

REGULAR MEETING AGENDA - ORANGE COUNTY HOUSING FINANCE TRUST

WEDNESDAY, MAY 17, 2023 - 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**

STEPHEN FAESSEL
Chairman

SHARI FREIDENRICH
Vice Chair

DON BARNES
Director

NATALIE MOSER
Director

JAMEY FEDERICO
Director

KATRINA FOLEY
Director

JESSIE LOPEZ
Director

CYNTHIA VASQUEZ
Director

VICENTE SARMIENTO
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 aliason@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 March 15, 2023, 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. Approve a waiver of City Member contributions for fiscal year 2023-24; and approve fiscal year 2023-24 Orange County Housing Finance Trust Budget.
3. Approve the 2023 Trust NOFA project funding, waiver regarding maximum per project funding and capitalized operating subsidy reserve and authorize Trust Manager to execute a contingent Letter of Intent to funding awardees.
4. Adopt resolution authorizing Trust Manager to apply for Local Housing Trust Fund program.
5. Adopt resolution authorizing Trust Manager to apply for the Southern California Association of Governments – Regional Early Action SCAG – PATH grant program with \$3 million towards a predevelopment loan program and \$4.5 million towards an ADU loan program.

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: July 19, 2023 – 10:00am

Agenda Item 1
Trust Minutes
March 15, 2023

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

WEDNESDAY, MARCH 15, 2023, 10:00 A.M.

STEPHEN FAESSEL
Chairman

SHARI FREIDENRICH
Vice Chair

DON BARNES
Director

NATALIE MOSER
Director

JAMEY FEDERICO
Director

KATRINA FOLEY
Director

JESSIE LOPEZ
Director

CYNTHIA VASQUEZ
Director

VICENTE SARMIENTO
Director

Trust Manger
Adam Eliason

Trust Counsel
Lauren Kramer

Clerk of the Trust
Valerie Sanchez

ATTENDANCE: Directors Barnes, Faessel, Federico, Foley, Lopez, Moser, and Sarmiento

ABSENT: Directors Freidenrich and Vasquez

PRESENT: Trust Counsel Lauren Kramer
Clerk of the Trust Valerie Sanchez
Trust Manager Adam Eliason

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

Director Foley 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 January 26, 2023 meeting
ON THE MOTION OF DIRECTOR FOLEY, SECONDED BY DIRECTOR SARMIENTO, BY A VOTE OF 6 TO 0, WITH VICE CHAIR FREIDENRICH AND DIRECTORS LOPEZ AND VASQUEZ BEING ABSENT, THE BOARD APPROVED THE MINUTES OF THE JANUARY 26, 2023 SPECIAL MEETING AS AMENDED TO REFLECT THE POSITIONS OF DIRECTORS FOLEY AND SARMIENTO BEING VACANT FOR THE SPECIAL MEETING

DISCUSSION ITEMS:

2. Approve revised funding letter of commitment extending the funding expiration date for Orchard View Senior Gardens to July 10, 2023, and authorize Trust Manager to execute letter
ON THE MOTION OF DIRECTOR FOLEY, SECONDED BY DIRECTOR SARMIENTO, BY A VOTE OF 7 TO 0, WITH VICE CHAIR FREIDENRICH AND DIRECTOR VASQUEZ BEING ABSENT, THE BOARD APPROVED ITEM AS RECOMMENDED
3. Approve amended and restated Grant Agreement between the County of Orange and the Orange County Housing Finance Trust allocating an additional \$10 million in Mental Health Services Act funding to the Orange County Housing Finance Trust
ON THE MOTION OF DIRECTOR SARMIENTO, SECONDED BY DIRECTOR FEDERICO, BY A VOTE OF 7 TO 0, WITH VICE CHAIR FREIDENRICH AND DIRECTOR VASQUEZ BEING ABSENT, THE BOARD APPROVED ITEM AS RECOMMENDED
4. Approve contract with Houseal Levigne for mapping services not to exceed \$35,000 and authorize Trust Manager to execute contract and exercise cost contingency not to exceed \$5,000
ON THE MOTION OF DIRECTOR FOLEY, SECONDED BY DIRECTOR LOPEZ, BY A VOTE OF 7 TO 0, WITH VICE CHAIR FREIDENRICH AND DIRECTOR VASQUEZ BEING ABSENT, THE BOARD APPROVED ITEM AS RECOMMENDED
5. Approve contract with Corporation for Supportive Housing (CSH) for project financial analysis services not to exceed \$88,875 and authorize Trust Manager to execute contract
ON THE MOTION OF DIRECTOR FEDERICO, SECONDED BY DIRECTOR BARNES, BY A VOTE OF 7 TO 0, WITH VICE CHAIR FREIDENRICH AND DIRECTOR VASQUEZ BEING ABSENT, THE BOARD APPROVED ITEM AS RECOMMENDED

HOUSING TRUST MANAGER REPORT (Item 7):

6. Oral Report from the Housing Trust Manager
TRUST MANAGER ADAM ELIASON ANNOUNCED THAT THE TRUST HAD SUBMITTED APPLICATION FOR \$4 MILLION OF CAL-OPTIMA FUNDING FOR AN ADDITIONAL DWELLING UNIT (ADU) PROGRAM CAPABLE OF FUNDING 34 ADU'S THROUGHOUT THE COUNTY; DIRECTORS FOLEY AND FEDERICO ATTENDED THE GROUNDBREAKING FOR PASEO ADELANTO IN SAN JUAN CAPISTRANO WITH DIRECTOR FOLEY REPRESENTING THE COUNTY AND DIRECTOR FEDERICO REPRESENTING THE TRUST; SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) WILL BE RELEASING ITS REGIONAL EARLY ACTION PLAN (REAP) 2.0 GRANT FUNDING AND THE WILL APPLY FOR REAP FUNDING AS WELL

PUBLIC COMMENTS:

None

DIRECTOR COMMENTS:

Director Federico – Suggested future meeting provide a comparison with other housing finance trusts to measure how well the Orange County Housing Finance Trust is doing compared to the other trusts

Director Moser – Oral re: Welcomed the new directors and thanked Trust Manager and support staff for their efforts on behalf of the Trust

Director Foley – Oral re: Suggested future meeting explore possibility of zero-interest loan program for County employees who cannot afford to live in the County they work for

ADJOURNED: 11:20 a.m.

NEXT MEETING: May 17, 2023 at 10:00 a.m.

STEPHEN FAESSEL
Chairman, Orange County Housing Finance Trust

VALERIE SANCHEZ
Clerk of the Orange County Housing Finance Trust

Agenda Item 2
FY 2023-24 Trust Budget

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

MEETING DATE: May 17, 2023

SUBJECT: Approve a waiver of City Member contributions for fiscal year 2023-24; and approve fiscal year 2023-24 Orange County Housing Finance Trust Budget.



Adam B. Eliason, Manager

RECOMMENDED ACTION:

1. APPROVE, BY UNANIMOUS VOTE, A WAIVER OF CITY MEMBER ANNUAL CONTRIBUTIONS AS ESTABLISHED THROUGH THE PREVIOUSLY APPROVED COST ALLOCATION FORMULA TOWARDS THE BUDGETED ADMINISTRATIVE COSTS FOR FISCAL YEAR 2023-24.
2. APPROVE TRUST ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2023-24 AND AUTHORIZE THE HOUSING TRUST MANAGER TO PROCURE AND SPEND GENERAL OPERATING COSTS AS LISTED IN ATTACHMENT A
3. APPROVE A FISCAL APPROPRIATION TO CARRY FORWARD SURPLUS BUDGET REVENUE.

BACKGROUND:

The approved Trust Joint Powers Agreement (JPA) and Bylaw's specify financial accounting, reporting, budget, and audit requirements. Particularly, the JPA requires the Board of Directors to adopt a general budget in May of each year in advance of the start of the Trust's fiscal year, which runs from July 1st to June 30th.

The JPA specifies that the members to the Trust have agreed to make annual contributions towards the budgeted administrative costs of the Trust in accordance with Director approved cost allocation formula. That cost allocation formula was approved at the January 15, 2020, Board Meeting.

The Budget includes general operating costs for such items as website fees, office supplies, copying costs, parking validations, conference expenses, equipment, meeting expenses, etc. The

Budget also includes consultant costs for the administrative functions of the Trust including management and administration, legal counsel, clerking, accounting, financial consultant, auditing consultant, advocacy/lobbying services, marketing, and other services.

PRIOR YEARS BUDGET:

The 2019-20 Budget was funded entirely by the County of Orange.

The 2020-21 Budget was the first year that the Trust funded their own administrative expenses. Since no grant administrative funding was available to offset the administrative expenses, the entire amount was funded by member contributions.

The 2021-22 Budget was entirely paid from the Regional Early Action Planning Grant (REAP), County of Orange, and the Local Housing Trust Fund administrative funds. The total of these three sources of revenue constituted the necessary administrative funding for the 2021-22 Trust Budget and therefore no City Member contributions were necessary.

The 2022-23 Budget introduced three new administrative revenue sources which included interest earned from Trust deposits with the County Treasurer’s office, a new “Carryover funds from previous year” which is unspent administrative revenue from the previous year, and annual project compliance monitoring fee that is received when Trust funds are closed on a project and annually afterwards.

Revenue

Interest earned saw a substantial increase than what was projected due to an accumulation of grant funding deposits in our account long before they were needed for project closings. A new line item has been added for an unexpected \$4 million CalOptima grant. \$550,000 of that amount is for short- and long-term administrative costs and will be deposited into the Trust account prior to the end of this fiscal year. The Annual Project Compliance Monitoring Fee was lower than projected. However, the difference is only transferred to next fiscal year due to delayed project closings.

Expenses

Most of the General Operating Costs reflect zero charges throughout the fiscal year. There were minor costs for overnight fees and website fees and one conference that the Trust Manger attended, and these were all treated as reimbursable expenses and charged against the Management and Administration contract line item and totaled less than \$1,000. The Website and GIS Mapping Consultant contract was approved by the Trust Board below the budgeted amount and will be paid half this fiscal year and half in the next fiscal year.

FISCAL YEAR 2023-24 BUDGET:

The 2023-24 Budget proposes a significant increase in the total administrative budget of the Trust both in the amount of the revenue and expenses.

Revenue

Two new substantial revenue items (MHSA 2 & CalOptima) will be deposited in full into the Trust account and need to be spread over multiply years of administrative expenses. Interest earned for 2023-24 is anticipated to double as the Trust receives \$10 million in MHSA 2 funding sometime in June or July and earns interest for the remainder of the fiscal year. Carryover funds from the previous year will contribute a substantial amount in the next fiscal year.

Expenses

Trust staff propose to keep the small amount of funding for various General Operating Costs in anticipation of possible conference, travel, and various office expenses. The Management and Administration line item is proposed to increase due to the new ADU Loan Program funded by CalOptima grant. Trust staff are also considering additional Trust accounting needs beyond what is provided by the County to help track details of the grant, loan and budget funding. Trust staff will propose a contract adjustment to the CivicHome contract at the July Trust Board Meeting with more details to follow.

Many of the Consultant Costs have small increases to last fiscal year to cover increased activity and anticipated yearly adjustments. Two new Consultant Costs for this fiscal year include ADU Property Management Consultant and ADU Income Certification Consultant. Both are completely funded by the CalOptima grant. Trust staff are working on a Request for Proposal for both contracts. At the July 2023 Trust Board Meeting, Trust staff will present proposals with recommendations.

At the end of the 2023-24 fiscal year, it is anticipated that the Trust will have approximately \$2.5 million in carryover funding.

CITY MEMBER CONTRIBUTIONS:

Joint Powers Agreement Section 7(c)(1) requires City Members to make annual contributions towards the budgeted administrative costs in accordance with a cost allocation formula unless a waiver by unanimous vote is approved by the Board of Directors.

Since this year the Trust will have sufficient revenue to fund Administrative Expenses without the need for city member contributions, the Trust Staff recommends that the Board of Directors approve this waiver.

ATTACHMENT

Attachment A – FY 2023-24 OCHFT Administrative Budget

Orange County | Housing Finance Trust
FY 2023-24 Administrative Budget

DRAFT

ADMINISTRATIVE REVENUES	22-23 BUDGET	22-23 As Of 04/30/23	%	Est 22-23 06/30/23	%	23-24 BUDGET
REAP Grant 1.0	\$ 470,000	\$ 382,000	81%	\$ 402,000	86%	\$ 127,000
MHSA 2	\$ -	\$ -	N/A	\$ -	N/A	\$ 500,000
CalOptima (ADU Loan Program Admin)	\$ -	\$ -	N/A	\$ 550,000	N/A	\$ 550,000
County of Orange Administrative Grant	\$ 200,000	\$ 200,000	100%	\$ 200,000	100%	\$ 200,000
City Memberhip Contribution	\$ -	\$ -	N/A	\$ -	N/A	\$ -
Local Housing Trust Fund Administrative Grant	\$ 341,367	\$ 291,372	85%	\$ 291,372	85%	\$ 147,956
Interest Earned	\$ 52,000	\$ 240,482	462%	\$ 300,000	577%	\$ 600,000
Carryover funds from previous year	\$ 188,466	\$ 188,466	100%	\$ 188,466	100%	\$ 1,355,406
Annual Project Compliance Monitoring Fee	\$ 19,765	\$ 2,950	15%	\$ 8,590	43%	\$ 13,355
TOTAL ADMINISTRATIVE REVENUES	\$ 1,271,598	\$ 1,305,270	103%	\$ 1,940,428	153%	\$ 3,493,717

ADMINISTRATIVE EXPENSES	22-23 BUDGET	22-23 As Of 04/30/23	%	Est 22-23 06/30/23	%	23-24 BUDGET
GENERAL OPERATING COSTS						
Memberships/Subscriptions/Dues/Website/Email	\$ 1,000	\$ -	0%	\$ -	0%	\$ 1,000
Office Supplies/Mailing/Equipment/Software/Copying/Misc Fees	\$ 1,500	\$ -	0%	\$ -	0%	\$ 1,500
Conference-Registration Fees/Travel Expenses/Business Meeting	\$ 4,000	\$ -	0%	\$ -	0%	\$ 4,000
Insurance (Alliant) (this budget item approved mid-year)	\$ 14,500	\$ 13,247	91%	\$ 13,247	91%	\$ 16,000
TOTAL GENERAL OPERATING COSTS	\$ 21,000	\$ 13,247	63%	\$ 13,247	63%	\$ 22,500

CONSULTANT COSTS						
Management and Administration (CivicHome)	\$ 260,000	\$ 198,779	76%	\$ 260,000	100%	\$ 426,500
County Counsel (County MOU)	\$ 110,000	\$ 63,556	58%	\$ 95,000	86%	\$ 110,000
County Clerk of the Board (County MOU)	\$ 6,000	\$ 268	4%	\$ 4,000	67%	\$ 6,000
County Sheriff (Board Meeting Audio/Video) (County MOU)	\$ 2,000	\$ -	0%	\$ -	0%	\$ -
County Treasurer (County MOU)	\$ 6,000	\$ 5,522	92%	\$ 6,000	100%	\$ 9,000
County Auditor Controller (County MOU)	\$ 15,000	\$ 11,419	76%	\$ 15,000	100%	\$ 20,000
County Community Resources (County MOU)	\$ 50,000	\$ 29,656	59%	\$ 45,000	90%	\$ 50,000
Financial Consultant (CSH)	\$ 18,000		0%	\$ 14,625	81%	\$ 29,625
Auditing Consultant (Edie Bailly)	\$ 17,000	\$ 9,500	56%	\$ 15,400	91%	\$ 20,000
Advocacy/Lobbying Services	\$ 72,000	\$ 48,000	67%	\$ 72,000	100%	\$ 72,000
Marketing & Communication Services	\$ 25,000	\$ -	0%	\$ 24,750	99%	\$ 33,000
ADU Property Management Consultant	\$ -	\$ -	0%	\$ -	0%	\$ 153,000
ADU Income Certification Consultant	\$ -	\$ -	0%	\$ -	0%	\$ 11,000
Website and GIS Mapping Consultant	\$ 65,000	\$ -	0%	\$ 20,000	31%	\$ 20,000
TOTAL CONSULTANT COSTS	\$ 646,000	\$ 366,700	57%	\$ 571,775	89%	\$ 960,125

ESTIMATED ANNUAL EXPENSES	\$ 667,000	\$ 379,947	57%	\$ 585,022	88%	\$ 982,625
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REVENUE MINUS EXPENSES	\$ 604,598	\$ 925,323		\$ 1,355,406		\$ 2,511,092
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Agenda Item 3
2023 Trust NOFA
Recommendations

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

MEETING DATE: May 17, 2023

SUBJECT: Approve the 2023 Trust NOFA project funding, waiver regarding maximum per project funding and capitalized operating subsidy reserve and authorize Trust Manager to execute a contingent Letter of Intent to funding awardees.



Adam B. Eliason, Manager

RECOMMENDED ACTION:

1. APPROVE THE 2023 ORANGE COUNTY HOUSING FINANCE TRUST – NOTICE OF FUNDING AVAILABILITY PROJECTS LISTED IN ATTACHMENT A FOR PROJECT FUNDING.
2. APPROVE A WAIVER FOR COSTA MESA MOTEL 6 PROJECT REGARDING THE MENTAL HEALTH SERVICES ACT TERM SHEET POLICY REQUIRING CAPITALIZED OPERATING SUBSIDY RESERVE FOR PROJECTS WITHOUT RENTAL ASSISTANCE VOUCHERS TO SUBSIDIZE OPERATING COSTS.
3. APPROVE A WAIVER FOR COSTA MESA MOTEL 6 AND ST. ANSLEM'S APARTMENTS REGARDING THE MAXIMUM PER PROJECT FUNDING AMOUNT.
4. AUTHORIZE TRUST MANAGER TO EXECUTE A CONTINGENT LETTERS OF INTENT TO FUND AWARDEES.

BACKGROUND:

On January 27, 2023 the Trust released the 2023 Notice of Funding Availability (NOFA). The Trust used its email distribution list to send an informational email and a link to the NOFA document on the Trust website. On February 23, 2023, Trust Staff met with Developers for a NOFA presentation and question and answer session.

The NOFA deadline was March 22, 2023 and a total of three (3) applications were received requesting \$5.78 million in funding. Of that, \$2.5 million was requested in MHSA funding, and the remaining \$3.28 million was requested in non-MHSA funding.

2023 TRUST NOFA SOURCE OF FUNDS

A summary of the 2023 Trust NOFA source of funding is provided below.

1. 2023 County MHSA Funds	\$2,438,987
2. New County MHSA Funds	\$10,000,000
3. County General Funds	\$1,000,000
4. 2023 State LHTF Grant	<u>\$4,750,000</u>
TOTAL	\$18,188,987

The State Local Housing Trust Fund (LHTF) program amount is contingent upon the Trust receiving that grant amount from this year's competitive grant application process. The Trust has been successful receiving the LHTF grant for the past three years which has provided nearly \$11 million in additional funding from the State to Orange County affordable housing developments. The Trust application receives extra points by applying to the State with contingent award of funding towards Trust approved projects which have strategically provided an advantage to the Trust.

The maximum amount per year the Trust can receive through the LHTF program is \$5 million with up to 5% of that amount to be used for Trust administrative expenses. This is a matching grant program and in order to qualify, a Trust must have a dollar-for-dollar matching amount from non-housing dedicated funds in each project that is funded. However, the dollar-for-dollar match does not need to go into the same units that are being funded. Therefore, projects that are requesting MHSA funding that receive a match through the LHTF program may use the LHTF funding on non-MHSA units within the same project.

NOFA APPLICATIONS

The Trust received a total of three (3) applications for funding through the 2023 NOFA. The submitted applications would only allow the Trust to apply to the LHTF program for \$1 million, when the maximum amount is \$5 million. Trust staff explored an alternative project funding scenario that would accomplish the following:

1. Allow the Trust to apply for the maximum amount of LHTF grant funding (\$5 million) versus \$1 million which adds new subsidy funding from the State into Orange County.
2. Increase the number of affordable units available for extremely low-income individuals and households.
3. Increase the amount of project subsidy funding by using State grant funding that would potentially accelerate the project start date by reducing the need for other subsidy funding and improve the project proforma numbers to what is more reasonable.
4. Improve the scoring of our grant application by specifying the projects in the application versus an alternative which is to apply for \$5 million without any projects specified and lose significant points in the application.

Trust staff examined the applications and worked with the applicants for both the Costa Mesa Motel 6 and St. Anslem’s Apartment projects to modify their applications to achieve the benefits listed previously. Milton Manor is proposed to receive the amount requested.

The Costa Mesa Motel 6 project’s application was modified to increase the number of MHSA units by two (2), and to increase the number of non-MHSA units restricted by the Trust from 23 to 26 units. This increased the funding request from \$2,530,000 to \$3,205,072.50. This funding request is in addition to the \$200,000 this project was awarded under the Trust’s 2022 NOFA, and would increase the total funding award for this project to \$3,405,072.50. This funding award would be comprised of \$368,460 in MHSA funding, \$1,177,731.03 in County General Fund funding, and \$1,658,881.47 in LHTF funding. Trust staff anticipates using the 2022 award for this project as part of the 2023 LHTF match for this project.

The St. Anslem’s Apartments’ application was modified to increase the number of non-MHSA units restricted by the Trust from zero (0) to seventeen (17), in addition to the fourteen (14) MHSA units the application initially requested. This increased the funding request from \$2,500,000 to \$4,742,607.50. This funding award would be comprised of \$2,579,220.00 in MHSA funding and \$2,163,387.50 in LHTF funding.

A summary of the applications is included in the table below:

Project Name	Service Planning Area	Trust Funded Units	Total Units	MHSA Funding Request	Non-MHSA Funding Request	Total Request
St. Anslem’s Apartments	Central	31	105	\$2,579,220.00	\$2,163,387.50	\$4,742,607.50
Milton Manor	Central	6	54	\$0	\$750,000.00	\$750,000.00
Costa Mesa Motel 6*	Central	28	87	\$368,460.00	\$3,036,612.50	\$3,405,072.50
Total		65	246	\$2,947,680.00	\$5,950,000.00	\$8,897,680.00
* Costa Mesa Motel 6 was awarded \$200,000 through the Trust’s 2022 NOFA. Two additional units were restricted by the Trust through that award.						

PROJECT EVALUATION

The applications were reviewed by the following panel:

- Overall application review
 - Housing Development Manager, Orange County Housing Finance Trust
 - Service Chief II- Adult & Older Adult, Housing & Supportive Services, OC Health Care Agency
 - Housing Development Manager, OCCR
- Project Proforma – Corporation for Supportive Housing (CSH)

- Financial Statements - Accounting Manager from the OC Auditor-Controller office

The Review Panel considered four selection criteria mentioned in the NOFA. They are presented here in the following priority order.

1. **FUNDING SOURCE:** As indicated in the NOFA, the Review Panel divided the applications into two groups, those that were applying for MHSA funding and those that were not. Each group of projects were scored competitively against one another.
2. **SPA:** The NOFA specified that funding would be initially available equally among the three County Service Planning Areas (SPA). All three projects applying under the 2023 NOFA are located in the central SPA, in the cities of Westminster, Garden Grove, and Costa Mesa.
3. **THRESHOLD REQUIREMENTS:** Section 3 of the NOFA listed a set of threshold requirements that all projects must meet in order to be considered for funding by the Trust through the NOFA. The Review Panel reviewed each application to ensure that each one met the NOFA threshold requirements, which they all did.
4. **SCORING:** The NOFA specified that applications will be competitively scored and ranked against other projects located within the same County Service Planning Area (SPA). The NOFA further stated that scoring serves as a basis to compare applications but ultimately the decision to award funds is based upon the Trust Board approval. Projects were evaluated based upon the NOFA scoring points in several categories such as project readiness, experience, and proximity to community amenities such as grocery stores, medical care, community centers, public parks/libraries, and transit.

All three (3) projects met threshold requirements and project scoring is included in Attachment A. In previous years project scoring determines the priority of Trust funding. This year all projects are not only receiving the funding they requested but two of the projects are being proposed to receive more than requested in return for the benefits listed previously.

The projects have a total of 246 affordable units of which 49 are Trust affordable units and 16 are Trust MHSA units. All the Trust funded units are reserved for extremely low-income households that have an income at or below 30% of area median income.

PROJECT REQUIREMENT WAIVER

As mentioned previously, in order to maximize and receive additional State grant funding through the LHTF Program, staff is recommending two waivers to existing NOFA requirements. The 2023 NOFA limits per-project funding awards to \$2,500,000 and Trust staff is requesting a waiver of this limit considering that the increased funding would come from the State grant or MHSA funding. The second waiver would eliminate MHSA funded units from having a rental subsidy or Capitalized Operating Subsidy Reserve (COSR). The Trust has waived both requirements for specific projects in the past.

Costa Mesa Motel 6 would require waivers for both of these requirements. Costa Mesa Motel 6's revised application requests \$3,405,072.50 in funding and includes two MHSA funded units that would not be covered by a rental subsidy or COSR. However, this project does include thirty (30) units covered by VASH vouchers, as well as ten (10) MHSA units with Project Based Vouchers through the County of Orange. While these forty (40) units with vouchers would not cover the two additional MHSA units restricted through the Trust's loan, staff and CSH consultants have confirmed that the existing vouchers ensure that there is sufficient operating funding for the project even with the two additional MHSA units.

St. Anslem's Apartment would require a waiver for the maximum per-project funding limit. St. Anslem's Apartment's revised application request is for \$4,742,607.50, which is \$2,242,607.50 above the \$2.5 million loan limit.

St. Anslem's Apartment includes a sizable, deferred developer fee, which would not be able to be paid back without this increased loan amount. This larger loan amount will allow for a reduced deferred developer fee and ensure that the Trust can maximize its funding request through the LHTF Program.

It is important to note that while it is proposed to increase the maximum per project Trust loan amount, the per unit amount remains the same.

PROJECT FUNDING RECOMMENDATIONS

Staff recommends approval of the funding award shown in the table above, waive certain NOFA requirements, and authorize Trust staff to execute funding contingent commitment letters consistent with this award. In accordance with the Trust's 2023 NOFA, any remaining money available through the NOFA will be made available on a first-come, first-serve basis. If applications are received for this remaining available funding, they will come to the Board for approval at a future meeting.

Staff recommends approval of this agenda item.

ATTACHMENTS: Attachment A – 2023 NOFA Project Scoring

Orange County Housing Finance Trust 2021 NOFA Application Scoring

Category	Maximum Points	Scoring Criteria	Totals	Costa Mesa		
				Motel 6	St. Anselm	Milton Manor
Developer				Community Development Partners	Domus Development	Retirement Housing Foundation
City				Costa Mesa Central	Garden Grove Central	Westminster Central
Service Planning Area						
Total Number of units			244	85	105	54
Total Trust Funded Units			65	28	31	6
MHSA Units			16	2	14	0
Non-MHSA Units			49	26	17	6
Affordable Housing Funding Request			\$ 1,562,346.41	\$ 1,177,731.03	\$ -	\$ 384,615.38
MHSA Funding Request			\$ 2,947,680.00	\$ 368,460.00	\$ 2,579,220.00	\$ -
LHTF Funding Request			\$ 4,187,653.59	\$ 1,658,881.47	\$ 2,163,387.50	\$ 365,384.62
Total Funding Request			\$ 8,697,680.00	\$ 3,205,072.50	\$ 4,742,607.50	\$ 750,000.00
Project Rediness	35	Projects shall be scored on how quickly they will have units ready for occupancy. Projects will receive a maximum of 35 points for project readiness. For acquisition/rehab projects, projects will be deducted one point for each month past June 1, 2023 for its scheduled loan closing. For new construction projects, projects will be deducted one point for each month past December 1, 2023 for its scheduled loan closing.		35	35	35
Developer Experience & Financial Strength	40	One point will be awarded for every ten (10) units of Permanent Supportive and Affordable Housing that the applicant developed and currently operates		40	0	0
Service Enriched Location	25			10	25	15
Grocery Store	5	Projects will be awarded 5 points if they are within 0.25 miles of a full-scale grocery store. Projects will be awarded 2 points if they are within 0.50 miles of a grocery store.		5	5	
Medical Care	5	Projects will be awarded 5 points if they are within 0.5 miles of a hospital. Projects will be awarded 3 points if they are within 0.5 miles of an urgent care facility or qualifying medical clinic			5	
Community Center	5	Projects will be awarded 5 points if they are within 0.5 miles of a public library or community center			5	5
Public Park	5	Projects will be awarded 5 points if they are within 0.5 miles of a public park			5	5
Transit	5	Projects will be awarded 5 points if they are within 0.5 miles of a bus station, or bus stop that provides service at least every 30 minutes during the hours of 7-9 a.m. and 4-6 p.m., Monday through Friday. If frequency and hours cannot be met but the project is still within 0.5 miles, 3 points will be awarded.		5	5	5
Development Pipeline	10	Projects will be awarded 1 point if they are included on the Trust's Development Pipeline no later than December 1, 2021. New projects can be added to the Trust's Development Pipeline at any time on the Trust's website at https://ochft.org/development-pipeline . Applicants do not need to show evidence of project inclusion on the Trust's Development Pipeline as part of		10	0	0
Affirmatively Furthering Fair Housing	8	Projects will be awarded 8 points if they are located in a High or Highest Resource area designated on the 2022 TCAC/HCD Opportunity Area Map (https://belonging.berkeley.edu/2022-tcacopportunity-map).		0	0	0
Total Score	110			95	60	50

Agenda Item 4
LHTF Application

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

MEETING DATE: May 17, 2023

SUBJECT: Adopt resolution authorizing Trust Manager to apply for Local Housing Trust Fund program.



Adam B. Eliason, Manager

RECOMMENDED ACTION:

ADOPT RESOLUTION (ATTACHMENT A) AUTHORIZING TRUST MANAGER TO APPLY FOR LOCAL HOUSING TRUST FUND PROGRAM, EXECUTE LOCAL HOUSING TRUST FUND STANDARD AGREEMENT AND EXECUTE ANY SUBSEQUENT AMENDMENTS OR MODIFICATIONS AS WELL AS ANY OTHER DOCUMENTS RELATED TO THE PROGRAM OR THE LOCAL HOUSING TRUST FUND PROGRAM

BACKGROUND:

On March 7, 2023, the California Department of Housing and Community Development (HCD) released a Notice of Funding Availability for the 2023 Local Housing Trust Fund (LHTF) program, with applications for this funding due May 17, 2023.

The LHTF provides funding to local and regional housing trusts on a dollar-for-dollar basis with eligible matching funds on the same project. The maximum grant amount is \$5 million. This grant program has become extremely competitive as new trusts have been formed over the past several years.

The Trust has applied and successfully received LHTF grant funding for each of the previous years since the program was funded in 2020 a summary of which is provided below.

2020 LHTF Grant Award = \$4,215,360

2021 LHTF Grant Award = \$5,000,000

2022 LHTF Grant Award = \$3,756,424

TOTAL LHTF Grant Awards = \$12,971,784

2023 LHTF APPLICATION

This years LHTF application uses funding from last year’s NOFA that was not included in the final LHTF match amount and applies it to the benefit of the 2023 LHTF application in order to secure more funding this year.

This plan allows the Trust to apply for the maximum amount allowed under the LHTF program and receive extra points for specifying Trust contingent funding commitments to specific projects in our application.

If the Trust is awarded the full amount of funding in the application, then 5% of the LHTF grant would be used for Trust administrative efforts for project management and compliance requirements. The remaining 95% of the LHTF grant would be for capital funding as listed in the table below.

FUNDING FY	PROJECT	MHSA	GENERAL FUND	LHTF	TOTAL
2022 AWARDS	Motel 6 2022	\$ -	\$ 200,000.00	\$ 190,000.00	\$ 390,000.00
	Lincoln Apts.	\$ 354,290.00	\$ 237,653.59	\$ 562,346.41	\$ 1,154,290.00
2023 NOFA	St. Anselm	\$ 2,579,220.00	\$ -	\$ 2,163,387.50	\$ 4,742,607.50
	Milton Manor	\$ -	\$ 384,615.38	\$ 365,384.62	\$ 750,000.00
	Motel 6 2023	\$ 368,460.00	\$ 1,177,731.03	\$ 1,468,881.47	\$ 3,015,072.50
		\$ 3,301,970.00	\$ 2,000,000.00	\$ 4,750,000.00	\$ 10,051,970.00
			LHTF ADMIN	\$ 250,000.00	
			LHTF TOTAL	\$ 5,000,000.00	

It is important to note that HCD has a requirement that their funding can only go towards affordable housing projects that are in cities with a compliant Housing Element as of the date of award of funds. HCD does not have a specific date when the award of funds will occur but estimates it will be sometime in August 2023. The four projects listed in the table above are in Costa Mesa, Buena Park, Westminster, and Garden Grove and all four currently do not have a

compliant Housing Element. This important note was conveyed to both the developers and the cities.

As part of the application process, HCD requires the Trust to adopt a resolution authorizing the Trust Manager to apply on behalf of the Trust. The authorizing resolution is included as Attachment A.

ATTACHMENTS:

Attachment A – Resolution of the Board of Directors of the Orange County Housing Finance Trust to apply to and comply with the LHTF Program.

May 17, 2023

Orange County Housing Finance Trust

AUTHORIZING RESOLUTION

By majority vote _____ of the Board of Directors
of Orange County Housing Finance Trust, a California public agency _____ (“Applicant”) hereby
consents to, adopts and ratifies the following resolution:

- A. WHEREAS, the Department is authorized to provide up to \$53 million under the Local Housing Trust Fund (“LHTF”) Program from the Veterans and Affordable Housing Bond Act of 2018 (Proposition 1) (as described in Health and Safety Code section 50842.2 et seq. (Chapter 365, Statutes of 2017 (SB 3)) (“Program”).
- B. WHEREAS the State of California (the “State”), Department of Housing and Community Development (“Department”) issued a Notice of Funding Availability (“NOFA”) dated 3/7/2023 under the LHTF Program;
- C. WHEREAS Applicant is an eligible Local or Regional Housing Trust Fund applying to the Program to administer one or more eligible activities using Program Funds.
- D. WHEREAS the Department may approve funding allocations for the LHTF Program, subject to the terms and conditions of H&S Code Section 50842.2, the LHTF Program Guidelines, NOFA, Program requirements, the Standard Agreement and other related contracts between the Department and LHTF award recipients;

NOW THEREFORE BE IT RESOLVED THAT:

- 1. If Applicant receives an award of LHTF funds from the Department pursuant to the above referenced LHTF NOFA, it represents and certifies that it will use all such funds on Eligible Projects in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including, without limitation, all rules and laws regarding the LHTF Program, as well as any and all contracts Applicant may have with the Department (“Eligible Project”).

2. NOW, THEREFORE, IT IS RESOLVED: That the Orange County Housing Finance Trust is hereby authorized to act as the Trustee in connection with the Department's funds to Eligible Projects pursuant to the above described Notice of Funding Availability in an amount not to exceed \$ 5,000,000 (the "LHTF Award"). NOTE: Dollar amount must include amount used for administrative costs, pursuant to Section 105(b) of the Guidelines.
3. Applicant hereby agrees to match on a dollar for dollar basis the LHTF Award pursuant to Guidelines Section 104. Applicant hereby agrees to utilize matching finds on a dollar-for-dollar basis for the same Eligible Project for which Program Funds are used, as required by HSC Section 50843.5(c).
INSTRUCTION: Provide a short summary on how you commit to use the Program Funds and Matching Funds. The summary, which shall be labeled *Attachment 1* shall include: (1) identification of the percent of the total funds requested that will be used for each activity/project, including Area Median Income (AMI) level; and (2) a list of the jurisdictions where the activities/projects will be delivered, in the case of any HTF that serves more than one jurisdiction. *Attachment 1* **MUST be incorporated into your Resolution as an attachment before it is adopted.**
4. Pursuant to Attachment 1 and the Applicant's certification in this resolution, the LHTF funds will be expended only for Eligible Projects and consistent with all program requirements.
5. Nonprofit Housing Trust Funds and Native American Tribe Housing Trust Funds agree to use Program Funds only for Eligible Projects located in cities and counties that submitted an adopted Housing Element that was found by the Department to be in compliance and that have submitted their Housing Element Annual Progress Report (APR) for the current year or prior year by the application due date.
6. Applicant shall be subject to the terms and conditions as specified in the Standard Agreement, H&S Section 50842.2 and LHTF Program Guidelines
7. Adam B. Eliason is/are authorized to execute the LHTF Program Application, the LHTF Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the LHTF Award to Applicant, as the Department may deem appropriate.

PASSED AND ADOPTED at a regular meeting of
the Orange County Housing Finance Trust (OCHFT) _____ this

17 day of May, 2023 by the following vote:

AYES: _____ ABSTENTIONS: _____ NOES: _____ ABSENT: _____

Approving Officer: _____

Signature of Approving Officer

Stephen Faessel, Chair

INSTRUCTION: The attesting officer cannot be the person identified in the resolution as the authorized signor

CERTIFICATE OF THE ATTESTING OFFICER

The undersigned, Officer of Valerie Sanchez does hereby attest and certify that the attached _____ Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of the Orange County Housing Finance Trust, which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

ATTEST: _____

Signature of Attesting Officer

Valerie Sanchez, Clerk of the Trust

Orange County Housing Finance Trust

Attachment 1

May 17, 2023

The Orange County Housing Finance Trust (OCHFT) shall use Matching Funds and LHTF Program Funds awarded by the State of California, Department of Housing and Community Development (HCD) from their Notice of Funding Availability dated March 7, 2023, under the LHTF Program in accordance with the following:

1. 100% of the Matching Funds and Program Funds will assist individuals/households at or below 30% of the Area Median Income for Orange County.
2. 100% of the Matching Funds and Program Funds will help finance the development of new or rehabilitation of affordable multi-family rental projects.
3. 100% of the Matching Funds and Program Funds will help finance projects within unincorporated areas of the County of Orange, if the County of Orange has an adopted housing element determined by HCD to be in compliance with state Housing Element Law, or cities that are members of the OCHFT that have a housing element that was adopted by the city's governing body and subsequently determined by HCD to be in compliance with state Housing Element Law by the time LHTF awards are announced. The twenty-six (26) cities, in addition to the unincorporated areas of the County of Orange, that potentially could meet these criteria include:

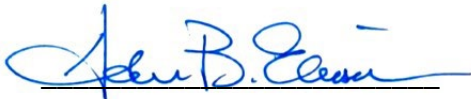
- | | |
|---------------------|-------------------------|
| 1. Aliso Viejo | 18. Orange |
| 2. Anaheim | 19. Placentia |
| 3. Buena Park | 20. San Juan Capistrano |
| 4. Costa Mesa | 21. Santa Ana |
| 5. Dana Point | 22. Seal Beach |
| 6. Fountain Valley | 23. Stanton |
| 7. Fullerton | 24. Tustin |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

Agenda Item 5
REAP 2.0 (PATH) Application

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

MEETING DATE: May 17, 2023

SUBJECT: Adopt resolution authorizing Trust Manager to apply for SCAG – PATH grant program with \$3 million towards a predevelopment loan program and \$4.5 million towards an ADU loan program.



Adam B. Eliason, Manager

RECOMMENDED ACTION:

ADOPT RESOLUTION (ATTACHMENT A) AUTHORIZING THE TRUST MANAGER TO APPLY FOR SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS – PROGRAMS TO ACCELERATE TRANSFORMATIVE HOUSING PROGRAM WITH \$3 MILLION TOWARDS A PREDEVELOPMENT LOAN PROGRAM AND \$4.5 MILLION TOWARDS AN ADU LOAN PROGRAM; EXECUTE PATH FUNDING AGREEMENT AND EXECUTE ANY SUBSEQUENT AMENDMENTS OR MODIFICATIONS AS WELL AS ANY OTHER DOCUMENTS RELATED TO THE PATH PROGRAM

BACKGROUND:

The Southern California Association of Governments (SCAG) will be inviting applications for their Regional Early Action Planning 2.0 (REAP 2.0) grant funding in May 2023 with an application deadline at the end of June 2023.

The REAP 2.0 program is a flexible program that seeks to accelerate progress towards state housing goals and climate commitments through a strengthened partnership between the state, its regions, and local entities. REAP 2.0 seeks to accelerate infill housing development, reduce Vehicle Miles Traveled (VMT), increase housing supply at all affordability levels, affirmatively further fair housing, and facilitate the implementation of adopted regional and local plans to achieve these goals.

SCAG is set to receive approximately \$246 million in grant funds through REAP 2.0, which will be administered by SCAG with suballocations made available to eligible entities through three programmatic funding areas.

Trust Staff is seeking Trust Board approval to apply for one of those funding areas which is available for housing trusts. This portion of the SCAG REAP 2.0 funding is called Programs to Accelerate Transformative Housing (PATH) and there is a total allocation of \$45 million. Housing Trusts are eligible to apply for these competitive grant funds.

Trust Staff has reviewed the Core Objectives of the PATH funding and identified two potential uses for the REAP 2.0 funding.

1. Predevelopment Loan Program – A challenge for affordable housing developers is the cost of predevelopment expenses while they are working to secure more permanent funding for a new development. These expenses include site acquisition, architectural design and engineering, entitlement processing, environmental review, and applying for multiple gap funding sources. Some regional housing trusts have created a predevelopment loan program to provide funding to developers at the early stages of development prior to securing the construction and permanent financing needed to build the project.

A predevelopment loan has a typical term of three to five years. The Trust would offer a loan at slightly below competitive market interest rates and fees. Funds are repaid at construction loan closing from other funding sources, such as tax credit equity or a conventional construction loan. As a predevelopment loan is repaid to the Trust, the funds are then made available for additional predevelopment loans to help acquire and develop additional affordable housing developments.

If PATH funding is awarded the Trust could later consider partnering with an experienced affordable housing finance entity, such as Century Housing, that not only brings the experience of reviewing and underwriting this type of funding but could potentially leverage the Trust funding with their own funding in a dollar-for-dollar match. In this scenario the Trust would share some portion of the risk and earn interest and loan fee revenue that would support the administrative expenses of the Trust.

The Trust is currently exploring whether the Federal grant award of \$3 million that was sponsored by Congressman Correa would also be a source for the Predevelopment Loan Program. Trust staff proposes to apply for \$3 million in PATH funding and combine this funding with the federal grant and matching funding from a financial entity in the following manner:

PATH Funding:	\$3,000,000
Federal grant:	\$3,000,000

Financial Entity:	<u>\$6,000,000</u>
TOTAL:	\$12,000,000

2. ADU Loan Program – The Trust applied for and received \$4 million in CalOptima funding to create an ADU Loan Program. Trust staff are busy researching and creating the program design details. The details of this program will be presented at the July 19, 2023, Trust Board Meeting and then launched shortly thereafter.

This program would provide loans to homeowners seeking to build an Accessory Dwelling Unit (ADU) in exchange for a commitment to rent the ADU to a lower income individual/household, with a priority focus on tenants that hold a Housing Choice Voucher (i.e., a Section 8 voucher), for a set affordability period. The loan is structured so that a portion of the funding is repaid, and a portion of the funding is forgiven, if the homeowner continues to rent the ADU to a voucher holder for a set period of time.

The current CalOptima funding will fund 34 ADU’s scattered throughout the County. Trust staff would like to recommend that the Trust apply for \$4.5 million in PATH funding to which would add an additional 38 ADU’s to the program. Loan repayment proceeds would help contribute to additional ADU’s in the future. Total funding for this program is suggested as follows:

PATH Funding	\$4,500,000
CalOptima Funding	<u>\$4,000,000</u>
TOTAL	\$8,500,000

SCAG has not yet released the application for the PATH grant program, and it is expected to be released in May 2023. Trust staff has presented a recommended program application for two loan programs at specific funding levels. The Trust Board certainly has the option to fund only one program or alter the amount of funding for each program.

As part of the application process, it is anticipated that SCAG may require the Trust to adopt a resolution authorizing the Trust Manager to apply on behalf of the Trust. The authorizing resolution is included as Attachment A.

ATTACHMENTS:

Attachment A – Resolution of the Board of Directors of the Orange County Housing Finance Trust authorizing the Trust to apply to and comply with the PATH Program.

May 17, 2023

Orange County Housing Finance Trust

AUTHORIZING RESOLUTION

By majority vote _____ of the Board of Directors
of Orange County Housing Finance Trust, a California public agency _____ (“Applicant”) hereby
consents to, adopts and ratifies the following resolution:

- A. WHEREAS, the Southern California Association of Governments (SCAG) is authorized to provide up to \$45 million under the Programs to Accelerate Transformative Housing (PATH) Program from the Regional Early Action Program (REAP 2.0) grant program (“Program”).
- B. WHEREAS the SCAG will issue a Notice of Funding Availability (“NOFA”) application for PATH funding;
- C. WHEREAS Applicant is an eligible Regional Housing Trust Fund applying to the Program to administer one or more eligible activities using Program Funds.
- D. WHEREAS the SCAG may approve funding allocations for the PATH Program, subject to the terms and conditions of the REAP 2.0 PATH Program guidelines, adopted November 3, 2022, NOFA, Program requirements, the Standard Agreement and other related contracts between the SCAG and the PATH award recipients;

NOW THEREFORE BE IT RESOLVED THAT:

- 1. If Applicant receives an award of PATH funds from SCAG pursuant to the above referenced PATH NOFA, it represents and certifies that it will use all such funds on Eligible Projects in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including, without limitation, all rules and laws regarding the PATH Program, as well as any and all contracts Applicant may have with the PATH Program.

2. NOW, THEREFORE, IT IS RESOLVED: That the Orange County Housing Finance Trust is hereby authorized to act as the Trustee in connection with the SCAG's funds to Eligible Projects pursuant to the above described Notice of Funding Availability in an amount not to exceed \$ 7,500,000 (the "PATH Award").

3. Adam B. Eliason is/are authorized to execute the LHTF Program Application, the LHTF Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the LHTF Award to Applicant, as the Department may deem appropriate.

PASSED AND ADOPTED at a regular meeting of
the Orange County Housing Finance Trust (OCHFT) _____ this
17 day of May, 2023 by the following vote:

AYES: _____ ABSTENTIONS: _____ NOES: _____ ABSENT: _____

Approving Officer: _____

Signature of Approving Officer

Stephen Faessel, Chair

INSTRUCTION: The attesting officer cannot be the person identified in the resolution as the authorized signor

CERTIFICATE OF THE ATTESTING OFFICER

The undersigned, Officer of Valerie Sanchez does hereby attest and certify that the attached Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of the Orange County Housing Finance Trust, which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

ATTEST: _____

Signature of Attesting Officer

Valerie Sanchez, Clerk of the Trust
