

**REGULAR MEETING AGENDA - ORANGE COUNTY HOUSING FINANCE TRUST**

**WEDNESDAY, JULY 20, 2022 - 10:00 A.M.**

**MEETING WILL BE HELD VIA TELECONFERENCE/VIDEOCONFERENCE ONLY**

**DOUG CHAFFEE**

Chairman

**STEPHEN FAESSEL**

Vice Chairman

**DON BARNES**

Director

**LISA A. BARTLETT**

Director

**JAMEY FEDERICO**

Director

**SHARI FREIDENRICH**

Director

**FRED JUNG**

Director

**DAVID PENALOZA**

Director

**ED SACHS**

Director

Trust Manager

**Adam Eliason**

Trust Counsel

**Lauren Kramer**

Clerk of the Trust

**Robin Stieler**

**GUIDANCE FOR PUBLIC ACCESS TO REDUCE RISK OF COVID-19:** On September 16, 2021, Governor Gavin Newsom signed into law Assembly Bill 361 authorizing a local legislative body to hold public meetings via teleconferencing and make public meetings accessible telephonically or electronically to all members of the public due to the State of Emergency resulting from the threat of Novel Coronavirus (COVID-19). This meeting will be held via Zoom. Members of the public can listen to and participate in the live Zoom meeting by accessing the following:

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/84918241114?pwd=YUhGNlZwbkgrRmdsZnFibjloOXZRRz09>

Passcode: 786358

Or One tap mobile :

US: +16694449171,,84918241114# or +16699009128,,84918241114#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 669 444 9171 or +1 669 900 9128 or +1 253 215 8782 or +1 346 248 7799 or +1 646 558 8656 or +1 646 931 3860 or +1 301 715 8592 or +1 312 626 6799

Webinar ID: 849 1824 1114

Members of the public may address the Trust regarding any item in the following ways:

1. Real-time Zoom Comment – To provide a real-time public comment during the meeting, please access the Zoom information identified above. Speakers will be recognized by the Trust Chair at the time the agenda item is to be considered. If attending virtually via Zoom, use the hand-raise icon to be called on for public comment, and if calling in via telephone, dial \*9. A speaker's comments shall be limited to three minutes. Anyone causing disruption can be removed from the meeting at the discretion of the Chair.
2. Written Comment – The Trust is also accepting public comments to be submitted by emailing them to [aeliason@ochft.org](mailto: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 by 12:00 p.m. on July 19, 2022. Public comments will be made available to the public upon request. In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the Clerk of the Board's Office 72 hours prior to the meeting at (714) 834-2206

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 for the record prior to providing your comments.

*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  
Hall of Administration Building, 333 W. Santa Ana Blvd., 10 Civic Center Plaza, Room 465,  
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 (Item 1):**

1. Approve Orange County Housing Finance Trust minutes from the June 22, 2022, meeting

**DISCUSSION ITEMS (Item 2-5):**

*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. Adopt Resolution finding that, due to the proclaimed state of emergency arising from the Novel Coronavirus (COVID-19) and local officials continued recommended measures to promote social distancing, it is necessary for Directors to participate in the meetings via teleconferencing
3. Receive and file Federal and State funding advocacy update from Townsend Public Affairs
4. Approve the Orange County Housing Finance Trust Capital and Administrative Funding Plan
5. Election of Officers for Fiscal Year 2022/2023

**HOUSING TRUST MANAGER REPORT (Item 6):**

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:** August 17, 2022, at 10:00 a.m.

Agenda Item 1  
Minutes – June 22, 2022

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

**WEDNESDAY, JUNE 22, 2022, 10:00 A.M.**

**DOUG CHAFFEE**  
Chairman

**STEPHEN FAESSEL**  
Vice Chairman

**DON BARNES**  
Director

**LISA A. BARTLETT**  
Director

**JAMEY FEDERICO**  
Director

**SHARI FREIDENRICH**  
Director

**FRED JUNG**  
Director

**DAVID PENALOZA**  
Director

**ED SACHS**  
Director

Trust Manger  
Adam Eliason

Trust Counsel  
Lauren Kramer

Clerk of the Trust  
Robin Stieler

**ATTENDANCE:** Directors Bartlett, Chaffee, Federico, Jung, Faessel, and Penaloza  
(All Members participated via Zoom)

**ABSENT:** Directors Barnes, Freidenrich and Sachs

**PRESENT:** Trust Counsel  
Clerk of the Trust  
Trust Manager

Lauren Kramer  
Valerie Sanchez, Chief Deputy  
Adam Eliason

**CALL TO ORDER**

The Chairman called the meeting to order at 10:04 a.m.

**PLEDGE OF ALLEGIANCE**

Chairman Chaffee led the pledge of allegiance

**ROLL CALL**

The Clerk called the roll and confirmed quorum

**CONSENT CALENDAR (Item 1)**

1. Approve Orange County Housing Finance Trust minutes from the June 8, 2022 meeting  
**ON THE MOTION OF CHAIRMAN CHAFFEE, SECONDED BY DIRECTOR BARTLETT, BY A VOTE OF 6 TO 0, WITH DIRECTORS BARNES, FREIDENRICH AND SACHS BEING ABSENT, APPROVED THE ORANGE COUNTY HOUSING FINANCE TRUST MINUTES FROM THE JUNE 8, 2022 MEETING**

**DISCUSSION ITEMS (Item 2):**

2. Adopt Resolution finding that, due to the proclaimed state of emergency arising from the Novel Coronavirus (COVID-19) and local officials continued recommended measures to promote social distancing, it is necessary for Directors to participate in the meetings via teleconferencing  
**ON THE MOTION OF DIRECTOR JUNG, SECONDED BY DIRECTOR PENALOZA, BY A VOTE OF 5 TO 1, WITH DIRECTOR FEDERICO VOTING NO AND DIRECTORS BARNES, FREIDENRICH AND SACHS BEING ABSENT, THE BOARD APPROVED ITEM AS RECOMMENDED**  
*RESO: 22-009-OCHFT*

**HOUSING TRUST MANAGER REPORT (Item 3)**

3. Oral Report from the Housing Trust Manager  
**HOUSING TRUST MANAGER ADAM ELIASON PROVIDED THE REPORT ADVISING DIRECTORS THAT THE JULY AGENDA WILL HAVE SOME SUBSTANTIVE ITEMS FOR THE TRUST TO CONSIDER INCLUDING AN UPDATE FROM TOWNSEND ADVISORS ON THE STATUS OF STATE AND FEDERAL FUNDING REQUESTS; THE ELECTION OF OFFICERS FOR THE TRUST; AND DEVELOPMENT OF A CAPITAL AND ADMINISTRATIVE FUNDING PLAN TO INCLUDE A DOCUMENT PREPARED AND SUBMITTED IN ORDER TO RECEIVE GRANT FUNDS FROM THE STATE**

**PUBLIC & TRUST COMMENTS:**

PUBLIC COMMENTS: None

DIRECTOR COMMENTS: None

ADJOURNED: 10:14 a.m.

NEXT MEETINGS: July 20, 2022 at 10:00 a.m.

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**DOUG CHAFFEE**  
*Chair, Orange County Housing Finance Trust*

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**VALERIE SANCHEZ, CHIEF DEPUTY**  
*Clerk of the Orange County Housing Finance Trust*

Agenda Item 2  
Adopt Meeting Resolution

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

**MEETING DATE:** July 20, 2022

**SUBJECT:** Adopt resolution finding that, due to the proclaimed state of emergency arising from the Novel Coronavirus (COVID-19) and local officials continued recommended measures to promote social distancing, it is necessary for Directors to participate in the meetings via teleconferencing.

**RECOMMENDED ACTION:**

ADOPT RESOLUTION FINDING THAT, DUE TO THE PROCLAIMED STATE OF EMERGENCY ARISING FROM THE NOVEL CORONAVIRUS (COVID-19) AND LOCAL OFFICIALS CONTINUED RECOMMENDED MEASURES TO PROMOTE SOCIAL DISTANCING, IT IS NECESSARY FOR DIRECTORS TO PARTICIPATE IN THE MEETINGS VIA TELECONFERENCING.



Adam B. Eliason, Manager

**SUMMARY:**

Adoption of the attached resolution will allow the Board of Directors to make certain findings in order to continue meet via teleconferencing so long as social distancing is recommended by local officials.

**DISCUSSION:**

The Orange County Housing Finance Trust (Trust) met on February 4, 2022, considered the circumstances surrounding the proclaimed state of emergency due to the COVID-19 pandemic and found that meeting in person would present imminent risk to the health and safety of its attendees. Subsequent to the initial finding, the Trust met on February 16, 2022, March 16, 2022, April 13, 2022, April 27, 2022, May 18, 2022, June 8, 2022, and June 22, 2022, to



reconsider the proclaimed state of emergency and found that meeting in person would continue to present imminent risk to the health and safety of its attendees. The County of Orange Health Officer revised his Orders and Strong Recommendations on June 15, 2022. As part of the revised Orders and Strong Recommendations, the Health Officer continues to strongly recommend social distancing for certain populations. During the subsequent meetings the Board reconsidered the proclaimed state of emergency, the Health Officer's strong recommendation and the ability to comply with that strong recommendation found that it was necessary for Directors to participate in the meetings via teleconferencing.

If adopted, the attached resolution would continue to comply with the requirements found in Government Code section 54953 (e) by considering the proclaimed state of emergency, the Health Officer's strong recommendation and the ability to comply with that strong recommendation.

ATTACHMENT:

Attachment A      Resolution

RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE ORANGE COUNTY HOUSING FINANCE TRUST  
July 20, 2022

WHEREAS, California Government Code section 54953 (e) authorizes local agencies to use teleconferencing without complying with certain requirements during a proclaimed state of emergency; and

WHEREAS, this Board reviewed and considered the circumstances of the current state of emergency due to COVID-19 on February 4, 2022 and found that meeting in person would present imminent risk to the health and safety of its attendees; and

WHEREAS, on February 4, 2022, this Board resolved that it would meet virtually in accordance with Government Code section 54953 (e) and adopted its regular meeting calendar accordingly; and

WHEREAS, on February 16, 2022, March 16, 2022, April 13, 2022, April 27, 2022, May 18, 2022, June 8, 2022, and June 22, 2022 this Board reconsidered the circumstances of the current state of emergency due to COVID-19 and found that meeting in person would present imminent risk to the health and safety of its attendees; and

WHEREAS, The County of Orange Health Officer revised his Orders and Strong Recommendations on June 15, 2022;

WHEREAS, as part of the revised Orders and Strong Recommendations, the Health Officer strongly recommended social distancing for “Vulnerable Populations,” consistent with the Centers for Disease Control guidelines; and

WHEREAS, this Board found that it was not possible for the entire Board of Directors to safely socially distance themselves from each other when conducting the business of the Orange County Housing Finance Trust during its regular meetings; and

WHEREAS, in order to meet virtually, this Board must also make certain findings no later than every 30 days; and

WHEREAS, this Board has presently reviewed and considered the circumstances of the State of Emergency due to COVID-19; and

WHEREAS, this Board has presently reviewed and considered manners by which they may be able to adhere to the Strong Recommendations of the Orange County Health Officer.

NOW, THEREFORE, BE IT RESOLVED that

1. The above findings and recitals are true and correct and are incorporated herein in full by this reference
2. The Orange County Housing Finance Trust Board of Directors has reconsidered the circumstances of the state of emergency and determines that, due to state or local officials continued imposition and/or recommend measures to promote social distancing, it cannot

safely adhere to the County of Orange Health Officer Orders and Strong Recommendations to socially distance; and

3. In order to adhere to the County of Orange Health Officer Orders and Strong Recommendations to socially distance, it is necessary for Directors to participate in the meetings via teleconferencing.

## Agenda Item 3

Federal and State funding  
advocacy update

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

**MEETING DATE:** July 20, 2022

**SUBJECT:** Receive and file Federal and State funding advocacy update from Townsend Public Affairs.

**RECOMMENDED ACTION:**

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



Adam B. Eliason, Manager

**BACKGROUND:**

Attachment A is a memo summarizing funding advocacy efforts from Townsend Public Affairs to date. The Trust Board will receive a full update at the meeting and a representative of Townsend Public Affairs and will be available to answer any questions from the Board.

**ATTACHMENT:**

Attachment A – Memo from Townsend Public Affairs - Advocacy Update



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**M E M O R A N D U M**

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**To: Orange County Housing Finance Trust**

**From: Townsend Public Affairs**  
Christopher Townsend, President  
Cori Takkinen, Vice President  
Eric O'Donnell, Deputy Director

**Date: July 11, 2022**

**Subject: Advocacy Update**

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Townsend Public Affairs (TPA) is continuously 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. TPA has submitted requests for funding to the state and federal level and is still focused on the advocacy efforts behind these requests.

**State Budget Opportunities –**

TPA worked with the Housing Trust to develop a State budget ask for \$30 million in funding for the Housing Trust, to help facilitate the construction of over 900 affordable and permanent supportive units by 2025. TPA worked to secure Assemblymember Daly as the sponsor of the request and received support from the entire Orange County Delegation, both Democrats and Republicans. The request was submitted to the Budget Committee in late March by Assemblymember Daly and TPA worked to secure letters of support for this request as well additional advocacy around the Budget negotiations.

Member specific requests were introduced through a "Budget Jr." bill (AB 178), which was adopted after the main Budget bill was passed. Unfortunately, the Housing Trust's \$30 million request was not included in the final agreed upon package. TPA is working with Assemblymember Daly's office and Assembly and Senate Budget Committee staff to determine if additional opportunities this year will be available for additional member specific requests.

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**Southern California Office** ▪ 1401 Dove Street • Suite 330 • Newport Beach, CA 92660 • Phone (949) 399-9050 • Fax (949) 476-8215  
**Central California Office** ▪ 744 P Street • Suite 308 • Fresno, CA 93721 • Phone (949) 399-9050 • Fax (949) 476-8215  
**Northern California Office** ▪ 300 Frank Ogawa Plaza • Suite 204 • Oakland, CA 94612 • Phone (510) 835-9050 • Fax (510) 835-9030

AB 178 was passed on June 30 and signed into law shortly after.

### **Local Housing Trust Fund – Legislative Cleanup –**

TPA and staff are currently working with the Housing Trust's legislative delegation to advocate for cleanup legislation that would clarify and alter language in the Local Housing Trust Fund authorizing legislation. The Housing Trust has successfully applied for Local Housing Trust Fund monies for the past two grant cycles. Unfortunately, due to the timing of the SCAG and HCD Housing Element certification processes, the Housing Trust is technically not eligible for funding this year.

Working closely with OC Housing Finance Trust staff and representatives from other Housing Trusts in California, TPA is actively exploring solutions to this unfortunate and unintended consequence of Housing Element certification timing. Solutions include working closely with Senator Newman's office, as well as Senator Rubio's office on advocating for cleanup language that changes the eligibility of the Local Housing Trust Fund Program in a pending trailer bill when the Legislature returns in August.

### **Federal Budget Opportunities –**

In late March, the application process for community project funding opened at the federal level. Senator Padilla and Senator Feinstein each had their respective community project funding requests due in April, followed by deadlines for Members of the House in mid-April. TPA coordinated with the Housing Trust to submit a request for \$3 million in funding to Senator Feinstein, as well as Congressman Correa and Congressman Kim. The request was submitted through the Transportation, Housing, and Urban Development Appropriations bill to the Housing and Urban Development Economic Development Initiative (HUD-EDI) account.

Congressman Correa included the \$3 million ask in his list of 15 projects that he was allowed to submit to the House Appropriations Committee for their consideration. Furthermore, the request was included in the introduced Transportation, Housing, and Urban Development subcommittee bill. Projects included and passed in the Appropriations subcommittee bill typically have a high-rate of inclusion in final negotiations. Neither Senator Padilla nor Senator Feinstein picked the project to submit to the Senate Appropriations Committee.

The federal fiscal year ends on September 30, 2022, however, it is common for Congress to miss this deadline and to pass a continuing resolution in order to continue to fund the government at current levels until they can reach a deal on a new budget agreement. Given the election year dynamics, TPA anticipates that Congress will again miss the deadline this year, with a FY23 budget agreement hopefully being passed by early 2023. Barring any sweeping policy changes, the FY23 budget agreement is expected to include community project funding.

Agenda Item 4  
Capital & Administrative  
Funding Plan



**REQUEST FOR ORANGE COUNTY HOUSING FINANCE TRUST (OCHFT/TRUST) BOARD ACTION**

**MEETING DATE:** July 20, 2022

**SUBJECT:** Approve the Orange County Housing Finance Trust Capital and Administrative Funding Plan

**RECOMMENDED ACTION:**

APPROVE THE ORANGE COUNTY HOUSING FINANCE TRUST CAPITAL AND ADMINISTRATIVE FUNDING PLAN



Adam B. Eliason, Manager

**SUMMARY:**

On May 31, 2021, the Trust was awarded \$600,000 from the Orange County Council of Governments (OCCOG) from their Regional Early Action Planning (REAP) 1.0 funds. The REAP funding had a limited number of eligible uses and the Trust had a list of tasks that were approved by OCCOG.

One of the Trust approved tasks was REAP funding to target and secure new financial resources. This includes reimbursement for Trust Staff and consultant costs related to lobbying and advocacy efforts. The REAP funding agreement specifies a reimbursement amount of \$172,000 per year for services rendered to date and another \$72,000 next year. To get reimbursed for these costs, the REAP funding agreement requires the Board to approve a Capital and Administrative Funding Strategy.

**DISCUSSION:**

The Capital and Administrative Funding Strategy (Attachment 1) outlines the primary mission of the Trust, which is to *“to strengthen communities in Orange County by financing the development of affordable housing for homeless and low-income individuals and families.”*

The vision of the OCHFT is “to respond to the humanitarian crisis of homelessness by identifying and securing funding that will contribute to the construction of 2,700 permanent supportive housing and work to secure funding that will contribute to additional affordable housing units by 2025.”

In July 2020 the OCHFT Board approved a five-year Strategic Plan. The Strategic Plan includes five components, one of which is entitled “Aggressive Fundraising Strategy.” This component of the Strategic Plan includes a variety of means in which the Trust should seek additional funding sources for its long-term sustainability.

The Capital and Administrative Funding Strategy includes two sections; one that details the capital funding resources and opportunities and one that details the administrative funding resources and opportunities.

While much of this document presents what is already existing and available to the Trust, it also presents new funding opportunities for the Trust to consider. For example, the document presents the opportunity to continue efforts for State and Federal funding, pursue REAP 2.0 funding, explore philanthropy, and consider other debt options that would leverage Trust funding considerably.

ATTACHMENT:

Attachment 1      Capital and Administrative Funding Strategy



## Capital and Administrative Funding Plan

Presented to Trust Board July 20, 2022

### Background

The Orange County Housing Finance Trust (“OCHFT” or “Trust”) is a Joint Powers Authority (JPA) consisting of 24 cities and the County of Orange. Each member of the Trust has agreed to a Joint Exercise of Powers Agreement, which specifies that, among other things, the Trust may do any of the following:

1. Fund the planning and construction of housing of all types and tenures for the homeless population and persons and families of extremely low, very low, and low income including but not limited to, permanent supportive housing.
2. Receive public and private financing and funds.

The Agreement further states, *“nothing contained in this Agreement shall preclude the Parties from establishing, maintaining or providing social programs or services to its residents as it deems proper and necessary.”*

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

The vision of the OCHFT is *“to respond to the humanitarian crisis of homelessness by identifying and securing funding that will contribute to the construction of 2,700 permanent supportive housing and work to secure funding that will contribute to additional affordable housing units by 2025.”*

Since its creation in March 2019, the OCHFT has achieved some remarkable accomplishments towards its mission and vision. Specifically, the OCHFT has secured \$36 million in funding of which \$27 million has been awarded to 16 projects totaling 1,089 affordable and permanent supportive housing units.

## Strategic Plan

In July 2020 the OCHFT Board approved a five-year Strategic Plan. The Strategic Plan includes five components, one of which is entitled “Aggressive Fundraising Strategy.” The following is an excerpt from the Strategic Plan.

### **Strategic Component 1: Aggressive Fundraising Strategy**

1. *Apply for Local Housing Trust Funds (LHTF) grant program dollars (1st Year).*
2. *Work in conjunction with lobbyists to seek additional State/Federal funding beyond the LHTF grant program.*
3. *Explore and create potential co-lending program to further leverage Trust funds for short term pre-development loans that also generates Trust administrative dollars.*
4. *Subscribe to and track various funding announcements and explore ways in which the Trust can apply for funding.*
5. *Set up a donor advised fund with Orange County Community Foundation (OCCF) for the receipt of charitable donations to the Trust projects.*
6. *Identify key philanthropic opportunities with individuals and private sector entities to explore appropriate mechanisms for financial contributions (i.e., donations, legacy gifts, project naming opportunities).*

While the Trust has had considerable funding success for a new organization meeting its mission and vision statements, this document explores in more detail the Trust sustainability for capital and administrative funding and additional funding the Trust can offer to the region. The details in this document will address the elements of Strategic Component 1 as stated above and specifically and separately focus on the details of how to have a sustainable Trust capital and administrative fund.

## Capital Funding Plan

The Trust has agreements committing capital funding totaling just over \$35 million. The details of the existing capital funding and additional capital funding in the future are provided below along with Table 1 which provides the existing capital funding by fiscal year.

### 1. State of California General Fund Grant

The Trust received a one-million grant (Agreement #19-GFD-12998 executed 10/18/2019) from the State of California during the fiscal year 2019-2020 budget year. \$950,000 of this grant was committed to finance the development of permanent supportive housing. The remaining \$50,000 was committed to administrative funding.

2. County of Orange General Fund

The Trust executed a funding agreement with the County of Orange on May 21, 2020. This agreement obligated the County to fund \$1 million in July of each year for five years. The entire grant amount is to be used to finance the development of affordable and/or permanent supportive housing.

3. County of Orange Mental Health Services Act Fund

The Trust executed a funding agreement with the County of Orange on May 21, 2020. This agreement obligated the County to fund \$4.5 million in July of the first year and \$4.0 million in July of each of the remaining four years. The entire \$20.5 million grant is to be used to finance the development of permanent supportive housing.

4. State of California Local Housing Trust Fund (LHTF)

Funding for the LHTF is provided by the Veterans and Affordable Housing Bond Act of 2018 (Proposition 1) adopted by voters on November 6, 2018. The LHTF program provides matching funds to local and regional housing trust funds dedicated to the creation, rehabilitation, or preservation of affordable housing, transitional housing and emergency shelters.

The LHTF program has a competitive application process and awards matching funds up to \$5 million per year. The Trust was the recipient of LHTF program funds in the following years:

Fiscal Year 2020-2021            \$4,215,360.01 of which \$4,004,592.01 went to finance the development of Trust funded projects and the remaining \$210,768 went to Trust administrative expenses.

Fiscal Year 2021-2022            \$5,000,000.00 of which \$4,750,000.00 went to finance the development of Trust funded projects and the remaining \$250,000 went to Trust administrative expenses.

Additionally, the Trust has applied for the LHTF program in Fiscal Year 2022-2023 for \$3,756,424.21 which, if awarded, \$3,568,603.00 will go to finance the development of Trust funded projects and the remaining \$187,821.21 will go to Trust administrative expenses.

5. State of California Funding

The Trust continues to pursue additional capital funding sources. In 2022 the Trust worked with Assemblymember Tom Daly to lead an effort to obtain supportive signatures from every legislator in Orange County and submit a funding request to Sacramento for \$30 million. The outcome of this request has not been determined.

Regardless of this year's funding request outcome, the Trust will continue to pursue various State funding sources.

#### 6. Federal Funding

In 2022 the Trust has worked with Congressman Lou Correa to support a \$3 million federal funding request for the Trust. The request has been approved by the House Appropriations Committee and awaits final budget approval for Fiscal Year 2022-2023.

The Trust will continue to work with federal legislators to secure additional funding from various federal sources.

#### 7. Regional Early Action Planning Grant (REAP) 2.0

The REAP 2.0 program is funded with \$500 million from the Coronavirus Fiscal Recovery Fund of 2021 and \$100 million from the State General Fund. REAP 2.0 will be administered by the California Department of Housing and Community Development (HCD). The majority of funds will flow directly to the state's 18 Metropolitan Planning Organizations (MPOs), with an expectation the MPOs will subgrant a portion of the funds to eligible entities in the metropolitan region.

The purpose of REAP 2.0 is supporting transformative planning and implementation activities that include, but are not limited to, accelerating infill and affordable development; supporting residents through realizing multimodal communities; shifting travel behavior through reducing driving; and increasing transit ridership; walking; and biking as primary modes of transportation.

The Southern California Association of Governments (SCAG) is one of the largest MPOs in the State and will receive \$246 million in REAP 2.0 funding. SCAG has created a draft REAP 2.0 Program Development Framework that outlines the core objectives, guiding principles, and programmatic areas for allocating funds available to SCAG. One of the three programmatic areas of SCAG funding includes funding for Housing Trust Funds.

Trust staff has met with SCAG staff to discuss various funding options that meet the core program objectives of REAP 2.0. Trust staff will continue to work with SCAG to obtain capital funding for the Trust in the first quarter of 2023.

#### 8. Philanthropy

The Trust Strategic Plan includes a recommendation to set up a Donor Advised Fund with the Orange County Community Foundation (OCCF) for the receipt of charitable donations for Trust projects. The Trust and OCCF entered into an agreement in January 2022.

Now after three years of accomplishments since the Trust was formed, the Trust has a significant track record to pursue obtaining donations for Trust projects.

#### 9. Debt Options

California Government Code section 6539.5 also grants OCHFT the power to authorize and issue bonds, certificates of participation, or any other debt instrument repayable from funds and financing received and pledged by OCHFT. However, at the present time, the OCHFT Joint Powers Agreement (JPA) does not allow OCHFT the power to authorize and issue bonds or other debt instruments. The JPA may be amended in the future to grant OCHFT the power to issue bonds or other debt instruments.

That being said, it is worth a brief discussion about two different debt options for the Trust to consider in the future. Housing bonds provide access to a large amount of cheap financing that is then used to finance the development of affordable housing in the short term. In the long term the bonds are repaid.

As an example, in 2016 voters in the City of Los Angeles overwhelmingly supported a \$1.2 billion general obligation (Proposition HHH) bond to develop or acquire thousands of units of permanently supportive housing, along with additional affordable housing. These bonds are being paid for a small increase in the property tax rate for all properties located in the City of Los Angeles. Since the passage of Proposition HHH, 7,400 new units have been funded and under construction or completed.

In addition, the Trust can explore other funding options that pools private funding sources into start-up capital needed for affordable housing. Private funders earn a modest return on their investment in addition to the eventual repayment of their original investment.

As an example, the Housing Trust Silicon Valley has received investment funding from some of the largest tech companies in the country including Google, Cisco, and LinkedIn. Their investments into the Housing Trust's TECH Fund since March 2017 totals \$117.8 million and helped finance 4,579 homes. These investments from tech companies are not donations, but are structured as loans to the Housing Trust Silicon Valley and repaid by the loans the Trust makes to the affordable development projects.

Both funding options would require an amendment to the Joint Power Agreement.

**Table 1**  
**Trust Capital Fund Summary**

<b>Capital Sources</b>	<b>Fiscal Year</b>	<b>Amount</b>
State of CA General Fund Grant	2019-2020	\$950,000.00
State of CA LHTF	2020-2021	\$4,004,592.01
State of CA LHTF	2021-2022	\$4,750,000.00
County of Orange General Fund	2020-2021	\$1,000,000.00
County of Orange General Fund	2021-2022	\$1,000,000.00
County of Orange General Fund	2022-2023	\$1,000,000.00
County of Orange General Fund	2023-2024	\$1,000,000.00
County of Orange General Fund	2024-2025	\$1,000,000.00
County of Orange MHSA Fund	2020-2021	\$4,500,000.00
County of Orange MHSA Fund	2021-2022	\$4,000,000.00
County of Orange MHSA Fund	2022-2023	\$4,000,000.00
County of Orange MHSA Fund	2023-2024	\$4,000,000.00
County of Orange MHSA Fund	2024-2025	\$4,000,000.00
		\$35,204,592.01



## Administrative Funding Plan

While capital is critical to the Trust mission and vision of financing additional affordable and permanent supportive housing, the Trust also needs administrative funding to operate.

In May of every year the Trust Board reviews the past annual administrative budget and approves the upcoming fiscal year administrative budget (see Table 4, *FY 2022-2023 Trust Administrative Budget*). This budget provides the line-item revenue sources, and the line item expenses for the Trust annual budget.

The Trust has various agreements committing administrative revenue sources totaling \$2.36 million. The details of the existing and future administrative funding are provided in Table 2 and detailed below.

### 1. State of California General Fund Grant

The Trust received a one-million grant (Agreement #19-GFD-12998 executed 10/18/2019) from the State of California during the fiscal year 2019-2020 budget year. \$950,000 of this grant was committed to finance the development of permanent supportive housing. The remaining \$50,000 was committed to administrative funding.

### 2. County of Orange Member Contribution

The Joint Powers Agreement does not specify the details of a cost allocation formula between the Trust Members, and instead leaves that decision up to the Board of Directors. On January 15, 2020, the Trust Board approved a cost allocation formula in which the County shall pay 4/9<sup>th</sup> and Member Cities shall pay 5/9<sup>th</sup> of the annual Trust administrative expenses, less any grant or donated funds approved for administrative expenses.

The Trust executed an administrative grant agreement with the County of Orange on May 21, 2020. This agreement obligated the County to fund \$200,000 in July of each year for five years. This administrative grant takes the place of any Trust member contribution specified for the County.

Once the existing County administrative grant funding term expires on June 30, 2025, the Trust will need to either request to extend the County of Orange Administrative Grant or request that the County pay 4/9<sup>th</sup> share of the Trust administrative expenses. At a minimum the County has an obligation, per the executed Joint Powers Agreement, to pay 4/9<sup>th</sup> of the Trust administrative expenses, less any grant or donated funds approved for administrative expenses.

### 3. City Member Contributions

On January 15, 2020, the Trust Board approved a cost allocation formula in which the County shall pay 4/9<sup>th</sup> and Member Cities shall pay 5/9<sup>th</sup> of the annual Trust administrative expenses, less any grant or donated funds approved for administrative expenses.

For the fiscal year 2020-2021 the Trust required all Member Cities to contribute to the Trust administrative expenses following the formula approved by the Trust Board at the January 15, 2020, meeting. All Member Cities paid their fair share which totaled \$250,020. That amount, in combination with the County of Orange Administrative Grant of \$200,000, provided the necessary funding to operate the Trust that year.

For fiscal years 2021-2022 and 2022-2023 there were sufficient administrative funding from other sources to waive the City Member Contributions.

That approved cost allocation formula specifies the approved Trust budget amount, less any grant or donated funds approved for administrative expenses shall paid by Trust members as follows:

- a. Small Cities shall be cities with a population size less than 60,000.
- b. Medium Cities shall be cities with a population size between 60,000 and 95,000 and shall pay twice as much as Small Cities.
- c. Large Cities shall be cities with a population size greater than 95,000 and shall pay twice as much as Medium Cities.

#### 4. State of California Local Housing Trust Fund (LHTF)

As discussed above, the LHTF program allows for 5% of the awarded funds to be used for administrative expenses. The Trust was the recipient of LHTF program funds in the following years:

Fiscal Year 2020-2021            \$210,768 went to Trust administrative expenses.

Fiscal Year 2021-2022            \$250,000 went to Trust administrative expenses.

Additionally, the Trust has applied for the LHTF during the 2022-2023 Fiscal Year and is awaiting a determination regarding that application. If awarded, the Trust will receive \$187,821.21 for administrative expenses for the current fiscal year.

The LHTF administrative amounts are deposited into the Trust account at the time each project is funded by HCD and represent 5% of the project funding total amount.

#### 5. Regional Early Action Planning (REAP) 1.0 & 2.0 Grant

On May 31, 2021, the Trust entered into a Memorandum of Understanding (Agreement) with the Orange County Council of Governments (OCCOG). OCCOG approved \$600,000 of REAP 1.0 funding to the Trust for various administrative activities.

Trust Staff is currently working directly with SCAG regarding REAP 2.0 (see Capital Funding Plan #6) and anticipates receiving a portion of their funding for capital and administrative purposes. The exact amount and purpose of the funding is unknown at the current time.

## 6. Loan Fees and Interest

The Trust structures its contributions to development projects as loans with a 3% simple interest for a 55 year term, with repayment from the project's residual receipts. As time goes on, and the development projects start to pay down their senior debt and become increasingly cashflow positive, the Trust will start to receive loan payments from each of the projects it loans money to. These loan repayment funds will be able to be used on future projects. However, it is not expected that any project will start to be able to repay its Trust loan for at least the first ten years of the project's operation.

Additionally, one of the outcomes of the Trust creating additional financing programs from the debt options discussed previously in the Capital Funding Plan #9 is the opportunity for the Trust to earn loan fees and interest from short-term pre-development Trust loans. Loan fees and interest could provide substantial administrative revenue to the Trust.

## 7. Compliance Monitoring

The template loan agreement for each project that closes includes a compliance monitoring fee paid at project loan closing. The fee equals an initial one-time fee of \$500 and an annual compliance fee. The compliance fee for 2020 and 2021 NOFA projects is \$65 per Trust unit funded and for 2022 NOFA projects it is \$95 per Trust unit funded. These amounts are consistent with the compliance monitoring fees that Orange County Community Resources charges to affordable housing developments in which they participate.

An analysis of the annual compliance monitoring fee is provided in Table 3 and indicates the Trust will collect approximately \$16,000 per year. Each year as additional projects and Trust units are funded by the Trust the annual compliance amount will increase.

**Table 2**  
**Trust Administrative Fund Summary**

<b>Administrative Sources</b>	<b>Fiscal Year</b>	<b>Amount</b>
State of CA General Fund Grant	2019-2020	\$50,000.00
State of CA LHTF	2020-2021	\$210,768.00
State of CA LHTF	2021-2022	\$250,000.00
City Member Contributions	2020-2021	\$250,020.00
County of Orange Admin Grant	2020-2021	\$200,000.00
County of Orange Admin Grant	2021-2022	\$200,000.00
County of Orange Admin Grant	2022-2023	\$200,000.00
County of Orange Admin Grant	2023-2024	\$200,000.00
County of Orange Admin Grant	2024-2025	\$200,000.00
OCCOG REAP Admin Grant	2021-2022	\$600,000.00
		\$2,360,788.00

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**Table 3**  
**Compliance Monitoring Fee Analysis**

2020 NOFA		# OF TRUST	INITIAL	ANNUAL		FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
	DATE	UNITS	FEE	UNIT FEE	UNIT FEE					
Airport Inn	Dec-20	16	\$ 500	\$ 65	\$ 1,040		\$ 1,540.00	\$ 1,040.00	\$ 1,040.00	\$ 1,040.00
Center of Hope	Dec-21	16	\$ 500	\$ 65	\$ 1,040		\$ 1,540.00	\$ 1,040.00	\$ 1,040.00	\$ 1,040.00
Orchard View	May-22	5	\$ 500	\$ 65	\$ 325			\$ 825.00	\$ 325.00	\$ 325.00
Santa Angelina	May-22	5	\$ 500	\$ 65	\$ 325		\$ 825.00	\$ 325.00	\$ 325.00	\$ 325.00
North Harbor	Apr-21	14	\$ 500	\$ 65	\$ 910		\$ 1,410.00	\$ 910.00	\$ 910.00	\$ 910.00
FX Residences	Mar-22	16	\$ 500	\$ 65	\$ 1,040		\$ 1,540.00	\$ 1,040.00	\$ 1,040.00	\$ 1,040.00
Mountain View	Dec-21	11	\$ 500	\$ 65	\$ 715	\$ 1,215.00	\$ 715.00	\$ 715.00	\$ 715.00	\$ 715.00
<b>TOTALS</b>		<b>83</b>				<b>\$1,215.00</b>	<b>\$ 7,570.00</b>	<b>\$ 5,895.00</b>	<b>\$ 5,395.00</b>	<b>\$ 5,395.00</b>
2021 NOFA		CLOSING	# OF TRUST	INITIAL	ANNUAL	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
	DATE	UNITS	FEE	UNIT FEE	UNIT FEE					
Paseo Adelanto	Nov-22	26	\$ 500	\$ 65	\$ 1,690		\$ 2,190.00	\$ 1,690.00	\$ 1,690.00	\$ 1,690.00
Westview House	May-22	25	\$ 500	\$ 65	\$ 1,625		\$ 2,125.00	\$ 1,625.00	\$ 1,625.00	\$ 1,625.00
Orange Corporate Yard	Jan-22	6	\$ 500	\$ 65	\$ 390		\$ 890.00	\$ 390.00	\$ 390.00	\$ 390.00
Anaheim Midway (Miraflores)	Mar-22	8	\$ 500	\$ 65	\$ 520		\$ 1,020.00	\$ 520.00	\$ 520.00	\$ 520.00
Crossroads at Washington	May-22	15	\$ 500	\$ 65	\$ 975		\$ 1,475.00	\$ 975.00	\$ 975.00	\$ 975.00
Meadows	Aug-22	7	\$ 500	\$ 65	\$ 455		\$ 955.00	\$ 455.00	\$ 455.00	\$ 455.00
<b>TOTALS</b>		<b>87</b>				<b>\$ -</b>	<b>\$ 8,655.00</b>	<b>\$ 5,655.00</b>	<b>\$ 5,655.00</b>	<b>\$ 5,655.00</b>
2022 NOFA		# OF TRUST	INITIAL	ANNUAL		FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
	DATE	UNITS	FEE	UNIT FEE	UNIT FEE					
Motel 6	Sep-23	22	\$ 500	\$ 95	\$ 2,090			\$ 2,590.00	\$ 2,090.00	\$ 2,090.00
Lincoln	Apr-23	11	\$ 500	\$ 95	\$ 1,045		\$ 1,545.00	\$ 1,045.00	\$ 1,045.00	\$ 1,045.00
Meadows	Dec-22	7	\$ 500	\$ 95	\$ 665		\$ 1,165.00	\$ 665.00	\$ 665.00	\$ 665.00
WisePlace	Mar-23	14	\$ 500	\$ 95	\$ 1,330		\$ 1,830.00	\$ 1,330.00	\$ 1,330.00	\$ 1,330.00
<b>TOTALS</b>		<b>54</b>					<b>\$ 4,540.00</b>	<b>\$ 5,630.00</b>	<b>\$ 5,130.00</b>	<b>\$ 5,130.00</b>
<b>GRAND TOTALS</b>		<b>224</b>				<b>\$1,215.00</b>	<b>\$20,765.00</b>	<b>\$17,180.00</b>	<b>\$16,180.00</b>	<b>\$16,180.00</b>
					<b># of Units</b>	<b>43</b>	<b>197</b>	<b>224</b>	<b>224</b>	<b>224</b>
					<b>Per Unit</b>	<b>\$ 28.26</b>	<b>\$ 105.41</b>	<b>\$ 76.70</b>	<b>\$ 72.23</b>	<b>\$ 72.23</b>

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**Table 4**  
**Trust FY 2022-23 Administrative Budget**

**Orange** | Housing  
**County** | Finance  
Trust

**FY 2022-23 Administrative Budget**

ADMINISTRATIVE REVENUES	21-22 BUDGET	21-22 As Of 04/30/22	%	Est 21-22 06/30/22	%	22-23 BUDGET
REAP Grant	\$ 310,000	\$ -	0%	\$ 130,000	42%	\$ 470,000
County of Orange Administrative Grant	\$ 200,000	\$ 200,000	100%	\$ 200,000	100%	\$ 200,000
City Membership Contribution	\$ -	\$ -	0%	\$ -	0%	\$ -
Local Housing Trust Fund Administrative Grant	\$ 105,384	\$ 21,457	20%	\$ 99,264	94%	\$ 341,367
Interest Earned	\$ -	\$ 43,386	0%	\$ 52,000	0%	\$ 52,000
Carryover funds from previous year	\$ -	\$ 207,372	0%	\$ 207,372	0%	\$ 188,466
Annual Project Compliance Monitoring Fee	\$ -	\$ -	0%	\$ 4,295	0%	\$ 19,765
<b>TOTAL ADMINISTRATIVE REVENUES</b>	<b>\$ 615,384</b>	<b>\$ 472,215</b>	<b>77%</b>	<b>\$ 692,931</b>	<b>113%</b>	<b>\$ 1,271,598</b>

ADMINISTRATIVE EXPENSES	21-22 BUDGET	21-22 As Of 04/30/22	%	Est 21-22 06/30/22	%	22-23 BUDGET
<b>GENERAL OPERATING COSTS</b>						
Memberships/Subscriptions/Dues/Website/Email	\$ 2,500	\$ -	0%	\$ 307	12%	\$ 1,000
Office Supplies/Mailing/Equipment/Software/Copying/Misc Fees	\$ 2,000	\$ 427	21%	\$ 427	21%	\$ 1,500
Conference-Registration Fees/Travel Expenses/Business Meeting	\$ 4,000	\$ -	0%	\$ -	0%	\$ 4,000
Insurance (Alliant) (this budget item approved mid-year)	\$ 16,000	\$ 12,581	79%	\$ 12,581	79%	\$ 14,500
<b>TOTAL GENERAL OPERATING COSTS</b>	<b>\$ 24,500</b>	<b>\$ 13,008</b>	<b>53%</b>	<b>\$ 13,315</b>	<b>54%</b>	<b>\$ 21,000</b>

<b>CONSULTANT COSTS</b>						
Management and Administration (CivicStone)	\$ 240,000	\$ 189,708	79%	\$ 285,000	119%	\$ 260,000
County Counsel (County MOU)	\$ 40,000	\$ 65,484	164%	\$ 82,000	205%	\$ 110,000
County Clerk of the Board (County MOU)	\$ 6,000	\$ 1,796	30%	\$ 2,500	42%	\$ 6,000
County Sheriff (Board Meeting Audio/Video) (County MOU)	\$ 1,803	\$ 463	26%	\$ 1,000	55%	\$ 2,000
County Treasurer (County MOU)	\$ -	\$ 5,142	0%	\$ 6,250	0%	\$ 6,000
County Auditor Controller (County MOU)	\$ 7,500	\$ 8,957	119%	\$ 12,000	160%	\$ 15,000
County Community Resources (County MOU)	\$ 80,000	\$ 36,592	46%	\$ 45,000	56%	\$ 50,000
Financial Consultant (CSH)	\$ 35,000	\$ -	0%	\$ -	0%	\$ 18,000
Auditing Consultant (Edie Bailly)	\$ 17,000	\$ 15,400	91%	\$ 15,400	91%	\$ 17,000
Advocacy/Lobbying Services	\$ 72,000	\$ 36,000	50%	\$ 42,000	58%	\$ 72,000
Marketing & Communication Services	\$ 20,000	\$ -	0%	\$ -	0%	\$ 25,000
Website and GIS Mapping Consultant	\$ 71,581	\$ -	0%	\$ -	0%	\$ 65,000
<b>TOTAL CONSULTANT COSTS</b>	<b>\$ 590,884</b>	<b>\$ 359,542</b>	<b>61%</b>	<b>\$ 491,150</b>	<b>83%</b>	<b>\$ 646,000</b>

<b>ESTIMATED ANNUAL EXPENSES</b>	<b>\$ 615,384</b>	<b>\$ 372,550</b>	<b>61%</b>	<b>\$ 504,465</b>	<b>82%</b>	<b>\$ 667,000</b>
<b>REVENUE MINUS EXPENSES</b>	<b>\$ -</b>	<b>\$ 99,665</b>		<b>\$ 188,466</b>		<b>\$ 604,598</b>

Agenda Item 5  
Election of Officers

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

**MEETING DATE:** July 20, 2022

**SUBJECT:** Election of Officers for Fiscal Year 2022/2023



Adam B. Eliason, Manager

**RECOMMENDED ACTION:**

ELECTION OF OFFICERS FOR FISCAL YEAR 2022/2023

**BACKGROUND:**

Per Section 5(e)(6) of the Joint Power Agreement, the Board of Directors shall select a Chairperson and Vice-Chairperson at the first meeting held in each fiscal year. The OCHFT Fiscal Year is from July 1<sup>st</sup> to June 30<sup>th</sup>. Therefore, this election will be for the 2022-2023 Fiscal Year.

The Chairperson will conduct the election process and the Clerk of the Trust will record the election results.

Pursuant to the Article III, Section D of the Trust's adopted bylaws, if a County representative is the Chair for any one period, a City representative shall serve as Vice-Chair. In turn, if a City representative is Chair for any one period, a County representative shall serve as Vice-Chair.