email address, phone number, and mailing address. Address the letter to Adam Eliason, Trust Manager, Orange County Housing Finance Trust.
2. **Firm Qualifications.** This section shall describe the qualifications of the proposing firm and their ability to provide the requested services to the Trust. Please include a summary of prior projects that are similar in scope, especially for other public agencies, and the associated contact information for those clients.
3. **Staff Qualifications.** This section should indicate the proposer's employees that will be working on this particular proposal and the specific role they will provide related to this contract. The proposer will provide resumes or experience summaries of the employees proposed to work on this assignment. Please also include an organizational chart.
4. **Methodology/Work Management Plan.** Describe the proposer's approach to providing the services as outlined in the Scope of Services and include cost-saving ideas.
 - a. Sample loan application
 - b. Sample image of borrower account platform
 - c. Sample image of Trust portfolio account
 - d. Proposed communication methods and schedule
 - e. Summary of technology to be used, its capabilities, and privacy and data security practices
5. **Proposed Timeline.** Include a preliminary timeline and schedule in achieving all the tasks in the scope of work allowing for the work to be completed in an efficient manner to avoid any project delays.
6. **Costs.** Provide a matrix similar to Attachment 4, identifying the costs for each of the tasks described in the Scope of Work and the Total for the Scope of Work identified in this Request for Proposal.
7. **Validity Period.** The proposer shall specify a proposal validity period of no less than 120 days from the Proposal Submittal Deadline.
8. **Subcontractors.** The proposer shall designate each entity that is proposed to perform work or render services pursuant to a subcontract, detailing the extent of subcontracting contemplated. Information regarding suppliers is required only if the supply subcontract is anticipated to have a value exceeding 10% of the proposed value of the prime contract.
9. **Conflicts of Interest.** The proposer shall provide a completed Attachment 3, *Conflict-of-Interest Disclosure Statement*.

The intent of this RFP is to encourage responses that clearly communicate the proposer’s understanding of the Trust’s requirements and its approach to successfully provide the services on time and within budget. Only that information which is essential to an understanding and evaluation of the Proposal should be submitted. Items not specifically and explicitly related to the RFP and Proposal (e.g., brochures, marketing material, etc.) will not be considered in the evaluation.

Compensation Proposal.

The proposer shall deliver Attachment 4, Compensation Proposal, with their proposal, specifying the cost of each task to complete, which shall include all expenses and other compensation for the proposer.

Disclosure of Contributions.

The proposer shall deliver Attachment 5, Disclosure of Contributions, with their proposal, identifying all Trust Board members who received contributions from the proposer within the preceding 12 months in excess of \$250 or stating that no contributions were made that require disclosure. This disclosure requirement includes all “Parties” and “Participants” to this action as those terms are defined in Government Code §84308 (use extra forms as required).

Confidential and Proprietary Information

Proposals are not to be marked as confidential or proprietary. The Trust may refuse to consider any proposal so marked. Proposals submitted in response to this RFP may become subject to public disclosure per the requirements of the California Public Records Act, Government Code Section 6250 et seq. The Trust shall not be liable in any way for disclosure of any such records. Additionally, all Proposals shall become the property of the Trust. The Trust reserves the right to make use of any information or ideas in the Proposals submitted.

Proposal Review and Selection

SCHEDULE*	
RFP Issued:	March 22, 2024
Deadline for Written Questions Due 5:00 PM:	April 12, 2024
Proposals Due 5:00 PM:	April 17, 2024
Tentative Evaluation Period	Week of April 22 nd
Tentative Interviews	Week of April 22 nd
Tentative Notice of Intent to Award	May 16, 2024

*These dates are subject to change depending on the number of proposals received.

1. The proposals shall be reviewed in accordance with the Trust's Procurement Policy.
2. Any proposal that does not contain all the required information as outlined in "Preparation of Proposals" will be either declared inadmissible or the Trust may request the missing information from the proposer, at their sole discretion.
3. The Trust shall convene an evaluation panel of at least three members to evaluate each responsive proposal. Criteria used as the basis for evaluation and ranking shall include:
 - Professional capability, demonstrated competence and specialized experience of the proposer, including existing workload and ability to meet schedules – 35%
 - Work plan/methodology and adherence to scope of work; including examples of previous work with comparable clients or loan programs- 35%
 - Compensation Proposal – 30%;

Proposals deemed to meet all minimum RFP requirements will be scored based on established criteria, which have been weighted and will be assigned points that measure the responsiveness to each identified criterion. The total number of points earned will be tallied for each Proposal, and the Proposals will be rank-ordered, based upon proposer's submitted written materials.

4. The Trust will rank the proposals, applying the foregoing evaluation criteria to the proposals. Upon completion of the evaluation process, the evaluation panel will summarize the strengths of each proposal, their scoring, and their rank-ordering for a decision by the Trust Board.
5. The Trust may reject all proposals without further discussion or commence negotiations with the highest-ranked proposer. If the Trust commences negotiations, the Trust may negotiate any component of the proposal. The proposer on the other hand, may raise issues only to the extent they are interrelated with negotiated topics raised by the Trust.
6. Discussions and/or negotiations may be conducted with one or more proposers. Each Offeror shall be accorded fair and equal treatment in conducting negotiations and there shall be no disclosure of any information derived from proposals submitted by competing Offerors.
 - a. Concurrent negotiations. Negotiations may be conducted concurrently with Offerors for the purpose of determining source selection and/or contract award.
 - b. Exclusive negotiations. Exclusive negotiations may be conducted with the Offeror whose proposal is determined in the source selection process to be most advantageous to the Trust. Exclusive negotiations may be

conducted subsequent to concurrent negotiations or may be conducted without requiring previous concurrent negotiations. Exclusive negotiations shall not constitute a contract award nor shall it confer any property rights to the successful Offeror. If exclusive negotiations are conducted and an agreement is not reached, the Trust may enter into exclusive negotiations with the next highest ranked Offeror without the need to repeat the formal solicitation process.

7. The Trust prefers contracting with a single company to provide all the required services. Joint proposals between two companies are acceptable with a history of previous shared projects. Proposers may also respond to some, but not all, of the Scope of Work.
8. Contract with more than one Offeror. The Trust reserves the right to offer a contract to more than one Offeror, dividing the scope of work amongst them as necessary to meet the needs of the RFP and control for costs.

Instructions – Protest Procedures

Any actual or prospective Proposer or Contractor who alleges a grievance by the solicitation or award of a contract may submit a grievance or protest to the Trust Manager at aeliason@ochft.org.

1. All protests shall be typed under the protester's letterhead and submitted in accordance with the provisions stated herein. All protests shall include at a minimum the following information:
 - a. The name, address and telephone number of the protester;
 - b. The signature of the protester or the protester's representative;
 - c. The solicitation or contract number;
 - d. A detailed statement of the legal and/or factual grounds for the protest; and
 - e. The form of relief requested.
2. Protest of Bid/Proposal Specifications:

All protests related to bid or proposal specifications must be submitted no later than five (5) business days prior to the close of the bid or proposal. Protests received after the five (5) business day deadline will not be considered by the Trust.

In the event the protest of specifications is denied and the protester wishes to continue in the solicitation process, they must still submit a proposal prior to the close of the solicitation in accordance with the bid/proposal submittal procedures stated in this RFP.

3. Protest of Award of Contract:

In protests related to the award of a contract, the protest must be submitted no later than seven (7) business days after the notice of the proposed contract award is provided. Protests relating to a proposed contract award which are received after the seven (7) business day deadline will not be considered by the Trust.

4. Protest Process:

While a protest is in progress, the Trust may proceed with the solicitation or the contract unless the Trust Manager determines there is a reasonable probability that the protest will be sustained or that the stay of procurement is not contrary to the substantial interests of the Trust. The Trust Manager shall issue a written decision to the protestor within 14 days, including an explanation of the basis of the decision and a statement of the available appeals process. If the protest is sustained, in whole or part, the Trust Manager shall implement a remedy appropriate to the circumstances.

5. Appeal Process:

A protestor may appeal the decision of the Trust Manager to the Trust Board of Directors within seven (7) days from the date the decision is issued. The appeal shall contain all the information originally set forth in the protest, a copy of the decision of the Trust Manager; and the specific factual or legal error in the decision of the Trust Manager that forms the basis of the appeal. A decision by the Trust Board of Directors shall be final.

ATTACHMENT 1

LIST OF TRUST MEMBERS

1. Aliso Viejo
2. Anaheim
3. Buena Park
4. Costa Mesa
5. County of Orange
6. Dana Point
7. Fountain Valley
8. Fullerton
9. Garden Grove
10. Huntington Beach
11. Irvine
12. Lake Forest
13. Laguna Beach
14. Laguna Hills
15. Laguna Niguel
16. La Habra
17. Los Alamitos
18. Mission Viejo
19. Newport Beach
20. Orange
21. Placentia
22. San Juan Capistrano
23. Santa Ana
24. Seal Beach
25. Stanton
26. Tustin
27. Westminster
28. Yorba Linda

Attachment 2

MODEL/PROPOSED CONTRACT
Between
ORANGE COUNTY HOUSING FINANCE TRUST
And
[INSERT COMPANY NAME/TBD]
For
ADU Loan Fulfillment and Servicing

This Contract for **ADU Loan Fulfillment and Servicing**, hereinafter referred to as "Contract," is made and entered into as of the date fully executed by and between the Orange County Housing Finance Trust, a California public agency formed pursuant to California Government Code section 6500 et. seq. with a place of business at 1 League #62335, Irvine, CA 92602: hereinafter referred to as "Trust," and [Insert Company Name /TBD] with a place of business at [Insert Address/TBD]; hereinafter referred to as "Contractor," with Trust and Contractor sometimes referred to as "Party," or collectively as "Parties."

ATTACHMENTS

Attachment A – Scope of Work

Attachment B – Compensation/Payment

Attachment C – Staffing Plan

RECITALS

WHEREAS, Trust issued a Request for Proposal (RFP) for ADU Loan Fulfillment and Servicing; and

WHEREAS, the Contractor responded and represents that its proposed services shall meet or exceed the requirements and specifications of the RFP; and

WHEREAS, the Trust Board of Directors has authorized the Trust Manager or their designee to enter into a Contract with Contractor for ADU Loan Fulfillment and Servicing Services; and

NOW, THEREFORE, the parties mutually agree as follows;

ARTICLES

I. GENERAL Terms and Conditions:

A. Governing Law and Venue: This Contract has been negotiated and executed in the state of California and shall be governed by and construed under the laws of the state of California. In the event of any legal action to enforce or interpret this Contract,

the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for adjudication to another county.

B. Entire Contract: This Contract, including Attachments A, B, and C which are attached hereto and incorporated herein by this reference, contains the entire Contract between the parties with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on Trust unless authorized by Trust in writing. Electronic acceptance of any additional terms, conditions or supplemental Contracts by any Trust employee or agent, including but not limited to installers of software, shall not be valid or binding on Trust unless accepted in writing by Trust's Agent or designee.

C. Amendments: No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by the parties; no oral understanding or agreement not incorporated herein shall be binding on either of the parties; and no exceptions, alternatives, substitutes or revisions are valid or binding on Trust unless authorized by Trust in writing.

D. Taxes: Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax. Out-of-state Contractors shall indicate California Board of Equalization permit number and sales permit number on invoices, if California sales tax is added and collectable. If no permit numbers are shown, sales tax will be deducted from payment. The Auditor-Controller will then pay use tax directly to the State of California in lieu of payment of sales tax to the Contractor.

E. Delivery: Time of delivery of goods or services is of the essence in this Contract. Trust reserves the right to refuse any goods or services and to cancel all or any part of the goods not conforming to applicable specifications, drawings, samples or descriptions or services that do not conform to the prescribed statement of work. Acceptance of any part of the order for goods shall not bind Trust to accept future shipments nor deprive it of the right to return goods already accepted at Contractor's expense. Over shipments and under shipments of goods shall be only as agreed to in writing by Trust. Delivery shall not be deemed to be complete until all goods or services have actually been received and accepted in writing by Trust.

F. Acceptance/Payment: Unless otherwise agreed to in writing by Trust, 1) acceptance shall not be deemed complete unless in writing and until all the goods/services have actually been received, inspected, and tested to the satisfaction of Trust, and 2) payment shall be made in arrears after satisfactory acceptance.

G. Warranty: Contractor expressly warrants that the goods covered by this Contract are 1) merchantable and good for the ordinary purposes for which they are used, and 2) fit for the particular purpose for which they are intended. Acceptance of this order shall constitute an agreement upon Contractor's part to indemnify, defend and hold Trust and its indemnitees as identified in paragraph "Z" below, and as more fully described in paragraph "Z," harmless from liability, loss, damage and expense, including reasonable counsel fees, incurred or sustained by Trust by reason of the failure of the goods/services to conform to such warranties, negligent or unlawful acts, and non-compliance with any applicable state or federal codes, ordinances, orders, or statutes. Such remedies shall be in addition to any other remedies provided by law.

H. Patent/Copyright Materials/Proprietary Infringement: Unless otherwise expressly provided in this Contract, Contractor shall be solely responsible for clearing the right to use any patented or copyrighted materials in the performance of this Contract. Contractor warrants that any software as modified through services provided hereunder will not infringe upon or violate any patent, proprietary right, or trade secret right of any third party. Contractor agrees that, in accordance with the more specific requirement contained in paragraph "Z" below, it shall indemnify, defend and hold Trust and Trust Indemnitees harmless from any and all such claims and be responsible for payment of all costs, damages, penalties and expenses related to or arising from such claim(s), including, costs and expenses but not including attorney's fees.

I. Assignment: The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the parties. Furthermore, neither the performance of this Contract nor any portion thereof may be assigned by Contractor without the express written consent of Trust. Any attempt by Contractor to assign the performance or any portion thereof of this Contract without the express written consent of Trust shall be invalid and shall constitute a breach of this Contract.

J. Non-Discrimination: In the performance of this Contract, Contractor agrees that it will comply with the requirements of Section 1735 of the California Labor Code and not engage nor permit any subcontractors to engage in discrimination in employment of persons because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons. Contractor acknowledges that a violation of this provision shall subject Contractor to penalties pursuant to Section 1741 of the California Labor Code.

K. Termination: In addition to any other remedies or rights it may have by law, Trust has the right to immediately terminate this Contract without penalty for cause or after 30 days' written notice without cause, unless otherwise specified. Cause shall be defined as any material breach of contract, any misrepresentation or fraud on the part of the Contractor. Exercise by Trust of its right to terminate the Contract shall relieve Trust of all further obligation.

L. Consent to Breach Not Waiver: No term or provision of this Contract shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

M. Independent Contractor: Contractor shall be considered an independent contractor and neither Contractor, its employees, nor anyone working under Contractor shall be considered an agent or an employee of Trust. Neither Contractor, its employees nor anyone working under Contractor shall qualify for workers' compensation or other fringe benefits of any kind through Trust.

N. Performance: Contractor shall warrant all work under this Contract, taking necessary steps and precautions to perform the work to Trust's satisfaction. Contractor shall be responsible for the professional quality, technical assurance, timely completion and coordination of all documentation and other goods/services furnished by the Contractor under this Contract. Contractor shall perform all work diligently, carefully, and in a good and workmanlike manner; shall furnish all necessary labor, supervision, machinery, equipment, materials, and supplies, shall at its sole expense obtain and maintain all permits and licenses required by public authorities, including those of Trust required in its governmental capacity, in connection with performance of the work. If permitted to subcontract, Contractor shall be fully responsible for all work performed by subcontractors.

O. Insurance Provisions: Prior to the provision of services under this Contract, the Contractor agrees to purchase all required insurance at Contractor's expense, including all endorsements required herein, necessary to satisfy the Trust that the insurance provisions of this Contract have been complied with. Contractor agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with the Trust during the entire term of this Contract. In addition, all subcontractors performing work on behalf of Contractor pursuant to this Contract shall obtain insurance subject to the same terms and conditions as set forth herein for Contractor.

Contractor shall ensure that all subcontractors performing work on behalf of Contractor pursuant to this Contract shall be covered under Contractor's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Contractor. Contractor shall not allow subcontractors to work if subcontractors have less than the level of coverage required by Trust from Contractor under this Contract. It is the obligation of Contractor to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Contractor through the entirety of this Contract for inspection by Trust representative(s) at any reasonable time.

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000)

shall specifically be approved by the Trust's Risk Manager, or designee, upon review of Contractor's current audited financial report. If Contractor's SIR is approved, Contractor, in addition to, and without limitation of, any other indemnity provision(s) in this Contract, agrees to all of the following:

1. In addition to the duty to indemnify and hold the Trust harmless against any and all liability, claim, demand or suit resulting from Contractor's, its agents, employee's or subcontractor's performance of this Contract, Contractor shall defend the Trust at its sole cost and expense with counsel approved by Board of Directors against same; and
2. Contractor's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and
3. The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the Contractor's SIR provision shall be interpreted as though the Contractor was an insurer and the Trust was the insured.

If the Contractor fails to maintain insurance acceptable to the Trust for the full term of this Contract, the Trust may terminate this Contract.

Qualified Insurer:

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the Trust retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Contractor shall provide the minimum limits and coverage as set forth below:

Coverage	Minimum Limits
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 per occurrence

Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence
Professional Liability Insurance	\$1,000,000 per claims made per occurrence

Required Coverage Forms:

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

Required Endorsements:

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of insurance:

1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the ***Trust, its elected and appointed officials, officers, agents and employees*** as Additional Insureds, or provide blanket coverage, which will state ***AS REQUIRED BY WRITTEN CONTRACT.***

2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Contractor's insurance is primary and any insurance or self-insurance maintained by the Trust shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the ***Trust, its elected and appointed officials, officers, agents and employees*** or provide blanket coverage, which will state ***AS REQUIRED BY WRITTEN CONTRACT.***

All insurance policies required by this Contract shall waive all rights of subrogation against the Trust, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

Contractor shall notify Trust in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to Trust. Failure to provide written notice of cancellation may constitute a material breach of the Contract, upon which the Trust may suspend or terminate this Contract.

The Commercial General Liability policy shall contain a severability of interest's clause also known as a "separation of insured" clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Contractor fails to provide the insurance certificates and endorsements within seven (7) days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

Trust expressly retains the right to require Contractor to increase or decrease insurance of any of the above insurance types throughout the term of this Contract. Any increase or decrease in insurance will be as deemed by Trust Risk Manager as appropriate to adequately protect Trust.

Trust shall notify Contractor in writing of changes in the insurance requirements. If Contractor does not deposit copies of acceptable Certificates of Insurance and endorsements with Trust incorporating such changes within thirty (30) days of receipt of such notice, this Contract may be in breach without further notice to Contractor, and Trust shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this Contract, nor act in any way to reduce the policy coverage and limits available from the insurer.

P. Changes: Contractor shall make no changes in the work or perform any additional work without the Trust's specific written approval.

Q. Change of Ownership/Name, Litigation Status, Conflicts with Trust Interests: Contractor agrees that if there is a change or transfer in ownership of Contractor's business prior to completion of this Contract, and the Trust agrees to an assignment of the Contract, the new owners shall be required under the terms of sale or other instruments of transfer to assume Contractor's duties and obligations contained in this Contract and complete them to the satisfaction of the Trust.

Trust reserves the right to immediately terminate the Contract in the event the Trust determines that the assignee is not qualified or is otherwise unacceptable to the Trust for the provision of services under the Contract.

In addition, Contractor has the duty to notify the Trust in writing of any change in the Contractor's status with respect to name changes that do not require an assignment of the Contract. The Contractor is also obligated to notify the Trust in writing if the Contractor becomes a party to any litigation against the Trust, or a party to litigation that may reasonably affect the Contractor's performance under the Contract, as well as any potential conflicts of interest between Contractor and Trust that may arise prior to or during the period of Contract performance. While Contractor will be required to provide this information without prompting from the Trust any time there is a change in Contractor's name, conflict of interest or litigation status, Contractor must also provide an update to the Trust of its status in these areas whenever requested by the Trust.

The Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with Trust interests. In addition to the Contractor, this obligation shall apply to the Contractor's employees, agents, and subcontractors associated with the provision of goods and services provided under this Contract. The Contractor's efforts shall include, but not be limited to establishing rules and procedures preventing its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to influence or appear to influence Trust staff or elected officers in the performance of their duties.

R. Force Majeure: Contractor shall not be assessed with liquidated damages or unsatisfactory performance penalties during any delay beyond the time named for the performance of this Contract caused by any act of God, war, civil disorder, employment strike or other cause beyond its reasonable control, provided Contractor gives written notice of the cause of the delay to Trust within 36 hours of the start of the delay and Contractor avails himself of any available remedies.

S. Confidentiality: Contractor agrees to maintain the confidentiality of all Trust and Trust-related records and information pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this Contract. All such records and information shall be considered confidential and kept confidential by Contractor and Contractor's staff, agents and employees.

Contractor's confidentiality obligations in this Contract and the obligations of this Section shall survive the termination or expiration of the Contract and all related subordinate contracts.

T. Compliance with Laws: Contractor represents and warrants that services to be provided under this Contract shall fully comply, at Contractor's expense, with all standards, laws, statutes, restrictions, ordinances, requirements, and regulations (collectively "laws"), including, but not limited to those issued by Trust in its governmental capacity and all other laws applicable to the services at the time services are provided to and accepted by Trust. Contractor acknowledges that Trust is relying on Contractor to ensure such compliance, and pursuant to the requirements of paragraph "Z" below, Contractor agrees that it shall defend, indemnify and hold Trust and Trust Indemnities harmless from all liability, damages, costs and expenses arising from or related to a violation of such laws.

U. [INTENTIONALLY OMITTED.]

V. Severability: If any term, covenant, condition or provision of this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

W. Attorney Fees: In any action or proceeding to enforce or interpret any provision of this Contract, each party shall bear their own attorney's fees, costs and expenses.

X. Interpretation: This Contract has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this Contract. In addition, each party had been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each party further acknowledges that they have not been influenced to any extent whatsoever in executing this Contract by any other party hereto or by any person representing them, or both. Accordingly, any rule or law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Contract against the party that has drafted it is not applicable and is waived. The provisions of this Contract shall be interpreted in a reasonable manner to effect the purpose of the parties and this Contract.

Y. Employee Eligibility Verification: The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirement set forth in Federal statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal or State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by the law. The Contractor shall indemnify, defend with counsel approved in writing by Trust, and hold harmless, the Trust, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the Trust or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

Z. Indemnification: Contractor agrees to indemnify, defend with counsel approved in writing by Trust, and hold Trust, its elected and appointed officials, officers, employees, agents and those special districts and agencies which Trust's Board of Directors acts as the governing Board ("Trust Indemnitees") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by Contractor pursuant to this Contract. If judgment is entered against Contractor and Trust by a court of competent jurisdiction because of the concurrent active negligence of Trust or Trust Indemnitees, Contractor and Trust agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.

AA. Audits/Inspections: Contractor agrees to permit the Trust's Auditor-Controller or the Auditor-Controller's authorized representative (including auditors from a private

auditing firm hired by the Trust) access during normal working hours to all books, accounts, records, reports, files, financial records, supporting documentation, including payroll and accounts payable/receivable records, and other papers or property of Contractor for the purpose of auditing or inspecting any aspect of performance under this Contract. The inspection and/or audit will be confined to those matters connected with the performance of the Contract including, but not limited to, the costs of administering the Contract. The Trust will provide reasonable notice of such an audit or inspection.

The Trust reserves the right to audit and verify the Contractor's records before final payment is made.

Contractor agrees to maintain such records for possible audit for a minimum of three years after final payment, unless a longer period of records retention is stipulated under this Contract or by law. Contractor agrees to allow interviews of any employees or others who might reasonably have information related to such records. Further, Contractor agrees to include a similar right to the Trust to audit records and interview staff of any subcontractor related to performance of this Contract.

Should the Contractor cease to exist as a legal entity, the Contractor's records pertaining to this agreement shall be forwarded to the Trust's project manager.

BB. Contingency of Funds: Contractor acknowledges that funding or portions of funding for this Contract may be contingent upon state budget approval; receipt of funds from, and/or obligation of funds by, the state of California to Trust; and inclusion of sufficient funding for the services hereunder in the budget approved by Trust's Board of Directors for each fiscal year covered by this Contract. If such approval, funding or appropriations are not forthcoming, or are otherwise limited, Trust may immediately terminate or modify this Contract without penalty.

CC. Expenditure Limit: The Contractor shall notify the Trust assigned Agent in writing when the expenditures against the Contract reach 75 percent of the dollar limit on the Contract. The Trust will not be responsible for any expenditure overruns and will not pay for work exceeding the dollar limit on the Contract unless a change order to cover those costs has been issued.

II. ADDITIONAL TERMS AND CONDITIONS:

- 1. Scope of Contract:** This Contract specifies the contractual terms and conditions by which the Trust will procure services from Contractor as set forth in the Scope of Work, attached hereto as Attachment A and incorporated by this reference.
- 2. Term of Contract:** This Contract shall commence on TBD or upon execution of all necessary signatures, whichever comes later, and continue for two calendar years from that date, unless otherwise terminated by Trust.
- 3. Compensation/Payment:** The Contractor agrees to accept the specified compensation, as set forth in Attachment B – Compensation/Payment, as full

remuneration for performing all services and materials called for. The Contractor assumes responsibility for performance of all its duties and obligations hereunder.

5. **Usage:** No guarantee is given by the Trust to the Contractor regarding usage of this Contract. Usage figures, if provided, are approximations. The Contractor agrees to supply services and/or commodities requested, as needed by the Trust, at rates/prices listed in the Contract, regardless of quantity requested.

6. **Adjustments-Scope of Work:** No adjustments made to the scope of work will be authorized or paid for without prior written approval of the Trust assigned Agent.

7. **Authorization Warranty:** The Contractor represents and warrants that the person executing this Contract on behalf of and for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition and obligation of this Contract and that all requirements of the Contractor have been fulfilled to provide such actual authority.

8. [INTENTIONALLY OMITTED.]

9. **Breach of Contract:** The failure of the Contractor to comply with any of the provisions, covenants or conditions of this Contract shall be a material breach of this Contract. In such event the Trust may, and in addition to any other remedies available at law, in equity, or otherwise specified in this Contract:

- a. Terminate the Contract immediately, pursuant to Section K herein;
- b. Afford the Contractor written notice of the breach and ten (10) calendar days or such shorter time that may be specified in this Contract within which to cure the breach;
- c. Discontinue payment to the Contractor for and during the period in which the Contractor is in breach; and
- d. Offset against any monies billed by the Contractor but yet unpaid by the Trust those monies disallowed pursuant to the above.

10. **Civil Rights:** Contractor attests that services provided shall be in accordance with the provisions of Title VI and Title VII of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975 as amended; Title II of the Americans with Disabilities Act of 1990, and other applicable State and federal laws and regulations prohibiting discrimination on the basis of race, color, national origin, ethnic group identification, age, religion, marital status, sex or disability.

11. [INTENTIONALLY OMITTED.]

12. **Conditions Affecting Work:** The Contractor shall be responsible for taking all steps reasonably necessary to ascertain the nature and location of the work to be performed under this Contract and to know the general conditions which can affect the work or the cost thereof. Any failure by the Contractor to do so will not relieve Contractor from

responsibility for successfully performing the work without additional cost to the Trust. The Trust assumes no responsibility for any understanding or representations concerning the nature, location(s) or general conditions made by any of its officers or agents prior to the execution of this Contract, unless such understanding or representations by the Trust are expressly stated in the Contract.

13. Conflict of Interest – Contractor’s Personnel: The Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with the best interests of the Trust. This obligation shall apply to the Contractor; the Contractor’s employees, agents, and subcontractors associated with accomplishing work and services hereunder. The Contractor’s efforts shall include, but not be limited to establishing precautions to prevent its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to influence or appear to influence Trust staff or elected officers from acting in the best interests of the Trust.

14. Conflict of Interest – Trust Personnel: The Trust Board of Directors policy prohibits its employees from engaging in activities involving a conflict of interest. The Contractor shall not, during the period of this Contract, employ any Trust employee for any purpose.

15. Contractor’s Records: The Contractor shall keep true and accurate accounts, records, books and data which shall correctly reflect the business transacted by the Contractor in accordance with generally accepted accounting principles. These records shall be stored in Orange County for a period of three (3) years after final payment is received from the Trust. Storage of records in another county will require written approval from the Trust assigned Agent.

16. Contractor Personnel – Reference Checks: The Contractor warrants that all persons employed to provide service under this Contract have satisfactory past work records indicating their ability to adequately perform the work under this Contract. Contractor’s employees assigned to this project must meet character standards as demonstrated by background investigation and reference checks, coordinated by the agency/department issuing this Contract.

17. Covenant against Contingent Fees: Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of getting business.

For breach or violation of this warranty, the Trust shall have the right to terminate this Contract in accordance with the termination clause and, its sole discretion, to deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee from the Contractor.

18. Data-Title to: All materials, documents, data or information obtained from the Trust data files or any Trust medium furnished to the Contractor in the performance of this Contract will at all times remain the property of the Trust. Such data or information may not be used or copied for direct or indirect use by the Contractor after completion or termination of this Contract without the express written consent of the Trust. All materials, documents, data or information, including copies, must be returned to the Trust at the end of this Contract.

19. Debarment: Contractor certifies that neither contractor nor its principles are presently debarred, proposed for debarment, declared ineligible or voluntarily excluded from participation in the transaction by any Federal department or agency. Where contractor as the recipient of recipient of federal funds, is unable to certify to any of the statements in the certification, Contractor must include an explanation with their bid/proposal. Debarment, pending debarment, declared ineligibility or voluntary exclusion from participation by any Federal department or agency may result in the bid/proposal being deemed non-responsible.

20. Disputes – Contracts:

A. The parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute concerning a question of fact arising under the terms of this Contract is not disposed of in a reasonable period of time by the Contractor's Project Manager and the Trust's Project Manager, such matter shall be brought to the attention of the Trust Agent by way of the following process:

1. The Contractor shall submit to the agency/department assigned Deputy Purchasing Agent a written demand for a final decision regarding the disposition of any dispute between the parties arising under, related to, or involving this Contract, unless the Trust, on its own initiative, has already rendered such a final decision.
2. The Contractor's written demand shall be fully supported by factual information, and, if such demand involves a cost adjustment to the Contract, the Contractor shall include with the demand a written statement signed by a senior official indicating that the demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects the Contract adjustment for which the Contractor believes the Trust is liable.

B. Pending the final resolution of any dispute arising under, related to, or involving this Contract, the Contractor agrees to diligently proceed with the performance of this Contract, including the delivery of goods and/or provision of services. The Contractor's failure to diligently proceed shall be considered a material breach of this Contract.

Any final decision of the Trust shall be expressly identified as such, shall be in writing, and shall be signed by the Trust Agent or his designee. If the Trust fails to render a decision within 90 days after receipt of the Contractor's demand, it shall be deemed a final

decision adverse to the Contractor's contentions. Nothing in this section shall be construed as affecting the Trust's right to terminate the Contract for cause or termination for convenience as stated in section K herein.

21. Gratuities: The Contractor warrants that no gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the Trust with a view toward securing the Contract or securing favorable treatment with respect to any determinations concerning the performance of the Contract. For breach or violation of this warranty, the Trust shall have the right to terminate the Contract, either in whole or in part, and any loss or damage sustained by the Trust in procuring on the open market any goods or services which the Contractor agreed to supply shall be borne and paid for by the Contractor. The rights and remedies of the Trust provided in the clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.

22. News/Information Release: The Contractor agrees that it will not issue any news releases in connection with either the award of this Contract or any subsequent amendment of or effort under this Contract without first obtaining review and written approval of said news releases from the Trust through the Trust's Project Manager.

23. Notices: Any and all notices, requests demands and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing with a copy provided to the assigned Deputy Purchasing Agent (DPA), except through the course of the parties' project managers' routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt or no greater than four (4) calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate party at the address stated herein or such other address as the parties hereto may designate by written notice from time to time in the manner aforesaid.

For Contractor: Company Name: (TBD)
Address:
Attn:
Telephone:
Fax:
E-mail:

For Trust: Orange County Housing Finance Trust
Attn: Adam Eliason
 1 League #62335 Irvine, CA 92602
Phone: (909) 706-7193
Email: aeliason@ochft.org

24. Ownership of Documents: The Trust has permanent ownership of all directly connected and derivative materials produced under this Contract by the Contractor. All documents, reports and other incidental or derivative work or materials furnished hereunder shall become and remain the sole property of the Trust and may be used by the Trust as it may require without additional cost to the Trust. None of the documents, reports and other incidental or derivative work or furnished materials shall be used by the Contractor without the express written consent of the Trust.

25. Precedence: The Contract documents consist of this Contract and its attachments and exhibit. In the event of a conflict between or among the Contract documents, the order of precedence shall be the provisions of the main body of this Contract, i.e., those provisions set forth in the recitals and articles of this Contract, and then the attachments and exhibit.

26. Price Increase/Decrease: No price increases will be permitted during the first period of the price agreement. The Trust requires documented proof of cost increases on Contracts prior to any price adjustment. A minimum of 30-days advance notice in writing is required to secure such adjustment. No retroactive price adjustments will be considered. All price decreases will automatically be extended to the Trust. The Trust may enforce, negotiate, or cancel escalating price Contracts or take any other action it deems appropriate, as it sees fit. The net dollar amount of profit will remain firm during the period of the Contract. Adjustments increasing the Contractor's profit will not be allowed.

27. Project Manager and Key Personnel – Contractor: Contractor shall appoint a Project Manager to direct the Contractor's efforts in fulfilling Contractor's obligations under this Contract. This Project Manager shall be subject to approval by the Trust and shall not be changed without the written consent of the Trust's Project Manager, which consent shall not be unreasonably withheld.

The Contractor's Project Manager shall be assigned to this project for the duration of the Contract and shall diligently pursue all work and services to meet the project time lines. The Trust's Project Manager shall have the right to require the removal and replacement of the Contractor's Project Manager from providing services to the Trust under this Contract. The Trust's Project manager shall notify the Contractor in writing of such action. The Contractor shall accomplish the removal within three (3) business days after written notice by the Trust's Project Manager. The Trust's Project Manager shall review and approve the appointment of the replacement for the Contractor's Project Manager. The Trust is not required to provide any additional information, reason or rationale in the event it requires the removal of Contractor's Project Manager from providing further services under the Contract.

28. Project Manager – Trust: The Trust shall appoint a project manager to act as liaison between the Trust and the Contractor during the term of this Contract. The

Trust's project manager shall coordinate the activities of the Trust staff assigned to work with the Contractor.

The Trust's project manager shall have the right to require the removal and replacement of the Contractor's project manager and key personnel. The Trust's project manager shall notify the Contractor in writing of such action. The Contractor shall accomplish the removal within three (3) business days after written notice from the Trust's project manager. The Trust's project manager shall review and approve the appointment of the replacement for the Contractor's project manager and key personnel. Said approval shall not be unreasonably withheld. The Trust is not required to provide any additional information, reason or rationale in the event it requires the removal of Contractor's Project Manager from providing further services under the Contract.

29. Remedies Not Exclusive: The remedies for breach set forth in this Contract are cumulative as to one another and as to any other provided by law, rather than exclusive; and the expression of certain remedies in this Contract does not preclude resort by either party to any other remedies provided by law.

30. Reports/Meetings: The Trust's Project Manager and the Contractor's Project Manager will meet on reasonable notice to discuss the Contractor's performance and progress under this Contract. If requested, the Contractor's Project Manager and other project personnel shall attend all meetings. The Contractor shall provide such information that is requested by the Trust for the purpose of monitoring progress under this Contract.

31. Responsibility of the Contractor: The Contractor shall be responsible for the professional quality, technical assurance, timely completion and coordination of all reports, documentation, and services furnished by the Contractor under this Contract. The Contractor shall perform such services as may be necessary to accomplish the work required to be performed under and in accordance with this Contract. The Contractor shall develop reports and any other relevant documents necessary to complete the services and requirements as set forth in Attachment A, Scope of Work.

32. Subcontracting: No performance of this Contract or any portion thereof may be subcontracted by the Contractor without the express written consent of the Trust. Any attempt by the Contractor to subcontract any performance of this Contract without the express written consent of the Trust shall be invalid and shall constitute a breach of this Contract.

In the event that the Contractor is authorized by the Trust to subcontract, this Contract shall take precedence over the terms of the Contract between Contractor and subcontractor, and shall incorporate by reference the terms of this Contract. The Trust shall look to the Contractor for performance and indemnification and not deal directly with any subcontractor. All work performed by a subcontractor must meet the approval of the Trust.

33. Substitutions: The Contractor is required to meet all specifications and requirements contained herein. No substitutions will be accepted without prior Trust written approval.

34. Termination – Default: If Contractor is in default of any of its obligations under this Contract and has not commenced cure within ten days after receipt of a written notice of default from Trust and cured such default within the time specified in the notice, the Trust shall immediately be entitled to either commence resolution in accordance with this paragraph or to terminate this Contract by giving written notice to take effect immediately. Default shall include failure to carry out any of the requirements of this Contract, including but not limited to not providing enough properly skilled workers or proper materials, persistently disregarding laws and or ordinances, not proceeding with the work as agreed to herein, or otherwise substantially violating any provision of this Contract. Upon termination of the Contract with Contractor, the Trust may begin negotiations with a third-party contractor to provide services as specified in this Contract.

35. Termination – Orderly: After receipt of a termination notice from the Trust, the Contractor shall submit to the Trust a termination claim, if applicable. Such claim shall be submitted promptly, but in no event later than sixty (60) days from the effective date of the termination, unless one or more extensions in writing are granted by the Trust upon written request of the Contractor. Upon termination, Trust agrees to pay the Contractor for all services performed prior to termination which meet the requirements of the Contract, provided, however, that such compensation plus previously paid compensation shall not exceed the total compensation set forth in the Contract. Upon termination or other expiration of this Contract, each Party shall promptly return to the other Party all papers, materials, and other properties of the other held by each for purposes of execution of the Contract. In addition, each Party will assist the other Party in orderly termination of this Contract and the transfer of all aspects, tangible and intangible, as may be necessary for the orderly, non-disruptive business continuation of each Party.

36. Title to Data: All materials, documents, data or information obtained from the Trust data files or any Trust medium furnished to the Contractor in the performance of this Contract will at all times remain the property of the Trust. Such data or information may not be used or copied for direct or indirect use by the Contractor after completion or termination of this Contract. All materials, documents, data or information, including any copies, and all Trust Employees Workers' Compensation claim files, must be returned to the Trust at the end of this Contract.

37. Waivers-Contract: The failure of the Trust in any one or more instances to insist upon strict performance of any of the terms of this Contract or to exercise any option contained herein shall not be construed as a waiver or relinquishment to any extent of the right to assert or rely upon any such terms or option on any future occasion.

38. Contract Award – Multiple: The Trust reserves the right, at its sole discretion, to make multiple awards to bidders/proposers for services requested in this solicitation.

MODEL CONTRACT SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties hereto have executed this Contract on the dates shown opposite their respective signatures below.

CONTRACTOR*

** If the Contractor is a corporation, signatures of two specific corporate officers are required as further set forth.*

The first corporate officer signature must be one of the following 1) the Chairman of the Board 2) the President 3) any Vice President.

In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution demonstrating the legal authority of the signature to bind the company.

Print Name Title

(DO NOT SIGN THIS TIME)

Signature Date

The second corporate officer signature must be one of the following: a) Secretary; b) Assistant Secretary; c) Chief Financial Officer; d) Assistant Treasurer.

Print Name Title

(DO NOT SIGN THIS TIME)

Signature Date

Orange County Housing Finance Trust, a California public agency formed pursuant to California Government Code section 6500 et. seq.

Print Name Title

Signature Date

ATTACHMENT A

SCOPE OF WORK

I. BACKGROUND

The Orange County Housing Finance Trust is a Joint Powers Authority formed in March 2019 between the County of Orange and 27 cities in Orange County, California. A complete list of member cities can be found in Attachment 1.

The mission of the Trust is to strengthen the communities in Orange County by financing the development of affordable housing for homeless and low-income individuals and families. The Trust is working to achieve this mission by contributing to the construction of 2,700 permanent supportive housing units and working to secure funding that will contribute to additional affordable housing units by 2025.

During its first four years of operation, the Trust has awarded over \$32 million to twenty-one affordable housing communities throughout Orange County. The Trust expects to be able to award approximately \$25 million this year for additional affordable communities in the County, and is looking for additional funding from private donations and other government sources so it may continue to provide financing for communities past 2025.

II. TRUST RESPONSIBILITIES

1. Trust will assign a Trust Project Manager and coordinate work closely with Contractor.
2. Trust Project Manager will monitor and track project status to ensure it is progressing within the project timeframe.
3. Trust Project Manager will review and approve all work, materials, reports, and deliverables required in this Contract.

III. Contractor RESPONSIBILITIES

To be determined per the Scope of Work in the RFP and the proposal by the contractor.

ATTACHMENT B

COMPENSATION/PAYMENT

- I. **COMPENSATION:** This is an all-inclusive, firm, fixed fee Contract between Trust and Contractor for all other services provided in Attachment A, Scope of Work.

The Contractor agrees to accept the specified compensation as set forth in this Contract as full payment for performing all services and furnishing all staffing and materials required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by the Contractor of all its duties and obligations hereunder. Contractor shall only be compensated as set forth herein below for work performed in accordance with the Scope of Work. Trust shall have no obligation to pay any sum in excess of total Contract amount specified herein unless authorized by amendment in accordance with Trust Contract Terms and Conditions.

The Contract amount shall not exceed \$TBD.

- II. **FIRM RATE:** Contractor guarantees that rates quoted are equal to or less than rates quoted to any other local, State or Federal government entity for services of equal or lesser scope. Contractor agrees that no rate increases shall be passed along to the Trust during the term of this Contract not otherwise specified and provided for within this Contract.

- III. **CONTRACTOR'S EXPENSE:** The Contractor will be responsible for all costs related to photo copying, telephone communications, fax communications, online research services, travel, parking, and any and all "out of pocket" expenses incurred by the Contractor while on Trust sites during the performance of work and services under this Contract, unless otherwise specified. The Contractor shall be responsible for payment of all parking costs and expenses incurred at a Trust facility while performing work under this Contract, except to the extent the Trust facility has free parking available to the public and the Contractor makes appropriate use of this free parking. However, the Trust will not provide free parking to the Contractor in the County Civic Center.

Contractor shall bill for the actual number of hours worked. Contractor shall notify Trust in advance if any task requires an additional time commitment to complete. Trust approval is required before Contractor can work additional hours/time on the project.

- IV. **PAYMENT TERMS:** Invoices are to be submitted in arrears, after services have been completed, to the bill to address specified under Section VI – Billing Instructions, unless otherwise directed in this Contract. Contractor shall reference Contract number on invoice. Payment will be net 30 days after receipt of the invoice in a

format acceptable to the Trust, and verified and approved by the agency/department and subject to routine processing requirements. The responsibility for providing an acceptable invoice rests with the Contractor.

Billing shall cover services not previously invoiced. The Contractor shall reimburse the Trust for any monies paid to the Contractor for services not provided or when services do not meet the Contract requirements.

Payments made by the Trust shall not preclude the right of the Trust from thereafter disputing any services involved or billed under this Contract and shall not be construed as acceptance of any part of the services.

V. TAX ID NUMBER: The Contractor shall include its taxpayer ID number on all invoices submitted to the Trust for payment to ensure compliance with IRS requirements and to expedite payment processing.

VI. BILLING INSTRUCTIONS: The Contractor will provide an invoice on the Contractor's letterhead for services rendered. Each invoice will have a number and will include the following information:

1. Contractor's name and address
2. Contractor's remittance address, if different from 1, above
3. Name of Trust agency/department
4. Agency/department address
5. Contract Number (TBD)
6. Federal Tax I.D. Number
7. Date of service
8. Service description
9. Total

Billing Address: All invoices shall be billed to:

OC Housing Finance Trust
Attn: Adam Eliason
1 League #62335
Irvine, CA 92602
aeliason@ochft.org

Incomplete or incorrect invoices are not acceptable and will be returned to the Contractor for correction.

VII. PAYMENT (ELECTRONIC FUNDS TRANSFER [EFT]): The Trust of Orange offers Contractors the option of receiving payment directly to their bank account via an Electronic Fund Transfer (EFT) process in lieu of a check payment. Payment made via EFT will also receive an Electronic Remittance Advice with the payment details via e-mail. An e-mail address will need to be provided to the Trust via an EFT Authorization Form.

To request a form, please contact the agency/department Procurement Buyer listed in the Contract. Upon completion of the form, please mail, fax or email to the address or phone listed on the form.

ATTACHMENT C

STAFFING PLAN

I. Primary Staff/Key Personnel to perform Contract duties

Name	Classification

(Additional lines may be added if necessary)

II. Alternate Staff/Key Personnel (for use only if primary is not available)

Name	Classification

(Additional lines may be added if necessary)

Contractor understands that those individuals represented as assigned to the project must remain working on the project throughout the duration of the project unless otherwise requested or approved by the Trust. Substitution or addition of Contractor's Key Personnel in any given classification/title shall be allowed only with prior written approval of the Trust Project Manager. During the Term of this Contract, Contractor shall maintain a business office in Southern California.

The Contractor may reserve the right to involve other Contractor personnel, as their services are required. The specific individuals will be assigned based on the need and timing of the service/classification required. Assignment of additional key personnel shall be subject to Trust written approval. Trust reserves the right to have any of Contractor personnel removed from providing Services/Deliverables to Trust under this Contract. Trust is not required to provide any reason for the request for removal of any Contractor personnel.

III. Sub-Contractor(s)

In accordance with Article I, Assignment, listed below are sub-contractor(s) anticipated by Contractor to perform services specified in Attachment A. Substitution or addition of Contractor's sub-contractors in any given project function shall be allowed only with prior written approval of the Trust Project Manager.

Company Name & Address	Contact Name and Telephone Number	Project Function

(Additional lines may be added if necessary)

Attachment 3

CONFLICT OF INTEREST DISCLOSURE STATEMENT

Disclosure Policy

It is the policy of the Trust to ensure that firms and individuals providing services to the Trust are not subject to organizational conflicts affecting their objectivity or their ability to provide impartial assistance or advice to the Trust. This form requires certain relationships to be disclosed to the Trust so that it may determine whether a potential organizational conflict exists and whether mitigation measures may be implemented so as to allow the firm or individual to perform services notwithstanding such potential conflict. Relationships with the following entities must be disclosed:

1. Any firm, individual, partnership, corporation, association, or other legal entity currently retained for services by a developer of affordable housing or service provider for families and individuals at risk of or experiencing homelessness.
2. Any firm currently retained or which may be retained for services by the County of Orange or any member city of the Trust or other public entity within Orange County, California (see list of member agencies below).

Disclosure

_____ Consultant **IS NOT** currently retained for services as defined in the Disclosure Policy above.

_____ Consultant **IS** currently retained for services as defined in the Disclosure Policy above.

A. Consultant is retained for services by the following member agencies of the Trust

- | | |
|---------------------------|--------------------------------|
| _____ County of Orange | _____ City of Fountain Valley |
| _____ City of Aliso Viejo | _____ City of Fullerton |
| _____ City of Anaheim | _____ City of Garden Grove |
| _____ City of Buena Park | _____ City of Huntington Beach |
| _____ City of Costa Mesa | _____ City of Lake Forest |
| _____ City of Dana Point | _____ City of Laguna Beach |

- | | |
|-----------------------------|-----------------------------------|
| _____ City of Laguna Hills | _____ City of Placentia |
| _____ City of Laguna Niguel | _____ City of San Juan Capistrano |
| _____ City of La Habra | _____ City of Santa Ana |
| _____ City of Los Alamitos | _____ City of Seal Beach |
| _____ City of Mission Viejo | _____ City of Stanton |
| _____ City of Newport Beach | _____ City of Tustin |
| _____ City of Orange | _____ City of Westminster |

B. Consultant is retained for services by the following other public agencies and public or private entities within Orange County, California.

(List individually.)

C. Please describe briefly those services potentially affected by this Disclosure:

Consultant is required to disclose to the Trust, in writing, any services relationship which may be entered into during the term of the Contract, which violates or appears to violate the intent of this Disclosure:

Consultant

Date

Authorized Representative

Title

Attachment 4

COMPENSATION PROPOSAL

Enter below the proposed price for full compensation to proposer for full and complete performance of the Services identified in the RFP Scope of Services. Prices shall include direct costs, indirect costs, profit, and any other costs associated with providing the services as described in this RFP.

Service	Price Per Instance	Notes
Basic loan fulfillment		
Underwriting: high LTV (include appraisal)		
Contractor requires extra review (Other occasional, extra services)		
Annual loan monitoring & servicing		
Income verification of tenant		
Payoff		
Defaults (can breakdown by type of default)		

Hourly Rates

For any services provided that are not captured in the table above.

Title/Role	Rate	Use cases:

Attachment 5

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Application or Solicitation Number: _____

Application or Solicitation Title: _____

Was a campaign contribution, regardless of the dollar amount, made to any member of the Orange County Finance Housing Trust Board of Directors on or after January 1, 2023, by the applicant, or, if applicable, any of the applicant's proposed subcontractors or the applicant's agent or lobbyist?

Yes _____ No _____

If no, please sign and date below.

If yes, please provide the following information:

Applicant's Name: _____

Contributor or Contributor Firm's Name: _____

Contributor or Contributor Firm's Address: _____

Is the Contributor:

- | | | |
|--|-----------|----------|
| <input type="radio"/> The Applicant | Yes _____ | No _____ |
| <input type="radio"/> Subcontractor | Yes _____ | No _____ |
| <input type="radio"/> The Applicant's agent/ or lobbyist | Yes _____ | No _____ |

Note: Under California law as implemented by the Fair Political Practices Commission, campaign contributions made by the Applicant and the Applicant's agent/lobbyist who is representing the Applicant in this application or solicitation must be aggregated together to determine the total campaign contribution made by the Applicant.

Identify the Trust Board Member(s) to whom you, your subcontractors, and/or agent/lobbyist made campaign contributions on or after January 1, 2023, the name of the contributor, the dates of contribution(s) and dollar amount of the contribution. Each date must include the exact month, day, and year of the contribution.

Name of Trust Board Member: _____

Name of Contributor: _____

Date(s) of Contribution(s): _____

Amount(s): _____

(Please add an additional sheet(s) to identify additional Trust Board Members or to whom you, your subconsultants, and/or agent/lobbyist made campaign contributions)

By signing below, I certify that the statements made herein are true and correct. I also agree to disclose to the Orange County Housing Finance Trust any future contributions made to members of the Trust Board of Directors by the applicant, or, if applicable, any of the applicant's proposed subcontractors or the applicant's agent or lobbyist after the date of signing this disclosure form, and within 12 months following the approval, renewal, or extension of the requested license, permit, or entitlement to use.

Date

Signature of Applicant

Print Firm Name, if applicable

Print Name of Applicant

ORANGE COUNTY HOUSING FINANCE TRUST

BOARD MEMBERS

Katrina Foley, Chair

Jessie Lopez, Vice Chair

Shari Freidenrich

Mike Frost

Tammy Kim

Norma Kurtz

Natalie Moser

Vicente Sarmiento