

REGULAR MEETING AGENDA - ORANGE COUNTY HOUSING FINANCE TRUST

WEDNESDAY, MAY 18, 2022 - 10:00 A.M.

MEETING WILL BE HELD IN-PERSON & VIA TELECONFERENCE/VIDEOCONFERENCE

HALL OF ADMINISTRATION - COMMISSION ROOM, FIRST FLOOR
333 W. SANTA ANA BLVD., SANTA ANA, CALIFORNIA

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 both in-person and 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/84123239250?pwd=L89fbxwNc7IN7xL_AltMJ22IHZf4zL.1

Webinar ID: 841 2323 9250

Passcode: 746778

Or One tap mobile: US: +16699009128,,84123239250# or +12532158782,,84123239250#

Or Telephone: Dial(for higher quality, dial a number based on your current location): US: +1 669 900 9128 or +1 253 215 8782 or +1 346 248 7799 or +1 301 715 8592 or +1 312 626 6799 or +1 646 558 8656

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 a Eliason@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 May 17, 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

3. In-person - If you attend the meeting in person and 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.

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 1-2):

1. Approve Orange County Housing Finance Trust minutes from the February 4, 2022, meeting
2. Approve Orange County Housing Finance Trust minutes from the April 27, 2022, meeting

DISCUSSION ITEMS (Item 3-11):

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.

3. 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
4. Receive and file Federal and State funding advocacy update from Townsend Public Affairs
5. Approve the revised Orange County Housing Finance Trust Procurement Policy
6. Authorize the Trust Manager to execute a revised funding letter of commitment extending the funding expiration date for the Orchard View Senior Gardens to March 31, 2023
7. Adopt resolution authorizing Trust Manager to apply for Local Housing Trust Fund (LHTF) program, execute Local Housing Trust Fund standard agreement and any subsequent amendments or modifications as well as any other documents related to the Program or the Local Housing Trust Fund program; and authorize the Trust Manager to work with the Trust's lobbyist to pursue legislative remedy related to eligibility to apply for Local Housing Trust Fund program

8. Approve the 2022 Orange County Housing Finance Trust Notice of Funding Availability (NOFA) projects for project funding; waive Meadows project capitalized operating subsidy reserve; and authorize Trust Manager to execute a contingent Letter of Intent to funding awardees
9. Approve FY 2021-2022 Orange County Housing Finance Trust budget adjustment to increase management and administrative services for CivicStone, LLC (\$45,000 increase; new total \$285,000), County Counsel (\$42,000 increase; new total \$82,000), County Treasurer (\$6,250 increase; new total \$6,250) and County Auditor-Controller (\$4,500 increase; new total \$12,000)
10. Approve waiver of City Member contributions for FY 2022-23; and approve Orange County Housing Finance Trust FY 2022-23 Budget
11. Consider and select Option A or B: (A) Approve extension of agreement with CivicStone, LLC for management and administrative services, ending December 31, 2022 (\$130,000), authorize negotiation of sole source agreement with CivicStone, LLC for management and administrative services for a three-year term and return to the Board for approval; or (B) Approve a twelve-month extension of agreement with CivicStone, LLC for management and administrative services, ending June 30, 2023 (\$260,000), direct staff to issue a Request for Proposal for Trust management services and return to the Board for approval

HOUSING TRUST MANAGER REPORT (Item 12):

12. 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: June 8, 2022, at 10:00 a.m.

Agenda Item 1
Minutes – February 4, 2022

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

FRIDAY, FEBRUARY 4, 2022, 1:00 P.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
Jacqueline Guzman

Clerk of the Trust
Robin Stieler

ATTENDANCE: Directors Chaffee, Faessel, Federico, Jung and Penalozza

ABSENT: Directors Barnes, Bartlett, Freidenrich and Sachs

PRESENT: Trust Counsel
Clerk of the Trust

Jacqueline Guzman
Valerie Sanchez, Chief Deputy

CALL TO ORDER

The Clerk called the meeting to order at 1:07 p.m.

ROLL CALL

The Clerk called the roll and confirmed quorum

PLEDGE OF ALLEGIANCE

Director Federico led the pledge of allegiance

CONSENT CALENDAR (Item 1)

1. Approve Orange County Housing Finance Trust minutes from the November 17, 2021 meeting
ON THE MOTION OF DIRECTOR FAESSEL, SECONDED BY DIRECTOR JUNG, BY A VOTE OF 5 TO 0, WITH DIRECTORS BARNES, BARTLETT, FREIDENRICH AND SACHS BEING ABSENT, APPROVED THE ORANGE COUNTY HOUSING FINANCE TRUST MINUTES FROM THE NOVEMBER 17, 2021 MEETING

DISCUSSION ITEMS (Items 2-4):

2. Receive and file State funding advocacy update from Townsend Public Affairs
RECEIVED AND FILED STATE FUNDING ADVOCACY UPDATE FROM ERIC O'DONNELL OF TOWNSEND PUBLIC AFFAIRS
3. Select one option: Either 1) Approve meeting virtually in accordance with AB361; adopt resolution establishing meeting schedule to include monthly meetings and review and make findings regarding the circumstances of the state of emergency and the ability to meet in person; or 2) Adopt resolution establishing the 2022 Orange County Housing Finance Trust Meeting Calendar
ON THE MOTION OF DIRECTOR FAESSEL, SECONDED BY DIRECTOR JUNG, BY A VOTE OF 5 TO 0, WITH DIRECTORS BARNES, BARTLETT, FREIDENRICH AND SACHS BEING ABSENT, APPROVED OPTION 1 TO MEET VIRTUALLY IN ACCORDANCE WITH AB 361 AND ADOPTED RESOLUTION ESTABLISHING 2022 MEETING SCHEDULE TO INCLUDE MONTHLY MEETINGS AND TO REVIEW AND MAKE FINDINGS REGARDING THE CIRCUMSTANCES OF THE STATE OF EMERGENCY AND THE ABILITY TO MEET IN PERSON
RESO: 22-001-OCHFT
4. Approve 2022 Notice of Funding Availability (NOFA) to finance the development of affordable and permanent supportive housing; and authorize issuance of NOFA on February 8, 2022
ON THE MOTION OF DIRECTOR FEDERICO, SECONDED BY DIRECTOR FAESSEL, BY A VOTE OF 5 TO 0, WITH DIRECTORS BARNES, BARTLETT, FREIDENRICH AND SACHS BEING ABSENT, APPROVED ITEM AS RECOMMENDED

HOUSING TRUST MANAGER REPORT (Item 5)

5. Oral Report from the Housing Trust Manager

GRANT HENNINGER, SENIOR PROJECT MANAGER AND JACKIE GUZMAN, TRUST COUNSEL ARE BUSY WORKING ON SIX (6) PROJECTS; THREE MEMBERS OF THE TRUST ATTENDED THE CENTER OF HOPE GROUND-BREAKING CEREMONY IN ANAHEIM ON JANUARY 31, 2022; TRUST CONTRIBUTED \$2.5 MILLION TO THE CENTER OF HOPE PROJECT

TRUST STAFF CONTINUE TO REACH OUT AND SCHEDULE TIME TO VISIT AND UPDATE MEMBER CITIES WITH INFORMATION REGARDING THE PERFORMANCE OF THE TRUST

WORKING WITH UNITED WAY OF ORANGE COUNTY IN EFFORTS TO GET NON-MEMBER CITIES TO JOIN THE TRUST

PUBLIC & TRUST COMMENTS:

PUBLIC COMMENTS: None

DIRECTOR COMMENTS: None

ADJOURNED: 1:44 p.m.

NEXT MEETINGS:

February 16, 2022

March 16, 2022

April 13, 2022

DOUG CHAFFEE
Chair, Orange County Housing Finance Trust

ROBIN STIELER
Clerk of the Orange County Housing Finance Trust

Agenda Item 2

Minutes – April 27, 2022

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

WEDNESDAY, APRIL 27, 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
Jacqueline Guzman

Clerk of the Trust
Robin Stieler

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

ABSENT: Directors Barnes and Sachs

PRESENT: Trust Counsel
Clerk of the Trust

Jacqueline Guzman
Valerie Sanchez, Chief Deputy

CALL TO ORDER

The Chairman called the meeting to order at 10:01 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 April 13, 2022, meeting
ON THE MOTION OF CHAIRMAN CHAFFEE, SECONDED BY DIRECTOR FAESSEL, BY A VOTE OF 7 TO 0, WITH DIRECTORS BARNES AND SACHS BEING ABSENT, APPROVED THE ORANGE COUNTY HOUSING FINANCE TRUST MINUTES FROM THE APRIL 13, 2022 MEETING AS AMENDED TO CORRECT TITLE OF VICE CHAIRMAN FAESSEL

DISCUSSION ITEMS (Item 2-3):

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 BARTLETT, BY A VOTE OF 6 TO 1, WITH DIRECTOR FEDERICO VOTING NO AND DIRECTORS BARNES AND SACHS BEING ABSENT, THE BOARD APPROVED ITEM AS RECOMMENDED
RESO: 22-005-OCHFT
3. Authorize and consent to the continued legal representation by the Office of County Counsel utilizing an ethical wall due to a potential conflict of interest
ON THE MOTION OF DIRECTOR FAESSEL, SECONDED BY DIRECTOR PENALOZA, BY A VOTE OF 7 TO 0, WITH DIRECTORS BARNES AND SACHS BEING ABSENT, THE BOARD APPROVED ITEM AS RECOMMENDED

HOUSING TRUST MANAGER REPORT (Item 3)

4. Oral Report from the Housing Trust Manager
TRUST STAFF HAS BEEN WORKING WITH THE TRUST CLERK TO SET A LOCATION IN TIME FOR THE MAY MEETING TO ALLOW HYBRID FORMAT MEETING WHERE SOME DIRECTORS MAY MEET IN PERSON AND OTHERS PARTICIPATING VIA TELECONFERENCE; TOWNSEND CONTINUES WORKING TO SECURE BOTH STATE AND FEDERAL FUNDING FOR THE TRUST; SEVERAL PROJECTS ARE IN THE CLOSING PROCESS AND WILL PROVIDE ADDITIONAL DETAILS DURING THE MAY MEETING

PUBLIC & TRUST COMMENTS:

PUBLIC COMMENTS: None

DIRECTOR COMMENTS:

Chairman Chaffee – Oral re: Participated in a Zoom call with the Governor to express concerns related to the proposed Care Court bill and the inclusion of a housing plan element without including a recovery plan element for those with mental illness or substance abuse disorders that leave them unable to make coherent decisions for themselves

Director Bartlett – Oral re: Indicated CSAC is engaged and working with lawmakers to close significant gaps in the Care Court proposal including unfunded mandate concerns in addition to concerns about how the Care Court would handle participants potentially being held against their will and violating constitutional rights; suggested letters from cities and counties will help to communicate such concerns to Sacramento

ADJOURNED: 10:29 a.m.

NEXT MEETINGS: May 18, 2022 at 10:00 a.m.

DOUG CHAFFEE
Chair, Orange County Housing Finance Trust

ROBIN STIELER
Clerk of the Orange County Housing Finance Trust

DRAFT

Agenda Item 3
Adopt Meeting Resolution

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

MEETING DATE: May 18, 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, and March 16, 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 March 11, 2022. As part of the revised Orders and Strong Recommendations, the Health Officer continues to strongly recommend social distancing for certain populations. During both the April 13, 2022, and April 27, 2022, 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. Once staff finds an appropriate and available meeting room, this could include the option for some members to appear in person while others appear via teleconferencing as a measure to ensure social distancing. Should the resolution not be adopted, the Board of Directors would need to attend the Trust's next meeting in person.

ATTACHMENT:

Attachment A Resolution

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE ORANGE COUNTY HOUSING FINANCE TRUST
May 18, 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, and March 16, 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 March 11, 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, on April 13, 2020, and April 27, 2022, this Board found that it was not possible for members of the 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 4
Federal and State funding
advocacy update

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

MEETING DATE: May 18, 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 - OCHFT Lobbying Update



M E M O R A N D U M

To: Orange County Housing Finance Trust

From: Townsend Public Affairs
Christopher Townsend, President
Cori Takkinen, Vice President
Eric O'Donnell, Senior Associate

Date: April 27, 2022

Subject: Advocacy Update

Townsend Public Affairs (TPA) is currently working with the Orange County Housing Finance Trust (Housing Trust) staff on a state and federal advocacy strategy to secure funding in Sacramento and Washington DC. TPA has submitted requests for funding to the state and federal level and is currently 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. The request was submitted to the Budget Committee in late March and TPA has been working on securing letters of support for this request as well as doing additional advocacy around the budget.

The State budget must be adopted by the Legislature by June 15, 2022, and signed into law by the Governor by July 1, 2022.

Federal Budget Opportunities –

In late March, the application process for community project funding opened up at the federal level. Senator Padilla and Senator Feinstein had requests due on April 4th, and Members of the House had deadlines in mid-April. TPA coordinated with the Housing

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Federal Office ▪ 600 Pennsylvania SE • Suite 207 • Washington, DC 20003 • Phone (202) 546-8696 • Fax (202) 546-4555
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

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.

In addition, on April 11, TPA scheduled and facilitated a tour for Congressman Correa's Washington DC based Legislative Director to visit the Center of Hope site in Anaheim and learn about the Trust, their partnerships, and our request for community project funding.

TPA continues to follow up with each office in advance of them selecting their final projects to move forward in the FY23 appropriations process. Once final projects are selected by Members of Congress, the projects will advance to the relevant appropriations subcommittee for review and final selection. 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, we anticipate that Congress will again miss the deadline this year, with a FY23 budget agreement hopefully being passed by early 2023.

Agenda Item 5
Trust Procurement Policy

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

MEETING DATE: May 18, 2022

SUBJECT: Approve the revised Orange County Housing Finance Trust Procurement Policy



Adam B. Eliason, Manager

RECOMMENDED ACTION:

APPROVE THE REVISED ORANGE COUNTY HOUSING TRUST PROCUREMENT POLICY PURSUANT TO BOARD OF DIRECTORS RECOMMENDATION.

BACKGROUND:

At the March 16, 2022, meeting of the Trust Board, the Board considered adoption of a Procurement Policy. At that meeting, Board members requested several changes to the Policy, including:

- Definition of what it means for a company to have its “principal place of business” in Orange County;
- Clarification on how bids that had a tied score would be awarded; and
- Revision to the threshold for mandatory interviews from \$1,000,000 down to \$500,000.

The revised Policy, provided as Attachment A, incorporates these changes as requested by the Board. A redline version of the Policy presented at the March 16th meeting is provided as Attachment B.

In summary, the principal place of business clarification in the Policy shall follow the Orange County Local Small Business Preference Policy which requires a business to maintain their principal center of operations within Orange County and have a business license or certificate of occupancy issued within Orange County.

For bids that had a tied score, the Trust shall determine the contract award based on the Trust’s best interest and discretion.

The threshold for mandatory interviews has been changed per Board direction.

Staff recommends approval of this agenda item.

ATTACHMENTS: Attachment A – Revised Procurement Policy

Attachment B – Redline of Revised Procurement Policy from previously presented policy

Orange Housing County Finance Trust

PROCUREMENT POLICY

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1 PURPOSE

The purpose of this policy is to provide a guide for staff involved in the procurement process for the Orange County Housing Finance Trust (“OCHFT” or “Trust”). The purpose of this policy is to simplify, clarify, and centralize the requirements governing the Trust’s procurement.

This Procurement Policy is intended to be a living document and may be updated from time to time as policies are amended.

2 GENERAL PROVISIONS

Trust procurement policies apply to all contracts for the procurement of supplies and services, as well as every expenditure of federal, state, and local public funds irrespective of the source of funds. The policies also apply to contracts which do not involve an obligation of funds.

The policies are not applicable to grants and loans awarded by the Trust.

Effective the date of adoption of this policy, the Trust has adopted an Orange County Local Small Business Preference (OCLSBP) Policy. Implementation of the OCLSB Preference policy supports local businesses, the local economy and the development of the County’s tax base.

To be certified as a Local Small Business by the Trust, a business shall meet (1) and (2) below:

1) Local Business requirements:

a) Maintains their principal center of operations (i.e. headquarters) within Orange County, and:

b) Has:

i) A business address located in the County of Orange that is not a post office box, or;

ii) A valid business license or certificate of occupancy issued by the County of Orange or by an Orange County city, or other documentation acceptable to the County of Orange.

2) Small Business Requirements:

a) Must be certified as a Small Business by the State of California Department of General Services (DGS), and:

b) DGS Small Business requirement must be valid at the time of bid/proposal submittal.

3 ETHICS AND STANDARDS OF CONDUCT IN PROCUREMENT

3.1. Ethics

The Trust Manager, as well as all those involved in Trust procurement, shall discharge their duties in accordance with high ethical standards by practicing their profession with integrity, honesty, truthfulness and adherence to the absolute obligation to safeguard the public trust. OCHFT subscribes to, and accepts as its own, the Standards of Procurement Practice adopted by the California Association of Public Procurement Officials (CAPPO):

- To regard public service as a sacred trust, giving primary consideration to the interests of the public agency that employs us.
- To purchase without prejudice, seeking to obtain the maximum value for each dollar expended.
- To avoid unfair practices, giving all qualified vendors equal opportunity.
- To honor our obligations and require that obligations to our public agency be honored.
- To accord vendor representatives courteous treatment, remembering that these representatives are important sources of information and assistance in solving our purchasing needs.
- To refuse to accept any form of commercial bribery, and prevent any appearance of so doing.
- To be receptive to counsel from our colleagues, and to cooperate with them to promote a spirit of teamwork and unity.
- To conduct ourselves with fairness and dignity, and to demand honesty and truth in the purchasing process.
- To strive for greater knowledge of purchasing methods and of the materials we purchase.
- To cooperate with all organizations and individuals involved in activities designed to enhance the development of the purchasing profession, remembering that our actions reflect on the entire purchasing profession.

3.2. Standards of Conduct for All Parties Involved in Procurement

These standards establish a framework of expectations for Trust employees and other individuals involved in all phases and aspects of the procurement and contracting life cycle including acquisition planning, the solicitation phase, proposal evaluation, supplier selection, and the post award administration. These procurement standards are founded on applicable federal and California law.

Conflict of Interest. No employee, officer, or agent shall participate directly or indirectly in the selection or in the award or administration of any contract if a conflict, real or apparent, would be involved. Such conflict would arise when a financial or other interest in a firm selected for award is held by:

1. An employee, officer, or agent involved in making the award;
2. His/her relative (including father, mother, son, daughter, brother, sister, uncle, aunt, first cousin; nephew, niece, husband, wife, father-in-law, brother-in-law, sister-in-law, stepfather, stepmother; stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister);
3. His/her partner; or
4. An organization which employs, is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

Understand and fully comply with the standards and your responsibilities and avoid any actual or perceived conflict of interest throughout the procurement process. There are several conflict of interest laws, including Government Code § 1090 and the California Political Reform Act, which apply to procurement. These laws are grounded on the notion that government officials owe paramount loyalty to the public and decisions must be unbiased. Employees and other individuals are prohibited from participating in the making of a contract in which they have a financial interest. The law prohibits the same party from being on both sides of a contract. Individuals and contractors may not participate in the making of a contract and then bid or propose to do the work on that contract at a later date.

Avoid actual and perceived conflicts of interest throughout the entire procurement process. Do not seek or accept any favors, gifts or benefits that are not offered routinely to the general public from contractors, suppliers, vendors, firms or persons representing any of these entities, or other parties that are doing business, or seeking to do business, with the Trust. Do not use your job to obtain benefits, directly or indirectly, for yourself or anyone else.

Conduct all Trust business in an honest and impartial manner. Consistent with the requirements of law, policy and common sense, maintain appropriate confidentiality in both written and oral communications. Resolve issues effectively and ethically, while refraining from exercising any pressure on staff that could be perceived as trying to apply inappropriate influence.

Act for the benefit of the Trust. Ensure public money is spent solely for the benefit of the public and is consistent with applicable federal, State and local laws, regulations policies and procedures.

Failure to adhere to applicable federal and California law, and these Standards of Conduct is subject to disciplinary action up to and including termination, and or referral to appropriate enforcement agencies. Consultants, contractors or other individuals are subject to applicable laws and contractual requirements.

This written standards of conduct covering conflicts of interest and governing the actions of employees engaged in the selection, award and administration of contracts complies with requirements in 2 CFR Part 200, § 200.318, general procurement standards applicable for federally funded and pass through agency purchases.

4 PROCUREMENT AUTHORITY

Procurement derives its authority from federal, state, and local laws. State laws that are applicable to the Trust procurement activities are found in the Government Code, the Civil Code, the Business and Professions Code, the Labor Code and the Public Contract Code.

4.1. Board Authorized Purchases

All local authority rests with the OCHFT Board of Directors unless it is delegated by statute or board action. When delegated, these authorities are further defined by contracts, resolutions, policies, or other board actions. The approved budget appropriation is the authorization by the Board to purchase services and materials for operations during the fiscal year.

4.2. Chief Procurement Officer Authority

The Chief Procurement Officer for Trust is the Trust Manager. Centralized procurement requires that all procurement activities are completed under a single authority within the organization with the goal of procuring needed supplies, services and equipment of quality, within the required time and at the best value in a manner consistent with legal requirements, good business practices and proper fiscal control. The Trust Manager has the authority to award and sign contracts that do not exceed the amount defined in Section 5, *Procurement Thresholds*. Contracts that exceed management authority may be executed by the Trust Manager upon approval of the OCHFT Board of Directors.

4.3. Contract Signature Authority

Only the Trust Manager and Trust Board Chair may execute procurement agreements. (Procurement agreements are written contracts that bind the Trust and a supplier to a purchasing obligation).

5 PROCUREMENT THRESHOLDS

All authority rests with the Trust's Board of Directors unless it is delegated by statute or board action.

The procurement of products and services is accomplished through a variety of procedures as defined in this policy. The procedures are designed to address the differences in complexity, risk and value of each purchase. It is the Trust's policy to develop maximum competition for all purchases. The splitting of purchases into smaller blocks to avoid or otherwise circumvent the thresholds for source selection and solicitation requirements is prohibited.

5.1. Commodity and Services Purchases (non-construction)

Small purchase less than \$10,000

For purchases that are less than \$10,000, competitive written quotes from multiple sources are not required. The purchase can be made so long as it is determined that the written quote received is reasonable. This does not restrict the Trust from requesting additional written quotes when it is in the best interest of the Trust. The Trust Manager may execute contracts under this threshold.

Small purchases over \$10,000 and less than \$50,000

For purchases of materials and services within this range, a simple competitive solicitation process, such as a Request for Quotations (Section 6.1), is required. Insofar as it is practical, no less than three businesses are to be solicited to submit quotations, with the contract award made to the responsive and responsible bidder submitting the quotation which is most advantageous to the Trust that conforms in all material respects to the solicitation. Results of the solicitation and records on the process utilized will be maintained as public records. This does not preclude the Trust from utilizing more restrictive procedures if, and when required by federal or state law (i.e. Public Works), where federal or state funds are involved in the contract to be awarded, or when the Trust Manager determines it is in the best interest to of the Trust to do so.

Purchases greater than \$50,000

For purchases of materials and services greater than \$50,000, a formal competitive solicitation process is required. Trust staff will determine the formal solicitation process. The formal procurement process can be done through a sealed Invitation for Bid (IFB) or a Request for Proposal (RFP) process (Section 7).

Contract Splitting

Contracts may not be split to avoid the \$50,000 threshold; including proposed successor contracts that contain substantially the same scope of work. Splitting purchases to avoid the threshold limits is a violation of Board policy.

5.2. Public Works/Public Projects

The Trust shall not engage in the procurement of Public Works.

6 INFORMAL SOLICITATIONS

Use of the informal solicitations is determined by the dollar threshold of the purchase as described in Section 5.

6.1. Request for Quotations

A request for quotations (RFQ) is an informal bid process used primarily for commodity purchases that fall within the Small Purchase Threshold. Quotations must be submitted in a written format and may be solicited via email. Whenever practicable, no less than three suppliers must be notified of the RFQ.

The RFQ must include clear concise specifications with a description of the physical or functional characteristics of the commodity or equipment desired, and be written to encourage maximum and fair competition. Unless only one brand of commodity or equipment is acceptable due to compatibility or other restrictive requirements, brand names will only be used for providing descriptive information and not be used to restrict competitive bidding.

Award is based on price and is made to the lowest responsive and responsible bidder able to meet the Trust's requirements. In the event of a tie, preference will be given to firms ~~having a legitimate place of business within Orange County~~certified as an OCLSBP, as defined above.

6.2. Request for Information

A request for information (RFI) is an informal method of obtaining information from suppliers that may have unique or critical knowledge about a product or service that the Trust is researching. The RFI method is not intended to result in a contract award but is designed to allow for the collection of current or state-of-the-art industry information that may then be used to develop specifications or a scope of work to be used in a future solicitation. An RFI may also be used during the planning stage of a procurement activity as the first step in the vendor selection process, and a qualification step prior to a Request for Proposal (RFP) or Invitation for Bid (IFB), as described in Section 7.

An RFI is typically used to:

- Compile detailed information about potential suppliers and their capabilities or category/product
- Advise potential suppliers that you intend to source this product or service competitively
- Gather information to further the future solicitation
- Qualify suppliers to a shorter list that will be invited to submit bids or proposals

Responses to requests for information notices are not offers and cannot be accepted to form a binding contract.

7 FORMAL COMPETITIVE SOLICITATION PROCESS

For purchases of materials, equipment, and services which are anticipated to be greater than \$50,000, a formal competitive solicitation process is required. The formal procurement process can be done through a sealed Invitation for Bid (IFB) or a Request for Proposal (RFP) process. Trust staff will determine the formal solicitation process. IFBs and RFPs will be issued by the Trust and will include all contractual terms and conditions applicable to the procurement.

An IFB or RFP may be cancelled, or any or all bids or proposals rejected in whole or in part, as may be specified in the solicitation when it is in the best interest of the Trust to do so.

7.1. Invitation for Bids (IFB)

The sealed IFB method is used when it is determined that there is no substantive difference among the products or services that meet the specifications and the only difference among responsive bids is price. Award shall be made to the lowest responsive and responsible bidder whose bid conforms in all material respects to requirements and criteria set forth in the invitation for bids when utilizing the IFB method.

Specifications

Clear, concise specifications must be included in the bid documents. The specifications are a description of the physical or functional characteristics of the commodity, equipment, or service desired. Specifications shall be written to encourage maximum and fair competition. A statement of the desired purpose should be included in specifications and contain only those characteristics essential to the final performance of the product or services. Unless only one brand of commodity or equipment is acceptable due to compatibility or other restrictive requirements, any brand name used in the specifications will be used only for the purpose of establishing descriptive information and will not be used to restrict competitive bidding.

Request for Qualifications

A Request for Qualifications is used to qualify firms for a specific project requiring specialized skills such as consulting services. This procurement method can also be used when professional assistance is needed to provide specifications and details for a project with an undefined scope of services. It can also be used for pre-qualifying one or more firms offering professional services when anticipated future needs require the availability of the firm(s) as needed for services of the same or similar discipline. This can be the first step in a two-step solicitation process. A request for qualifications may be cancelled, or any or all statements of qualifications rejected in whole or in part, when it is in the best interest of the Trust to do so.

Two-Step Process

A prequalification Process may be conducted prior to the issuance of an IFB, as the first step in a two step-solicitation process, in order to establish a list of qualified bidders. Qualification criteria may include: financial capacity/stability, company history, capacity to perform, relevant experience, and any other criteria relevant to services or items being sought by the Trust. Prequalification requirements will constitute the minimum requirements necessary to fulfill the contract. In the event a prequalification process is used, only bids submitted from prequalified bidders will be accepted.

Public Notice

IFBs are electronically posted on the Trust's web site. Notice of the IFB shall be made available for public inspection no less than fourteen (14) days prior to the date set for the opening of bids. A shorter time may be deemed necessary for a particular procurement as determined in writing by the Trust Manager.

Pre-bid Conference

When it is in the best interest of the Trust, a pre-bid conference may be conducted. If a pre-bid conference is conducted, it shall be not less than seven days before the bid due date and time, unless the Trust Manager makes a written determination that the specific needs of the procurement justify a shorter time. The purpose of the pre-bid conference is to clarify any questions which may exist on the part of the bidders regarding the specifications or scope of work, prior to the bid due date.

Solicitation Amendment.

The solicitation amendment is issued to do any or all of the following:

- Make a correction in the solicitation;
- Correct defects or ambiguities;
- Provide additional information or instructions; or
- Extend the offer due date and time if the Trust Manager determines that an extension is in the best interest of the Trust.

If a solicitation is changed by a solicitation amendment, the amendment will be posted to the Trust's web site. It is the responsibility of the offeror to obtain any solicitation amendments and acknowledge receipt of amendment as specified in the solicitation amendment.

Late Bids

A bid is late if it is received at the location designated in the IFB after the time and date set for bid opening. A late bid shall be rejected. Bidders submitting bids that are rejected as late shall be so notified.

Bid Opening

Bids shall be opened publicly at the time designated in the IFB. A secure web-based system or other appropriate media will be used in lieu of a public bid opening, provided that the accuracy, confidentiality, and reliability is maintained. The name of each bidder and the amount of each bid, as well as other relevant information, as deemed appropriate by the Purchasing Manager, shall be recorded. Unless otherwise determined, this record shall be open to public inspection. In the event no attendees are present for bid opening, the sealed bids shall be opened by the department and a "bid" or "no bid" may be recorded on the tabulation. The bids shall not be available for public inspection until after a notice of intent to award is issued. After a notice of intent to award is issued or, in the absence of a notice of intent to award, after final execution of the contract, the bids shall be available for public inspection, except to the extent that the withholding of information is permitted or required by law. If the bidder designates a portion of its bid as confidential, it shall isolate and identify in writing the confidential portions.

Bid Acceptance and Bid Evaluation

Bids shall be unconditionally accepted without alteration or correction. Bids shall be evaluated based on the requirements set forth in the IFB, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. The IFB shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluation that is not set forth in the IFB.

A summary page including details of all bids received, the staff recommendation for award, and any other pertinent information will be maintained in the bid file available for public record. These details will be provided in the staff report should the item require Board approval.

Correction or Withdrawal of Bids; Cancellation of Awards

Correction, clarification, or withdrawal of erroneous bids before or after award shall be permitted by the Trust Manager under the following circumstances:

- a. Where there is a mistake clearly evident from examining the bid document, such as an extension of unit pricing or errors in addition, the bidder should be permitted to correct the error and the bid remain valid;
- b. Where a bidder alleges a material mistake of fact and there is reasonable proof a mistake was made and the intended bid cannot be ascertained with reasonable certainty, the bidder shall be permitted to withdraw the submitted bid without penalty; and,
- c. Where a bidder fails to supply information requested in the IFB due to oversight, the bidder should be permitted the opportunity to furnish the information. This shall be permitted so long as the information does not affect the bidders' submitted price, specifications or substantive obligations and does not affect the position of the bid relative to others properly submitted.

Where a bidder committed errors in judgment, the Trust will not permit withdrawal of the submitted bid without penalty, unless it is determined to be in the best interest of the Trust.

Nothing in this Section is intended to prohibit the Trust from accepting a voluntary reduction in price or more favorable terms from a successful bidder after award, provided that such is not conditioned on a modification or deletion of any conditions required in the IFB which would result in a contract less favorable to the Trust.

Contract Award

The contract shall be awarded by appropriate notice to the lowest responsible and responsive bidder whose bid conforms in all material respects to requirements and criteria set forth in the invitation for bids.

- a. Authority. The Trust Manager has the authority to award and sign contracts up to the amount identified in Section 5. Contracts that authority are to be executed by the Trust Manager upon approval of the Board of Directors.
- b. Public record. After the Trust issues a notice of intent to award, or in the absence of a notice of intent to award upon final contract execution, the bids shall be available for public inspection, except to the extent that the withholding of information is permitted or required by law.

- c. Encumbrance of funds. Except in cases of emergency, or in cases where specific authority has been first obtained from the Board of Directors, the Trust Manager shall not issue any purchase orders for supplies or equipment unless there exists an unencumbered appropriation in the Trust Budget against which said purchase is to be charged.
- d. Procurement of recycled material. Recycled products shall be used whenever practicable when they are of comparable quality, of equivalent price and appropriate for the intended use. Recycled products shall be procured in accordance with Public Contract Code, § 22150, et seq.
- e. Low tie bids. If there are two or more low responsive bids from responsible bidders which are identical in price, all other evaluation criteria, and that meet all the requirements set forth in the IFB, preference shall be given to the firm ~~having a legitimate place of business within Orange County~~ that is a certified OCLSBP, as defined above. In the event that the low tie bids are each have places of business within Orange County certified OCLSBP, the Trust shall request best and final bids from each firm. If the best and final bids are tied, the Trust shall determine the contract award based on the Trust's best interest. ~~award may be made by random selection in a manner prescribed by the Trust Manager. For purposes of this subparagraph e. "low tie bids" shall mean a tie between two or more bidders where the bids are within the 5% of each other.~~

7.2. Request for Proposals (RFP)

The competitive sealed RFP method is utilized to obtain the best value for goods and/or services through a process involving several possible sources. RFPs are issued with the intent of providing a competitive process from which the respondent best meeting the needs of the Trust, and providing the best overall value may be selected. RFPs are generally used on larger and more complicated projects where additional criteria besides price are considered in selecting the source. An important difference between the RFP and IFB process relates to the finality of initial offers. Under the RFP method, changes in the nature of a proposal, and in prices, may be negotiated after proposals are opened. The RFP process allows the Trust to describe a need and the key criteria which will be used in evaluating proposals while outlining the terms and conditions under which the respondent will operate or supply their goods and services. The process provides for full competition among proposals and allows for negotiation with the offeror or offerors to obtain the best services or commodities at the best price.

Specifications

Another important difference between the RFP and IFB method is that the RFP might not contain a detailed specification, but may instead convey a description of a challenge or desired outcome as a result of the solicitation. This description may be written specifically or it may be generic. The RFP allows for the offerors to submit proposals for their solution to the requirement described by the Trust. This process of providing a description rather than a specification allows the Trust to use the capability of the offerors so that expertise does not have to be developed in house.

Two-Step Process

A prequalification process may be conducted prior to the issuance of the RFP, as the first step in a two step-solicitation process, to establish a list of qualified offerors. Qualification criteria may include: financial capacity/stability, company history, capacity to perform, relevant experience, and any other

criteria relevant to services or items being sought by the Trust. Prequalification requirements will constitute the minimum requirements necessary to fulfill the contract. In the event a prequalification process is used, the only proposals submitted from prequalified offerors will be considered.

Public Notice

RFPs are electronically posted on the Trust's web site. Notice of the RFP shall be made available for public inspection no less than fourteen (14) days prior to the date set for the opening of proposals. A shorter time may be deemed necessary for a particular procurement as determined in writing.

Pre-Proposal Conference

When it is in the best interest of the Trust, a pre-proposal conference may be conducted. If a pre-proposal conference is conducted, it shall be not less than seven days before the offer due date and time, unless the Trust Manager makes a written determination that the specific needs of the procurement justify a shorter time. The purpose of the pre-proposal conference is to clarify any questions which may exist on the part of the proposers regarding the specifications or scope of work, prior to the offer due date.

Solicitation Amendment

The solicitation amendment is issued to do any or all of the following:

- Make a correction in the solicitation;
- Correct defects or ambiguities;
- Provide additional information or instructions; or
- Extend the offer due date and time if the Trust Manager determines that an extension is in the best interest of the Trust.

If a solicitation is changed by a solicitation amendment, the amendment will be posted to the Trust's web site. It is the responsibility of the offeror to obtain any solicitation amendments and acknowledge receipt of amendment as specified in the solicitation amendment.

Receipt of Proposals

Proposals shall not be opened publicly. No proposals shall be handled as to permit disclosure of the contents of any proposal to competing offerors. Proposals shall be open for public inspection after final execution of the contract, except to the extent that the withholding of information is permitted or required by law. If the offeror designates a portion of its proposal as confidential, it shall isolate and identify in writing the confidential portions.

Late Proposals

A proposal is late if it is received at the location designated in the request for proposals after the time and date set for receipt of proposals. Late proposals shall be rejected. Offerors submitting proposals that are rejected as late shall be so notified.

Evaluation Criteria

The RFP shall state the criteria to be used in the evaluation of the proposals and shall include their relative importance. Pricing is one of the criteria evaluated. The point value given to pricing should be as high as possible without undermining the intent to achieve best value. The actual point value could vary between a service RFP and a commodity RFP. In no case should the point value of price be less than 25 percent of the total points available, unless otherwise approved by the Board of Directors for specific RFPs.

Selection Committee

A selection committee shall be appointed to evaluate the proposals and make a recommendation based on the criteria set forth in the request for proposals. The evaluation committee shall be comprised of at least three (3) members who have no conflict of interest with the selection process. Members of the evaluation committee shall be selected based on their qualifications and expertise related to the subject matter. Proposals can only be evaluated on the criteria set forth in the solicitation and no other factors or criteria may be used in the evaluation.

Evaluation Scores

Evaluators shall score proposals individually. The initial score sheets containing the evaluators notes and comments shall remain in the possession of the individual evaluators, and at no time shall this information become part of the permanent procurement file. Based upon the individual evaluator scores, a proposal summary page will be developed which specifically includes details of all proposals (along with their respective rankings), the evaluation committee's recommendation for award, and any other pertinent information (staff estimate) when appropriate. This summary page will be maintained in the procurement file and included in the staff report should the item seek Board approval.

Interviews

When the total contract value is anticipated to exceed \$1,050,000, the evaluation committee must conduct interviews with the responsible offerors who have submitted proposals determined to be acceptable and within a competitive range. All offerors shall be given fair and equitable treatment and all portions of the interview will be recorded either in written or digital media and kept as part of the procurement file. For contracts valued under \$1,050,000, the Trust Manager may elect, but is not required to, conduct formal interviews with the offerors.

Discussions and Negotiations

Discussions and/or negotiations may be conducted with one or more offerors. Each Offeror shall be accorded fair and equal treatment in conducting negotiations and there shall be no disclosure of any information derived from proposals submitted by competing offerors.

- a. Concurrent negotiations. Negotiations may be conducted concurrently with offerors for the purpose of determining source selection and/or contract award.
- b. Exclusive negotiations. Exclusive negotiations may be conducted with the offeror whose proposal is determined in the source selection process to be most advantageous to the Trust. Exclusive negotiations may be conducted subsequent to concurrent negotiations or may be conducted without requiring previous concurrent negotiations. Exclusive negotiations shall not constitute a contract award nor shall it confer any property rights to

the successful offeror. If exclusive negotiations are conducted and an agreement is not reached, the Trust may enter into exclusive negotiations with the next highest ranked offeror without the need to repeat the formal solicitation process.

Proposal Revisions Post Interview and Negotiations

After interviews and/or negotiations, and prior to any award, the evaluation committee may request revisions to proposals in the form of a Best and Final Offer (BAFO). Late best and final offers will not be accepted. If no best and final offer is received by the stated due date and time, the offeror's initial offer will serve as their best and final offer.

Contract Award

Contract award shall be made the responsible offeror whose proposal is determined in writing to be the most advantageous to the Trust taking into consideration the evaluation criteria set forth in the request for proposals as concurred by the Trust Manager, and approved by the Board. The contract file shall contain the basis on which the award is made.

8 SOLE SOURCE

Sole source procurement shall be avoided except when no reasonable alternative exists. However, the Trust Manager may determine, after conducting a good faith review of available sources, that there is only one viable source for a required material or service, a contract may be awarded without competition. In the event that a sole source contract is awarded by the Trust Manager in accordance with the procurement thresholds found in Section 5, the Trust Manager shall report to the Board the following as part of any sole source contract award:

- a. A detailed description of the type of contract;
- b. A detailed description of services/commodities to be provided by the vendor;
- c. Why the recommended vendor was the only one capable of providing the required services/commodities and include back-up information to support the justification;
- d. List of other sources that were contacted and explain in detail why they cannot fulfill the Trust's requirements;
- e. How the recommended vendor's prices or fees compare to the general market and attach quotes for comparable services and supplies, if available; and,
- f. How the Trust would accomplish this particular task if the recommended vendor could not provide the product or service.

This same information shall be provided as part of the staff report to the Board for any sole source contract before the Board.

A record of sole source procurements shall be maintained as a public record.

9 PROCUREMENT INVOLVING THE TRUST MANAGER

In the event that the Trust Manager intends to respond to a Trust solicitation, the Trust Board Chair shall coordinate with the County of Orange to provide procurement services in accordance with this policy. In no case shall the Trust Manager respond to a solicitation in which the Trust Manger or Trust staff

participated in preparing. The Trust Manager shall not make any contract awards to the Trust Manager or Trust staff, regardless of the procurement threshold found in Section 5.

10 SUSTAINABLE PROCUREMENT

The Trust encourages procurement that takes into account the economic, environmental and social impacts of the Trust's spending. Whenever practicable, procurements should be planned in such a way that allows the Trust to meet its needs for goods and services while achieving value for money on a whole-life basis in terms of generating benefits not only to the organization, but also to society and the economy, while remaining within the carrying capacity of the environment.

Consistent with the requirements of PCC §22150-22154 of the PCC, the Trust promotes the use of recycled/recyclable supplies and materials, reusable products, and products designed to be recycled. The use of such materials or products to the maximum extent practicable, financially feasible, and allowable within the specifications is encouraged provided that the performance or operational effectiveness of the product or material is not detrimentally affected, or that health and safety is not negatively impacted by the use of such products or materials.

10.1. Sustainable Procurement Guidelines

1. Waste prevention, recycling, market development and use of recycled/recyclable materials through lease agreements, contractual relationships and purchasing practices with suppliers, contractors, businesses and other governmental agencies is encouraged.
2. Adopt waste prevention, recycling and use of recycled supplies/materials as a priority of the Trust.
3. Generate less waste material by reviewing how supplies, materials and equipment are manufactured, purchased, packaged, delivered, used, and disposed.
4. Procure recycled material when practicable

11 PROTESTS

Throughout the solicitation and contracting process, Trust staff and stakeholders are to follow procurement best practices to avoid or mitigate potential protests. However, any actual or prospective bidder (aka "interested party") who is aggrieved in connection with the solicitation or award of a contract may file a protest with the Trust Manager.

The Trust Manager has the authority to settle and resolve protests and contract claims. All protests must be in writing and include the name, address, telephone number, email and signature of the of the interested party; the solicitation or contract number; a detailed statement of the legal and factual grounds of the protest, including copies of relevant documents; and the form of relief requested.

Protests concerning solicitations should be filed not less than five (5) working days before the solicitation due date. Protests concerning contract awards shall be filed no later than seven (7) days after issuance of the intent to award. The Trust Manager, without waiving the Trust's right to dismiss the protest for lack of timeliness, may consider a protest that is not filed timely. The Trust Manager shall give notice of the protest to the successful contractor if award has been made or, if no award has been made, to all interested parties. Material submitted by a protestor shall not be withheld from any

interested party except to the extent that the withholding of information is permitted or required by law.

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

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

12 STAFF REPORTS

Staff reports must be submitted for contract awards requiring approval by the Board of Directors. The staff report should contain at a minimum the following sections: Summary, Recommended Action, Background, and Attachments (if needed). Sole source contract award staff reports shall contain the information found under Section 8.

The Summary section briefly describes the purpose of the report. The Recommended Action specifies terms such as duration, amount, and renewal conditions that must be adhered to upon execution of the contract. The Background should consist of a detailed description of the items or services to be provided, the solicitation method, analysis of the evaluation, and anticipated results of the action. Attachments should include a summary page containing details of all bids received, the staff recommendation for award, and any other pertinent information as well as the Contract (if any) that will be awarded.

Any contract resulting from the solicitation must be attached to the staff report and approved by Trust legal counsel in advance.

Orange | Housing County | Finance Trust

PROCUREMENT POLICY

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1 PURPOSE

The purpose of this policy is to provide a guide for staff involved in the procurement process for the Orange County Housing Finance Trust (“OCHFT” or “Trust”). The purpose of this policy is to simplify, clarify, and centralize the requirements governing the Trust’s procurement.

This Procurement Policy is intended to be a living document and may be updated from time to time as policies are amended.

2 GENERAL PROVISIONS

Trust procurement policies apply to all contracts for the procurement of supplies and services, as well as every expenditure of federal, state, and local public funds irrespective of the source of funds. The policies also apply to contracts which do not involve an obligation of funds.

The policies are not applicable to grants and loans awarded by the Trust.

Effective the date of adoption of this policy, the Trust has adopted an Orange County Local Small Business Preference (OCLSBP) Policy. Implementation of the OCLSB Preference policy supports local businesses, the local economy and the development of the County’s tax base.

To be certified as a Local Small Business by the Trust, a business shall meet (1) and (2) below:

- 1) Local Business requirements:
 - a) Maintains their principal center of operations (i.e. headquarters) within Orange County, and:
 - b) Has:
 - i) A business address located in the County of Orange that is not a post office box, or;
 - ii) A valid business license or certificate of occupancy issued by the County of Orange or by an Orange County city, or other documentation acceptable to the County of Orange.
- 2) Small Business Requirements:
 - a) Must be certified as a Small Business by the State of California Department of General Services (DGS), and:
 - b) DGS Small Business requirement must be valid at the time of bid/proposal submittal.

3 ETHICS AND STANDARDS OF CONDUCT IN PROCUREMENT

3.1. Ethics

The Trust Manager, as well as all those involved in Trust procurement, shall discharge their duties in accordance with high ethical standards by practicing their profession with integrity, honesty, truthfulness and adherence to the absolute obligation to safeguard the public trust. OCHFT subscribes to, and accepts as its own, the Standards of Procurement Practice adopted by the California Association of Public Procurement Officials (CAPPO):

- To regard public service as a sacred trust, giving primary consideration to the interests of the public agency that employs us.
- To purchase without prejudice, seeking to obtain the maximum value for each dollar expended.
- To avoid unfair practices, giving all qualified vendors equal opportunity.
- To honor our obligations and require that obligations to our public agency be honored.
- To accord vendor representatives courteous treatment, remembering that these representatives are important sources of information and assistance in solving our purchasing needs.
- To refuse to accept any form of commercial bribery, and prevent any appearance of so doing.
- To be receptive to counsel from our colleagues, and to cooperate with them to promote a spirit of teamwork and unity.
- To conduct ourselves with fairness and dignity, and to demand honesty and truth in the purchasing process.
- To strive for greater knowledge of purchasing methods and of the materials we purchase.
- To cooperate with all organizations and individuals involved in activities designed to enhance the development of the purchasing profession, remembering that our actions reflect on the entire purchasing profession.

3.2. Standards of Conduct for All Parties Involved in Procurement

These standards establish a framework of expectations for Trust employees and other individuals involved in all phases and aspects of the procurement and contracting life cycle including acquisition planning, the solicitation phase, proposal evaluation, supplier selection, and the post award administration. These procurement standards are founded on applicable federal and California law.

Conflict of Interest. No employee, officer, or agent shall participate directly or indirectly in the selection or in the award or administration of any contract if a conflict, real or apparent, would be involved. Such conflict would arise when a financial or other interest in a firm selected for award is held by:

1. An employee, officer, or agent involved in making the award;
2. His/her relative (including father, mother, son, daughter, brother, sister, uncle, aunt, first cousin; nephew, niece, husband, wife, father-in-law, brother-in-law, sister-in-law, stepfather, stepmother; stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister);
3. His/her partner; or
4. An organization which employs, is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

Understand and fully comply with the standards and your responsibilities and avoid any actual or perceived conflict of interest throughout the procurement process. There are several conflict of interest laws, including Government Code § 1090 and the California Political Reform Act, which apply to procurement. These laws are grounded on the notion that government officials owe paramount loyalty to the public and decisions must be unbiased. Employees and other individuals are prohibited from participating in the making of a contract in which they have a financial interest. The law prohibits the same party from being on both sides of a contract. Individuals and contractors may not participate in the making of a contract and then bid or propose to do the work on that contract at a later date.

Avoid actual and perceived conflicts of interest throughout the entire procurement process. Do not seek or accept any favors, gifts or benefits that are not offered routinely to the general public from contractors, suppliers, vendors, firms or persons representing any of these entities, or other parties that are doing business, or seeking to do business, with the Trust. Do not use your job to obtain benefits, directly or indirectly, for yourself or anyone else.

Conduct all Trust business in an honest and impartial manner. Consistent with the requirements of law, policy and common sense, maintain appropriate confidentiality in both written and oral communications. Resolve issues effectively and ethically, while refraining from exercising any pressure on staff that could be perceived as trying to apply inappropriate influence.

Act for the benefit of the Trust. Ensure public money is spent solely for the benefit of the public and is consistent with applicable federal, State and local laws, regulations policies and procedures.

Failure to adhere to applicable federal and California law, and these Standards of Conduct is subject to disciplinary action up to and including termination, and or referral to appropriate enforcement agencies. Consultants, contractors or other individuals are subject to applicable laws and contractual requirements.

This written standards of conduct covering conflicts of interest and governing the actions of employees engaged in the selection, award and administration of contracts complies with requirements in 2 CFR Part 200, § 200.318, general procurement standards applicable for federally funded and pass through agency purchases.

4 PROCUREMENT AUTHORITY

Procurement derives its authority from federal, state, and local laws. State laws that are applicable to the Trust procurement activities are found in the Government Code, the Civil Code, the Business and Professions Code, the Labor Code and the Public Contract Code.

4.1. Board Authorized Purchases

All local authority rests with the OCHFT Board of Directors unless it is delegated by statute or board action. When delegated, these authorities are further defined by contracts, resolutions, policies, or other board actions. The approved budget appropriation is the authorization by the Board to purchase services and materials for operations during the fiscal year.

4.2. Chief Procurement Officer Authority

The Chief Procurement Officer for Trust is the Trust Manager. Centralized procurement requires that all procurement activities are completed under a single authority within the organization with the goal of procuring needed supplies, services and equipment of quality, within the required time and at the best value in a manner consistent with legal requirements, good business practices and proper fiscal control. The Trust Manager has the authority to award and sign contracts that do not exceed the amount defined in Section 5, *Procurement Thresholds*. Contracts that exceed management authority may be executed by the Trust Manager upon approval of the OCHFT Board of Directors.

4.3. Contract Signature Authority

Only the Trust Manager and Trust Board Chair may execute procurement agreements. (Procurement agreements are written contracts that bind the Trust and a supplier to a purchasing obligation).

5 PROCUREMENT THRESHOLDS

All authority rests with the Trust's Board of Directors unless it is delegated by statute or board action.

The procurement of products and services is accomplished through a variety of procedures as defined in this policy. The procedures are designed to address the differences in complexity, risk and value of each purchase. It is the Trust's policy to develop maximum competition for all purchases. The splitting of purchases into smaller blocks to avoid or otherwise circumvent the thresholds for source selection and solicitation requirements is prohibited.

5.1. Commodity and Services Purchases (non-construction)

Small purchase less than \$10,000

For purchases that are less than \$10,000, competitive written quotes from multiple sources are not required. The purchase can be made so long as it is determined that the written quote received is reasonable. This does not restrict the Trust from requesting additional written quotes when it is in the best interest of the Trust. The Trust Manager may execute contracts under this threshold.

Small purchases over \$10,000 and less than \$50,000

For purchases of materials and services within this range, a simple competitive solicitation process, such as a Request for Quotations (Section 6.1), is required. Insofar as it is practical, no less than three businesses are to be solicited to submit quotations, with the contract award made to the responsive and responsible bidder submitting the quotation which is most advantageous to the Trust that conforms in all material respects to the solicitation. Results of the solicitation and records on the process utilized will be maintained as public records. This does not preclude the Trust from utilizing more restrictive procedures if, and when required by federal or state law (i.e. Public Works), where federal or state funds are involved in the contract to be awarded, or when the Trust Manager determines it is in the best interest to of the Trust to do so.

Purchases greater than \$50,000

For purchases of materials and services greater than \$50,000, a formal competitive solicitation process is required. Trust staff will determine the formal solicitation process. The formal procurement process can be done through a sealed Invitation for Bid (IFB) or a Request for Proposal (RFP) process (Section 7).

Contract Splitting

Contracts may not be split to avoid the \$50,000 threshold; including proposed successor contracts that contain substantially the same scope of work. Splitting purchases to avoid the threshold limits is a violation of Board policy.

5.2. Public Works/Public Projects

The Trust shall not engage in the procurement of Public Works.

6 INFORMAL SOLICITATIONS

Use of the informal solicitations is determined by the dollar threshold of the purchase as described in Section 5.

6.1. Request for Quotations

A request for quotations (RFQ) is an informal bid process used primarily for commodity purchases that fall within the Small Purchase Threshold. Quotations must be submitted in a written format and may be solicited via email. Whenever practicable, no less than three suppliers must be notified of the RFQ.

The RFQ must include clear concise specifications with a description of the physical or functional characteristics of the commodity or equipment desired, and be written to encourage maximum and fair competition. Unless only one brand of commodity or equipment is acceptable due to compatibility or other restrictive requirements, brand names will only be used for providing descriptive information and not be used to restrict competitive bidding.

Award is based on price and is made to the lowest responsive and responsible bidder able to meet the Trust's requirements. In the event of a tie, preference will be given to firms certified as an OCLSBP, as defined above.

6.2. Request for Information

A request for information (RFI) is an informal method of obtaining information from suppliers that may have unique or critical knowledge about a product or service that the Trust is researching. The RFI method is not intended to result in a contract award but is designed to allow for the collection of current or state-of-the-art industry information that may then be used to develop specifications or a scope of work to be used in a future solicitation. An RFI may also be used during the planning stage of a procurement activity as the first step in the vendor selection process, and a qualification step prior to a Request for Proposal (RFP) or Invitation for Bid (IFB), as described in Section 7.

An RFI is typically used to:

- Compile detailed information about potential suppliers and their capabilities or category/product
- Advise potential suppliers that you intend to source this product or service competitively
- Gather information to further the future solicitation
- Qualify suppliers to a shorter list that will be invited to submit bids or proposals

Responses to requests for information notices are not offers and cannot be accepted to form a binding contract.

7 FORMAL COMPETITIVE SOLICITATION PROCESS

For purchases of materials, equipment, and services which are anticipated to be greater than \$50,000, a formal competitive solicitation process is required. The formal procurement process can be done through a sealed Invitation for Bid (IFB) or a Request for Proposal (RFP) process. Trust staff will determine the formal solicitation process. IFBs and RFPs will be issued by the Trust and will include all contractual terms and conditions applicable to the procurement.

An IFB or RFP may be cancelled, or any or all bids or proposals rejected in whole or in part, as may be specified in the solicitation when it is in the best interest of the Trust to do so.

7.1. Invitation for Bids (IFB)

The sealed IFB method is used when it is determined that there is no substantive difference among the products or services that meet the specifications and the only difference among responsive bids is price. Award shall be made to the lowest responsive and responsible bidder whose bid conforms in all material respects to requirements and criteria set forth in the invitation for bids when utilizing the IFB method.

Specifications

Clear, concise specifications must be included in the bid documents. The specifications are a description of the physical or functional characteristics of the commodity, equipment, or service desired. Specifications shall be written to encourage maximum and fair competition. A statement of the desired purpose should be included in specifications and contain only those characteristics essential to the final performance of the product or services. Unless only one brand of commodity or equipment is acceptable due to compatibility or other restrictive requirements, any brand name used in the specifications will be used only for the purpose of establishing descriptive information and will not be used to restrict competitive bidding.

Request for Qualifications

A Request for Qualifications is used to qualify firms for a specific project requiring specialized skills such as consulting services. This procurement method can also be used when professional assistance is needed to provide specifications and details for a project with an undefined scope of services. It can also be used for pre-qualifying one or more firms offering professional services when anticipated future needs require the availability of the firm(s) as needed for services of the same or similar discipline. This can be the first step in a two-step solicitation process. A request for qualifications may be cancelled, or any or all statements of qualifications rejected in whole or in part, when it is in the best interest of the Trust to do so.

Two-Step Process

A prequalification Process may be conducted prior to the issuance of an IFB, as the first step in a two step-solicitation process, in order to establish a list of qualified bidders. Qualification criteria may include: financial capacity/stability, company history, capacity to perform, relevant experience, and any other criteria relevant to services or items being sought by the Trust. Prequalification requirements will constitute the minimum requirements necessary to fulfill the contract. In the event a prequalification process is used, only bids submitted from prequalified bidders will be accepted.

Public Notice

IFBs are electronically posted on the Trust's web site. Notice of the IFB shall be made available for public inspection no less than fourteen (14) days prior to the date set for the opening of bids. A shorter time may be deemed necessary for a particular procurement as determined in writing by the Trust Manager.

Pre-bid Conference

When it is in the best interest of the Trust, a pre-bid conference may be conducted. If a pre-bid conference is conducted, it shall be not less than seven days before the bid due date and time, unless the Trust Manager makes a written determination that the specific needs of the procurement justify a shorter time. The purpose of the pre-bid conference is to clarify any questions which may exist on the part of the bidders regarding the specifications or scope of work, prior to the bid due date.

Solicitation Amendment.

The solicitation amendment is issued to do any or all of the following:

- Make a correction in the solicitation;
- Correct defects or ambiguities;
- Provide additional information or instructions; or
- Extend the offer due date and time if the Trust Manager determines that an extension is in the best interest of the Trust.

If a solicitation is changed by a solicitation amendment, the amendment will be posted to the Trust's web site. It is the responsibility of the offeror to obtain any solicitation amendments and acknowledge receipt of amendment as specified in the solicitation amendment.

Late Bids

A bid is late if it is received at the location designated in the IFB after the time and date set for bid opening. A late bid shall be rejected. Bidders submitting bids that are rejected as late shall be so notified.

Bid Opening

Bids shall be opened publicly at the time designated in the IFB. A secure web-based system or other appropriate media will be used in lieu of a public bid opening, provided that the accuracy, confidentiality, and reliability is maintained. The name of each bidder and the amount of each bid, as well as other relevant information, as deemed appropriate by the Purchasing Manager, shall be recorded. Unless otherwise determined, this record shall be open to public inspection. In the event no attendees are present for bid opening, the sealed bids shall be opened by the department and a "bid" or "no bid" may be recorded on the tabulation. The bids shall not be available for public inspection until after a notice of intent to award is issued. After a notice of intent to award is issued or, in the absence of a notice of intent to award, after final execution of the contract, the bids shall be available for public inspection, except to the extent that the withholding of information is permitted or required by law. If the bidder designates a portion of its bid as confidential, it shall isolate and identify in writing the confidential portions.

Bid Acceptance and Bid Evaluation

Bids shall be unconditionally accepted without alteration or correction. Bids shall be evaluated based on the requirements set forth in the IFB, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. The IFB shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluation that is not set forth in the IFB.

A summary page including details of all bids received, the staff recommendation for award, and any other pertinent information will be maintained in the bid file available for public record. These details will be provided in the staff report should the item require Board approval.

Correction or Withdrawal of Bids; Cancellation of Awards

Correction, clarification, or withdrawal of erroneous bids before or after award shall be permitted by the Trust Manager under the following circumstances:

- a. Where there is a mistake clearly evident from examining the bid document, such as an extension of unit pricing or errors in addition, the bidder should be permitted to correct the error and the bid remain valid;
- b. Where a bidder alleges a material mistake of fact and there is reasonable proof a mistake was made and the intended bid cannot be ascertained with reasonable certainty, the bidder shall be permitted to withdraw the submitted bid without penalty; and,
- c. Where a bidder fails to supply information requested in the IFB due to oversight, the bidder should be permitted the opportunity to furnish the information. This shall be permitted so long as the information does not affect the bidders' submitted price, specifications or substantive obligations and does not affect the position of the bid relative to others properly submitted.

Where a bidder committed errors in judgment, the Trust will not permit withdrawal of the submitted bid without penalty, unless it is determined to be in the best interest of the Trust.

Nothing in this Section is intended to prohibit the Trust from accepting a voluntary reduction in price or more favorable terms from a successful bidder after award, provided that such is not conditioned on a modification or deletion of any conditions required in the IFB which would result in a contract less favorable to the Trust.

Contract Award

The contract shall be awarded by appropriate notice to the lowest responsible and responsive bidder whose bid conforms in all material respects to requirements and criteria set forth in the invitation for bids.

- a. Authority. The Trust Manager has the authority to award and sign contracts up to the amount identified in Section 5. Contracts that authority are to be executed by the Trust Manager upon approval of the Board of Directors.
- b. Public record. After the Trust issues a notice of intent to award, or in the absence of a notice of intent to award upon final contract execution, the bids shall be available for public inspection, except to the extent that the withholding of information is permitted or required by law.

- c. Encumbrance of funds. Except in cases of emergency, or in cases where specific authority has been first obtained from the Board of Directors, the Trust Manager shall not issue any purchase orders for supplies or equipment unless there exists an unencumbered appropriation in the Trust Budget against which said purchase is to be charged.
- d. Procurement of recycled material. Recycled products shall be used whenever practicable when they are of comparable quality, of equivalent price and appropriate for the intended use. Recycled products shall be procured in accordance with Public Contract Code, § 22150, et seq.
- e. Low tie bids. If there are two or more low responsive bids from responsible bidders which are identical in price, all other evaluation criteria, and that meet all the requirements set forth in the IFB, preference shall be given to the firm that is a certified OCLSBP, as defined above. In the event that the low tie bids are each certified OCLSBPs, the Trust shall request best and final bids from each firm. If the best and final bids are tied, the Trust shall determine the contract award based on the Trust's best interest. For purposes of this subparagraph e. "low tie bids" shall mean a tie between two or more bidders where the bids are within the 5% of each other.

7.2. Request for Proposals (RFP)

The competitive sealed RFP method is utilized to obtain the best value for goods and/or services through a process involving several possible sources. RFPs are issued with the intent of providing a competitive process from which the respondent best meeting the needs of the Trust, and providing the best overall value may be selected. RFPs are generally used on larger and more complicated projects where additional criteria besides price are considered in selecting the source. An important difference between the RFP and IFB process relates to the finality of initial offers. Under the RFP method, changes in the nature of a proposal, and in prices, may be negotiated after proposals are opened. The RFP process allows the Trust to describe a need and the key criteria which will be used in evaluating proposals while outlining the terms and conditions under which the respondent will operate or supply their goods and services. The process provides for full competition among proposals and allows for negotiation with the offeror or offerors to obtain the best services or commodities at the best price.

Specifications

Another important difference between the RFP and IFB method is that the RFP might not contain a detailed specification, but may instead convey a description of a challenge or desired outcome as a result of the solicitation. This description may be written specifically or it may be generic. The RFP allows for the offerors to submit proposals for their solution to the requirement described by the Trust. This process of providing a description rather than a specification allows the Trust to use the capability of the offerors so that expertise does not have to be developed in house.

Two-Step Process

A prequalification process may be conducted prior to the issuance of the RFP, as the first step in a two step-solicitation process, to establish a list of qualified offerors. Qualification criteria may include: financial capacity/stability, company history, capacity to perform, relevant experience, and any other criteria relevant to services or items being sought by the Trust. Prequalification requirements will

constitute the minimum requirements necessary to fulfill the contract. In the event a prequalification process is used, the only proposals submitted from prequalified offerors will be considered.

Public Notice

RFPs are electronically posted on the Trust's web site. Notice of the RFP shall be made available for public inspection no less than fourteen (14) days prior to the date set for the opening of proposals. A shorter time may be deemed necessary for a particular procurement as determined in writing.

Pre-Proposal Conference

When it is in the best interest of the Trust, a pre-proposal conference may be conducted. If a pre-proposal conference is conducted, it shall be not less than seven days before the offer due date and time, unless the Trust Manager makes a written determination that the specific needs of the procurement justify a shorter time. The purpose of the pre-proposal conference is to clarify any questions which may exist on the part of the proposers regarding the specifications or scope of work, prior to the offer due date.

Solicitation Amendment

The solicitation amendment is issued to do any or all of the following:

- Make a correction in the solicitation;
- Correct defects or ambiguities;
- Provide additional information or instructions; or
- Extend the offer due date and time if the Trust Manager determines that an extension is in the best interest of the Trust.

If a solicitation is changed by a solicitation amendment, the amendment will be posted to the Trust's web site. It is the responsibility of the offeror to obtain any solicitation amendments and acknowledge receipt of amendment as specified in the solicitation amendment.

Receipt of Proposals

Proposals shall not be opened publicly. No proposals shall be handled as to permit disclosure of the contents of any proposal to competing offerors. Proposals shall be open for public inspection after final execution of the contract, except to the extent that the withholding of information is permitted or required by law. If the offeror designates a portion of its proposal as confidential, it shall isolate and identify in writing the confidential portions.

Late Proposals

A proposal is late if it is received at the location designated in the request for proposals after the time and date set for receipt of proposals. Late proposals shall be rejected. Offerors submitting proposals that are rejected as late shall be so notified.

Evaluation Criteria

The RFP shall state the criteria to be used in the evaluation of the proposals and shall include their relative importance. Pricing is one of the criteria evaluated. The point value given to pricing should be as

high as possible without undermining the intent to achieve best value. The actual point value could vary between a service RFP and a commodity RFP. In no case should the point value of price be less than 25 percent of the total points available, unless otherwise approved by the Board of Directors for specific RFPs.

Selection Committee

A selection committee shall be appointed to evaluate the proposals and make a recommendation based on the criteria set forth in the request for proposals. The evaluation committee shall be comprised of at least three (3) members who have no conflict of interest with the selection process. Members of the evaluation committee shall be selected based on their qualifications and expertise related to the subject matter. Proposals can only be evaluated on the criteria set forth in the solicitation and no other factors or criteria may be used in the evaluation.

Evaluation Scores

Evaluators shall score proposals individually. The initial score sheets containing the evaluators notes and comments shall remain in the possession of the individual evaluators, and at no time shall this information become part of the permanent procurement file. Based upon the individual evaluator scores, a proposal summary page will be developed which specifically includes details of all proposals (along with their respective rankings), the evaluation committee's recommendation for award, and any other pertinent information (staff estimate) when appropriate. This summary page will be maintained in the procurement file and included in the staff report should the item seek Board approval.

Interviews

When the total contract value is anticipated to exceed \$500,000, the evaluation committee must conduct interviews with the responsible offerors who have submitted proposals determined to be acceptable and within a competitive range. All offerors shall be given fair and equitable treatment and all portions of the interview will be recorded either in written or digital media and kept as part of the procurement file. For contracts valued under \$500,000, the Trust Manager may elect, but is not required to, conduct formal interviews with the offerors.

Discussions and Negotiations

Discussions and/or negotiations may be conducted with one or more offerors. Each Offeror shall be accorded fair and equal treatment in conducting negotiations and there shall be no disclosure of any information derived from proposals submitted by competing offerors.

- a. Concurrent negotiations. Negotiations may be conducted concurrently with offerors for the purpose of determining source selection and/or contract award.
- b. Exclusive negotiations. Exclusive negotiations may be conducted with the offeror whose proposal is determined in the source selection process to be most advantageous to the Trust. Exclusive negotiations may be conducted subsequent to concurrent negotiations or may be conducted without requiring previous concurrent negotiations. Exclusive negotiations shall not constitute a contract award nor shall it confer any property rights to the successful offeror. If exclusive negotiations are conducted and an agreement is not

reached, the Trust may enter into exclusive negotiations with the next highest ranked offeror without the need to repeat the formal solicitation process.

Proposal Revisions Post Interview and Negotiations

After interviews and/or negotiations, and prior to any award, the evaluation committee may request revisions to proposals in the form of a Best and Final Offer (BAFO). Late best and final offers will not be accepted. If no best and final offer is received by the stated due date and time, the offeror's initial offer will serve as their best and final offer.

Contract Award

Contract award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the Trust taking into consideration the evaluation criteria set forth in the request for proposals as concurred by the Trust Manager, and approved by the Board. The contract file shall contain the basis on which the award is made.

8 SOLE SOURCE

Sole source procurement shall be avoided except when no reasonable alternative exists. However, the Trust Manager may determine, after conducting a good faith review of available sources, that there is only one viable source for a required material or service, a contract may be awarded without competition. In the event that a sole source contract is awarded by the Trust Manager in accordance with the procurement thresholds found in Section 5, the Trust Manager shall report to the Board the following as part of any sole source contract award:

- a. A detailed description of the type of contract;
- b. A detailed description of services/commodities to be provided by the vendor;
- c. Why the recommended vendor was the only one capable of providing the required services/commodities and include back-up information to support the justification;
- d. List of other sources that were contacted and explain in detail why they cannot fulfill the Trust's requirements;
- e. How the recommended vendor's prices or fees compare to the general market and attach quotes for comparable services and supplies, if available; and,
- f. How the Trust would accomplish this particular task if the recommended vendor could not provide the product or service.

This same information shall be provided as part of the staff report to the Board for any sole source contract before the Board.

A record of sole source procurements shall be maintained as a public record.

9 PROCUREMENT INVOLVING THE TRUST MANAGER

In the event that the Trust Manager intends to respond to a Trust solicitation, the Trust Board Chair shall coordinate with the County of Orange to provide procurement services in accordance with this policy. In no case shall the Trust Manager respond to a solicitation in which the Trust Manager or Trust staff

participated in preparing. The Trust Manager shall not make any contract awards to the Trust Manager or Trust staff, regardless of the procurement threshold found in Section 5.

10 SUSTAINABLE PROCUREMENT

The Trust encourages procurement that takes into account the economic, environmental and social impacts of the Trust's spending. Whenever practicable, procurements should be planned in such a way that allows the Trust to meet its needs for goods and services while achieving value for money on a whole-life basis in terms of generating benefits not only to the organization, but also to society and the economy, while remaining within the carrying capacity of the environment.

Consistent with the requirements of PCC §22150-22154 of the PCC, the Trust promotes the use of recycled/recyclable supplies and materials, reusable products, and products designed to be recycled. The use of such materials or products to the maximum extent practicable, financially feasible, and allowable within the specifications is encouraged provided that the performance or operational effectiveness of the product or material is not detrimentally affected, or that health and safety is not negatively impacted by the use of such products or materials.

10.1. Sustainable Procurement Guidelines

1. Waste prevention, recycling, market development and use of recycled/recyclable materials through lease agreements, contractual relationships and purchasing practices with suppliers, contractors, businesses and other governmental agencies is encouraged.
2. Adopt waste prevention, recycling and use of recycled supplies/materials as a priority of the Trust.
3. Generate less waste material by reviewing how supplies, materials and equipment are manufactured, purchased, packaged, delivered, used, and disposed.
4. Procure recycled material when practicable

11 PROTESTS

Throughout the solicitation and contracting process, Trust staff and stakeholders are to follow procurement best practices to avoid or mitigate potential protests. However, any actual or prospective bidder (aka "interested party") who is aggrieved in connection with the solicitation or award of a contract may file a protest with the Trust Manager.

The Trust Manager has the authority to settle and resolve protests and contract claims. All protests must be in writing and include the name, address, telephone number, email and signature of the of the interested party; the solicitation or contract number; a detailed statement of the legal and factual grounds of the protest, including copies of relevant documents; and the form of relief requested.

Protests concerning solicitations should be filed not less than five (5) working days before the solicitation due date. Protests concerning contract awards shall be filed no later than seven (7) days after issuance of the intent to award. The Trust Manager, without waiving the Trust's right to dismiss the protest for lack of timeliness, may consider a protest that is not filed timely. The Trust Manager shall give notice of the protest to the successful contractor if award has been made or, if no award has been made, to all interested parties. Material submitted by a protestor shall not be withheld from any

interested party except to the extent that the withholding of information is permitted or required by law.

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

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

12 STAFF REPORTS

Staff reports must be submitted for contract awards requiring approval by the Board of Directors. The staff report should contain at a minimum the following sections: Summary, Recommended Action, Background, and Attachments (if needed). Sole source contract award staff reports shall contain the information found under Section 8.

The Summary section briefly describes the purpose of the report. The Recommended Action specifies terms such as duration, amount, and renewal conditions that must be adhered to upon execution of the contract. The Background should consist of a detailed description of the items or services to be provided, the solicitation method, analysis of the evaluation, and anticipated results of the action. Attachments should include a summary page containing details of all bids received, the staff recommendation for award, and any other pertinent information as well as the Contract (if any) that will be awarded.

Any contract resulting from the solicitation must be attached to the staff report and approved by Trust legal counsel in advance.

Agenda Item 6
Orchard View Extension
Request

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

MEETING DATE: May 18, 2022

SUBJECT: Extend loan commitment for Orchard View Senior Gardens to March 31, 2023.

RECOMMENDED ACTION:

AUTHORIZE THE TRUST MANAGER TO EXECUTE A REVISED FUNDING LETTER OF COMMITMENT EXTENDING THE FUNDING EXPIRATION DATE FOR THE ORCHARD VIEW SENIOR GARDENS TO MARCH 31, 2023.



Adam B. Eliason, Manager

BACKGROUND:

In May 2020, the Trust awarded funds to seven projects through its Notice of Funding Availability (NOFA), including Orchard View Senior Gardens. Originally, the loan commitment for Orchard View Senior Gardens was set to expire on November 6, 2021. Subsequent to that, at the September 15, 2021, Board meeting, the Trust extended the loan commitment for Orchard View Senior Gardens to June 30, 2022, along with four other projects. While those four other projects have been able to meet their anticipated funding timelines, Orchard View Senior Gardens has yet to be awarded the funding from other sources it has applied to and will not meet the June 30, 2022, deadline for closing on the Trust's funds.

DISCUSSION:

The applicant, National CORE, has provided a letter (Attachment A) stating that the original financing plan for Orchard View Senior Gardens assumed an award of No Place Like Home (NPLH) funds from the California Department of Housing and Community Development during the first round of funding for that program in June 2020 and an allocation of 9% tax credits in June 2021, but the project was not awarded those funds. Subsequently, National CORE applied

for NPLH funds during the second and third rounds of funding, but also did not receive funding awards from those applications.

To improve the projects competitiveness in funding, National CORE submitted a funding request to the City of Buena Park in February 2022, which was approved by City Council. National Core will apply for tax credits in July 2022 and will hopefully receive a tax credit allocation in September or October 2022. If allocated tax credits, the project will need to close on its construction financing by March 31, 2023.

Staff recommends approval of this item.

ATTACHMENTS: Attachment A – Letter of request for Orchard View Senior Gardens



Together, we transform lives and communities

Agenda Item 6 Attachment A

April 27, 2022

Adam Eliason, Manager
Orange County Housing Finance Trust (OCHFT)
1 League #62335
Irvine, CA 92602

Re: Orchard View Senior Gardens – Buena Park, CA
Request for Extension of Closing Date

Dear Mr. Eliason,

National Community Renaissance (National CORE), as developer of the Orchard View Senior Gardens affordable housing project, is requesting OCHFT support for a second extension of the construction loan closing deadline from June 30, 2022 to March 31, 2023. The extension of the closing deadline will allow National CORE a second opportunity to apply for 9% tax credits in July 2022.

The original financing plan assumed that the Orchard View Senior Gardens project would receive an allocation of 9% tax credits in June 2021 but was unsuccessful. It also assumed the project would receive an award of NPLH Round 2 Funds in June 2020. The project did not receive an award of NPLH in Round 2 and subsequently applied in Round 3. Unfortunately, the project was not competitive for NPLH Round 3 funds and did not receive an award.

Most recently, in February 2022, we submitted a funding request to the City of Buena Park. Our funding request received City Council support and is undergoing a technical review by KMA. We expect a funding commitment from the City in June 2022 which will help boost our tie breaker score and make us more competitive for tax credits.

National CORE will be submitting a 9% tax credit application to CTCAC in July 2022 and if successful the Orchard View Senior Gardens project will receive an allocation letter in September or October 2022. Once the allocation letter is received, the project would be required to close construction financing within 180 days. After we close the construction financing, which is expected March 31, 2023, we would start construction within two weeks, or beginning April 2023. Other than pulling permits and closing the construction loan before March 31, 2023, there are no other outstanding funding contingencies or approvals needed before construction begins.

Thank you very much for your consideration of the request to extend the construction loan closing deadline to March 31, 2022. Please feel free to contact me with any questions or for further information at (949) 444-8417.

Sincerely,



9421 Haven Avenue
Rancho Cucamonga, CA 91730

www.nationalcore.org



Together, we transform lives and communities

A handwritten signature in black ink that reads "Lorna" followed by a stylized flourish.

Lorna Contreras-Assistant VP of Development



9421 Haven Avenue
Rancho Cucamonga, CA 91730

www.nationalcore.org

Agenda Item 7
LHTF Application

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

MEETING DATE: May 18, 2022

SUBJECT: Adopt resolution authorizing Trust Manager to apply for Local Housing Trust Fund (LHTF) program, execute Local Housing Trust Fund standard agreement and any subsequent amendments or modifications as well as any other documents related to the Program or the Local Housing Trust Fund program; and authorize the Trust Manager to work with the Trust's lobbyist to pursue legislative remedy related to eligibility to apply for Local Housing Trust Fund program



Adam B. Eliason, Manager

RECOMMENDED ACTION:

1. ADOPT RESOLUTION (ATTACHMENT A) AUTHORIZING THE 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; AND
2. AUTHORIZE THE TRUST MANAGER TO WORK WITH THE TRUST'S LOBBYIST (TOWNSEND PUBLIC AFFAIRS) TO PURSUE A LEGISLATIVE REMEDY FOR THE TRUST'S ELIGIBILITY TO APPLY FOR THE LOCAL HOUSING TRUST FUND PROGRAM.

BACKGROUND:

On April 5, 2022, the California Department of Housing and Community Development (HCD) released a Notice of Funding Availability for the 2022 Local Housing Trust Fund (LHTF) program, with applications for this funding due May 25, 2022.

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

The Trust has been successful in securing funding from the LHTF program for the first two years since the program was established. In 2020 the Trust secured \$4.2 million and in 2021 the Trust secured \$5.0 million. This funding program provides significant capital and administrative funding for the Trust to achieve its mission.

As part of the Trust's 2022 Notice of Funding Availability, the Trust anticipated receiving \$5 million through the LHTF Program, with \$4.75 million going to help fund permanent supportive and affordable housing and the remaining \$250,000 (or 5% of the total) going to fund Trust administrative expenses.

However, part of the requirements for municipal government's eligibility to apply for the LHTF Program is that they have an adopted Housing Element that is compliant with the State's Housing Element laws at the time of application. Currently, there is not a single Trust member that meets this requirement. In fact, of the 197 municipal governments (both cities and counties) in the entire Southern California Association of Governments (SCAG) region, only 13 are in compliance with the Housing Element laws.

HCD is aware of the Housing Element challenges facing government entities in the SCAG region and empathetic to those entities making good-faith efforts to comply. HCD has also acknowledged that there is a legislative proposal that is attempting to resolve this issue. However, we are also hearing that the LHTF Program may not allow such flexibility.

Due to this requirement, there is a very real possibility that the Trust may not receive an award from HCD under the LHTF Program this year.

Trust Staff is seeking authorization to work with Trust's lobbyist (Townsend Public Affairs), possibly SCAG, and other regional housing finance trusts affected by this requirement of the LHTF Program, to pursue urgent legislation that would modify the LHTF Program's enabling legislation (California Health and Safety Code Section 50843.5) to allow for regional housing finance trusts to apply for and be awarded funds under the LHTF Program, but to only be allowed to expend those funds in cities that have a certified Housing Element.

Staff recommends approval of this agenda item.

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 LHTF Program.

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE ORANGE COUNTY HOUSING FINANCE TRUST
May 18, 2022

The Board of Directors of the Orange County Housing Finance Trust, (“Applicant”) by majority vote, hereby consents to, adopts and ratifies the following resolution:

WHEREAS, the State of California (the “State”), Department of Housing and Community Development (“Department”) issued a Notice of Funding Availability (“NOFA”) dated 04/05/2022 under the Local Housing Trust Fund (LHTF) Program;

WHEREAS, the Department is authorized to provide up to \$57 million under the 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”);

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;

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.

NOW, THEREFORE, BE IT RESOLVED that

1. That the Applicant is hereby authorized to act as the trustee in connection with the Department's funds to Eligible Projects pursuant to the above-described NOFA 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.
2. 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).
3. 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”).

4. Applicant certifies in this resolution, the LHTF funds will be expended only for Eligible Projects and consistent with all program requirements.
5. Applicant shall be subject to the terms and conditions as specified in the Standard Agreement, H&S Section 50842.2 and LHTF Program Guidelines.
6. Adam Eliason, Housing Manager is authorized to apply for and execute the LHTF Program Application, execute 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
this
18 day of May 2022 by the following vote:

AYES:

ABSTENTIONS: _____

NOES: _____

ABSENT:

Chair, Orange County Housing Finance Trust

CERTIFICATE OF THE ATTESTING OFFICER

The undersigned, Clerk of the Orange County Housing Finance Trust 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
Robin Stieler, Clerk of the Trust

Agenda Item 8
2022 NOFA Funding
Recommendations

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

MEETING DATE: May 18, 2022

SUBJECT: Approve the 2022 Orange County Housing Finance Trust Notice of Funding Availability (NOFA) projects for project funding; waive Meadows project 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 2022 ORANGE COUNTY HOUSING FINANCE TRUST NOFA PROJECTS FOR PROJECT FUNDING BASED UPON CONTINGENT FUNDING AWARDS 1, 2 & 3.
2. APPROVE A WAIVER FOR THE MEADOWS 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. AUTHORIZE TRUST MANAGER TO EXECUTE A CONTINGENT LETTER OF INTENT TO FUNDING AWARDEES.

BACKGROUND:

On February 8, 2022, the Trust released the 2022 Notice of Funding Availability (NOFA). The Trust used its email distribution list and developer contact list to send an informational email and a link to the NOFA document on the Trust website. On February 23, 2022, Trust Staff met with Developers for a NOFA presentation and question and answer session.

The NOFA deadline was March 22, 2022, and a total of four (4) applications were received requesting almost \$6.9 million in funding. The various sources of funding are as follows:

2022 TRUST NOFA SOURCE OF FUNDS

Table with 2 columns: Source of Funds, Amount. Rows include County MHSAs Funds (\$4,841,910), County General Funds (\$1,000,000), State Local Housing Trust Funds (\$4,750,000), and TOTAL (\$10,591,910).

One source of funds is contingent upon the Trust receiving an award from the State of California Local Housing Trust Fund (LHTF) Program. As discussed in the previous item, there is a very real possibility that the Trust will not receive an award through the LHTF Program this year.

The maximum amount per year the Trust can receive through the LHTF program is \$5 million with up to 5% 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 MSHA funding that receive a match through the LHTF program may use the LHTF funding on non-MSHA units within the same project.

Because of this dollar-for-dollar matching requirement, the NOFA allocated \$1,950,000 for projects without MSHA units funded through the Trust, and the remaining \$8,641,910 for projects that had MSHA units funded through the Trust.

For the 2022 LHTF application, the qualified matching funds will come from the County of Orange MSHA funds (\$4,841,910) and County of Orange General Fund (\$1,000,000).

NOFA APPLICATIONS

The Trust received a total of four (4) applications for funding through the 2022 NOFA. The four (4) applications totaled a request for \$6,874,335 in funding from the Trust, which included \$2,800,000 in non-MSHA funding and \$4,074,335 in MSHA funding. One of the four applications, The Meadows Senior Apartments, has previously been awarded funds by the Trust under a previous NOFA, and if awarded funds under the 2022 NOFA would have aggregate funding from the Trust less than the \$2,500,000 per project cap instituted by the Trust.

For the 2022 NOFA, the Trust is over subscribed for non-MSHA funding and under subscribed for MSHA funded units, even if the Trust is awarded funds through the LHTF Program. If the Trust is not awarded LHTF Program funds, then the non-MSHA units will be severely undersubscribed.

In order to bring additional funding from LHTF and maximize funding to all applicants, Trust Staff has worked with the applicant for Lincoln Avenue Apartments to modify their application to allow for up to two more MSHA units. If awarded LHTF Program funds, the two additional MSHA units will bring additional LHTF to Orange County, which would more fully fund all of the applications. However, it is uncertain whether the Lincoln Avenue Apartments will be able to accommodate one or two additional MSHA units until the applicant has a chance to go back to their other funding sources, in this case the County of Orange, to modify their existing funding award.

A summary of the applications and requested funding 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
The Meadows Senior Apartments <i>(Lake Forest)</i>	South	7*	65	\$1,240,015	\$0	\$1,240,015
Lincoln Avenue Apartments <i>(Buena Park)</i>	North	10-12	55	\$354,290	\$800,000	\$1,154,2900
WISEPlace <i>(Santa Ana)</i>	Central	14	48	\$2,480,030	\$0	\$2,480,030
Costa Mesa Motel 6 <i>(Costa Mesa)</i>	Central	22	85	\$0	\$2,000,000	\$2,000,000
Total		53-55	253	\$4,074,335	\$2,800,000	\$6,874,335
* Seven units will be funded by the Trust in addition to the 7 units approved under the 2021 NOFA for a total of 14 Trust funded units in the project.						

PROJECT EVALUATION

The applications were reviewed by the following panel:

- Overall application review
 - Trust Manager, Orange County Housing Finance Trust
 - Project Manager, Orange County Housing Finance Trust
 - Program Manager I, OC Health Care Agency
 - OCCR, Director, Housing & Community Development
- 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. Any applications that requested Trust MHSA funding are recommended because the Trust has \$8,641,910 available for MHSA funded units and there were only \$4,074,335 in Trust MHSA funding requests.
2. **SPA:** The NOFA specified that funding would be initially available equally among the three County Service Planning Areas (SPA). The Central SPA was the only one that had more than one application. However, each of these projects applied for funding from different pools of funds, with WISEPlace requesting only MHSA funds and Costa Mesa Motel 6 only applying for non-MHSA funds.

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 four (4) projects met threshold requirements and scored between 84 and 99 points out of a maximum score of 101 (See Attachment A). The projects have a total of 253 affordable units of which 30 are Trust affordable units and up to 25 are Trust MHSAs. All the Trust funded units are reserved for households that have an income at or below 30% of area median income.

PROJECT REQUIREMENT WAIVER

As mentioned previously, The Meadows Senior Apartments has previously received an award from the Trust under its 2021 NOFA. As part of that award, the Trust granted The Meadows Senior Apartments a waiver for the required Capitalized Operating Subsidy Reserve (COSR) that is typically required as when projects are awarded Mental Health Services Act funds. This reserve is required for MHSAs funded units that do not have project-based vouchers to cover any shortfall in rental income on these units. However, as part of the application review process for The Meadows both in 2021 and through this year's NOFA, Trust staff has verified that there is sufficient income coming from units not funded with MHSAs funds to ensure the project remains fiscally solvent without project-based vouchers or COSR. Consistent with its approvals under the 2021 NOFA, staff recommends approval of a waiver of the COSR requirement for the application for funding for The Meadows Senior Apartments under the 2022 NOFA as well.

PROJECT FUNDING RECOMMENDATIONS

Due to the uncertainty of the modifications to the financing for Lincoln Avenue Apartments and the award of LHTF Program funds, Staff recommends that the Board approve three contingent funding awards based on project scoring and expected outcomes of the possible funding scenarios as shown below.

Contingent Funding Award #1

If Lincoln Apartments can increase the number of Trust funded MHSAs units from 2 to 4, and the Trust receives an award through the LHTF Program, then funding is proposed as follows:

Project Name	Trust Funded MHA Units	Trust Funded Non-MHA Units	County General Fund Funding	MHA Funding	LHTF Funding	Total Funding
The Meadows Senior Apartments	7	0	\$0	\$620,008	\$620,008	\$1,240,016
Lincoln Avenue Apartments	4	8	\$91,420	\$708,580	\$800,000	\$1,600,000
WISEPlace	14	0	\$0	\$1,240,015	\$1,240,015	\$2,480,030
Costa Mesa Motel 6	0	22	\$908,580	\$0	\$908,580	\$1,817,160
Total	25	30	\$1,000,000	\$2,568,603	\$3,568,603	\$7,137,206

Contingent Funding Award #2

If Lincoln Apartments is only able to increase the number of Trust funded MHA units from 2 to 3, and the Trust receives an award through the LHTF Program, then funding is proposed as follows:

Project Name	Trust Funded MHA Units	Trust Funded Non-MHA Units	County General Fund Funding	MHA Funding	LHTF Funding	Total Funding
The Meadows Senior Apartments	7	0	\$0	\$620,008	\$620,008	\$1,240,016
Lincoln Avenue Apartments	3	8	\$45,710	\$531,435	\$577,145	\$1,154,290
WISEPlace	14	0	\$0	\$1,240,015	\$1,240,015	\$2,480,030
Costa Mesa Motel 6	0	22	\$954,290	\$0	\$954,290	\$1,908,580
Total	24	30	\$1,000,000	\$2,391,458	\$3,391,458	\$6,782,916

Contingent Funding Award #3

If the Trust does not receive an award through the LHTF Program, then funding is proposed as follows:

Project Name	Trust Funded MHA Units	Trust Funded Non-MHA Units	County General Fund Funding	MHA Funding	LHTF Funding	Total Funding
The Meadows Senior Apartments	7	0	\$0	\$1,240,015	\$0	\$1,240,015
Lincoln Avenue Apartments	2	8	\$800,000	\$354,290	\$0	\$1,154,290

WISEPlace	14	0	\$0	\$2,480,030	\$0	\$2,480,030
Costa Mesa Motel 6	0	22	\$200,000	\$0	\$0	\$200,000
Total	23	30	\$1,000,000	\$4,074,335	\$0	\$5,074,335

Staff is recommending approval of all three contingent funding award scenarios, and to authorize Trust staff to execute funding commitment letters consistent with these contingent awards. By doing so, the Trust will be able to move forward expeditiously as these possible funding scenarios come to fruition. In accordance with the Trust’s 2022 NOFA, any remaining money available through the NOFA will be made available on a first-come, first-serve basis. Any applications received for this remaining available funding will come to the Board for approval at a future meeting.

Staff recommends approval of this agenda item.

ATTACHMENTS: Attachment A – 2022 NOFA Project Scoring

Category	Maximum Points	Scoring Criteria	Costa Mesa Motel 6	Lincoln Ave. Apartments	Meadows Senior Apartments	WISEPlace
Developer			Community Development Partners	C&C Development	C&C Development	Jamboree Housing
City			Costa Mesa	Buena Park	Lake Forest	Santa Ana
Service Planning Area			Central	North	South	Central
Project Rediness	35	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	35	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	40	40	40
Service Enriched Location	25		10	13	8	23
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		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		3		3
Community Center	5	Projects will be awarded 5 points if they are within 0.5 miles of a public library or community center				5
Public Park	5	Projects will be awarded 5 points if they are within 0.5 miles of a public park		5	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		3	5
Development Pipeline	1	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 their application.	1	1	1	1
Total Score	101		86	89	84	99

Agenda Item 9
FY 2021-22 Trust Budget
Adjustments

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

MEETING DATE: May 18, 2022

SUBJECT: Approve a fiscal year 2021-22 Orange County Housing Finance Trust budget adjustment.



Adam B. Eliason, Manager

RECOMMENDED ACTION:

1. APPROVE A FISCAL YEAR 2021-22 ORANGE COUNTY HOUSING FINANCE TRUST BUDGET ADJUSTMENT TO INCREASE CIVICSTONE TO \$285,000, COUNTY COUNSEL TO \$82,000 COUNTY TREASURER TO \$6,250 AND AUDITOR CONTROLLER TO \$12,000.

BACKGROUND:

The Trust Board approved the Fiscal Year 2021-22 Budget at the May 2021 Board Meeting.

There are four budget line items for Fiscal Year 2021-22 that will come in over budget. Even with the proposed budget increase for these four line items the overall Fiscal Year 2021-22 Budget will still come in under the approved budget amount.

PROPOSED BUDGET ADJUSTMENTS:

1. Management and Administration: CivicStone, LLC provides the management and administrative services for the Trust. Since the Trust formation there have been thirteen (13) projects approved for funding. During this fiscal year nine (9) of the thirteen (13) projects have initiated the project funding and closing process. A tremendous amount of document preparation and review, negotiation, and meetings take place to close one project. CivicStone has worked closely with County Counsel to manage this process. While the project closing process for nine (9) projects is the major reason for the proposed budget adjustment, other unexpected tasks contributed to the increased administrative expense, including more board meetings, and additional work related to lobbying and policies.

It is important to note that another Fiscal Year 2021-22 budget line item for County Community Resources will come in under budget by approximately \$35,000 because CivicStone did much of the work anticipated by County Community Resources. The approved CivicStone budget is \$240,000. It is proposed that the CivicStone budget be increased by \$45,000 to \$285,000.

2. County Counsel: The Trust has a Memorandum of Understanding (MOU) agreement with County Counsel. For all the same reasons explained previously for CivicStone, County Counsel had an unexpected amount of time spent on the process to close nine (9) project all within this fiscal year. In addition, County Counsel addressed the COVID meeting issue, and a new procurement policy and forthcoming strategic communication RFP document review. In hindsight, the approved budget for County Counsel was too low to begin with. The County Counsel budget is \$40,000. It is proposed that the County Counsel budget be increased by \$42,000 to \$82,000.

3. County Treasurer: The Trust has a MOU agreement with County Treasurer to manage Trust financial assets. Initially, this budget line item was zero because it would be offset by interest earned. However, a recommendation by the Trust’s auditor is to add a new line item for “Interest Earned” and track the County Treasurer billable time to manage the financial assets.

It is important to note that the Interest Earned as of March 31, 2022, is \$43,368. The County Treasurer’s approved budget is \$0. It is proposed that the County Treasurer budget be increased by \$6,250 to \$6,250.

4. County Auditor/Controller: The Trust has a MOU Agreement with County Auditor/Controller to perform accounting and financial reporting services. This year Trust Staff has worked closely with Auditor/Controller on setting up a monthly revenue and expense report and substantially modifying the tracking of funds within the Trust financial accounts and reports. The County Auditor/Controller budget is \$7,500. It is proposed that the County Auditor/Controller budget be increased by \$4,500 to \$12,000.

The following table summarizes the proposed increases to the Fiscal Year 2021-22 Orange County Housing Finance Trust Budget

ADMINISTRATIVE EXPENSES	21-22 BUDGET	21-22 As Of 04/30/22	%	Est 21-22 06/30/22	%
<i>Management and Administration (CivicStone)</i>	\$ 240,000	\$ 189,708	79%	\$ 285,000	119%
<i>County Counsel (County MOU)</i>	\$ 40,000	\$ 65,484	164%	\$ 82,000	205%
<i>County Treasurer (County MOU)</i>	\$ -	\$ 5,142	0%	\$ 6,250	0%
<i>County Auditor Controller (County MOU)</i>	\$ 7,500	\$ 8,957	119%	\$ 12,000	160%

Agenda Item 10
FY 2022-23 Trust Budget

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

MEETING DATE: May 18, 2022

SUBJECT: Approve waiver of City Member contributions for FY 2022-23; and approve Orange County Housing Finance Trust FY 2022-23 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 2022-23.
2. APPROVE TRUST ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2022-23 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 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 Board approved cost allocation formula. That cost allocation formula was approved at the January 15, 2020, Board Meeting.

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

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.

FISCAL YEAR 2021-22 BUDGET:

The administrative expenses for the 2021-22 Budget were 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.

Projected Administrative Revenue will end the fiscal year with approximately \$77,547 more than projected due to new sources of revenue despite REAP grant funding coming in less than planned.

Project Administrative Expenses will end the fiscal year with less than projected due to several line items being postponed. However, as explained in previous agenda item regarding 2021-22 Budget Adjustment, there are increases in Management/Administration, County Counsel, County Treasurer, and County Auditor/Controller, with offsetting decreases to several other budget line items.

FISCAL YEAR 2022-23 BUDGET:

Three new administrative revenue sources have been added to the proposed 2022-23 Budget. A modest amount of interest is earned from Trust deposits with the County Treasurer's office. In addition, a new "Carryover funds from previous year" has been added to account for unspent administrative revenue from the previous year. Finally, now that projects are closing the Trust will receive annual project compliance monitoring fee.

The Administrative Expenses have an overall increase from last fiscal year by 8.39%. Adjustments have been made to slightly reduce General Operating Costs while increasing and decreasing line items in the Consultant Costs portion of the budget. The increases reflect the continued work by CivicStone and County Counsel to finance and close existing projects and begin closing on any new projects that are funded this year. Other adjustments to the Consultant Costs line items reflects experience from previous years.

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, Trust Staff recommends that the Board of Directors approve this waiver.

ATTACHMENT

Attachment A – FY 2022-23 OCHFT Administrative Budget

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

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

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

ESTIMATED ANNUAL EXPENSES	\$ 615,384	\$ 372,550	61%	\$ 504,465	82%	\$ 667,000
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REVENUE MINUS EXPENSES	\$ -	\$ 99,665		\$ 188,466		\$ 604,598
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Agenda Item 11
CivicStone Contract

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

MEETING DATE: May 18, 2022

SUBJECT: Approve an extension to the current professional services agreement with CivicStone, LLC to provide management and administrative services to the Orange County Housing Finance Trust.



Julie Lyons, Administrative Services Director, OC Community Resources

RECOMMENDED ACTION:

1. CHOOSE ONE OPTION:

A. APPROVE A SIX-MONTH EXTENSION OF EXISTING AGREEMENT, BEGINNING JULY 1, 2022, AND ENDING DECEMBER 31, 2022, WITH CIVICSTONE, LLC IN THE AMOUNT OF \$130,000 TO ENABLE NEGOTIATION OF A NEW SOLE SOURCE CONTRACT WITH CIVICSTONE, LLC FOR A TERM OF 3 YEARS, CONSISTENT WITH THE TRUST'S PROCUREMENT MANUAL, AND RETURN TO THE BOARD OF DIRECTORS FOR APPROVAL.

OR

B. APPROVE A 12-MONTH EXTENSION OF THE EXISTING AGREEMENT, BEGINNING JULY 1, 2022, AND ENDING JUNE 30, 2023, WITH CIVICSTONE, LLC IN THE AMOUNT OF \$260,000 AND DIRECT STAFF TO ISSUE A REQUEST FOR PROPOSAL FOR TRUST MANAGEMENT SERVICES AND RETURN TO THE BOARD OF DIRECTORS FOR APPROVAL.

BACKGROUND:

Sections 3(b)(2) and (b)(9) of the Orange County Housing Finance Trust (the "Trust") Joint Exercise of Powers Agreement authorizes the Trust "to contract for staff assistance" and "to engage in the services of private consultants to render professional and technical assistance and advice in carrying out the purposes of this Agreement." During the Trust's first year of operation,

the County of Orange provided the various Trust formation, management and administrative services including hiring CivicStone, LLC (CivicStone) to lead the Trust's organizational and start up efforts. In July 2020, the Trust Board contracted with CivicStone to continue to provide ongoing management and administrative services needed for the Trust for an additional year. Subsequent to this action, the Board of Directors approved a contract with CivicStone to continue to provide management and administrative services for one year. The current contract with CivicStone is set to expire June 30, 2022.

This Board approved the Orange County Housing Finance Trust Procurement Manual (the "Procurement Manual") in March 2022. The Procurement Manual designates the Trust Manager as the Chief Procurement Officer. The Procurement Manual further authorizes the Chief Procurement Officer to procure services and at the best value in a manner consistent with legal requirements, good business practices and proper fiscal control. However, due the conflict-of-interest laws found under Government Code section 1090 and the Political Reform Act, and as incorporated in Section 9 of the Procurement Manual, the Trust Manager may not negotiate or procure for Trust Manager services. As the County provides administrative services to the Trust pursuant to a previously Board approved Memorandum of Understanding, County staff has taken the lead in creating and reviewing this staff item.

Acknowledging and applying Section 4.1 of the Procurement Manual, which states, that all local authority rests with the Trust Board of Directors unless it is delegated by statute or Board action, staff is presenting two options to your Board for consideration:

Option A: Six-month Extension and Sole Source Contract

Under this option, the Board of Directors would extend the current contract with CivicStone for an additional six months in an amount not to exceed \$130,000. A six-month extension would allow County staff to develop and negotiate a sole source contract with CivicStone and would also allow County staff the ability to fully implement the Sole Source requirements found in the Procurement Manual. The Procurement Manual does specify the allowable maximum term for a sole source contract. As such, under this option, County staff recommends a three-year term in order to provide service continuity. An ability to extend that contract for an additional 6 months would allow staff to both seek additional Board direction on future Trust Manager services and have a new future Trust Manager contract align with the commencement of the fiscal year. Under this option, County staff would return to your Board in November 2022 to consider the sole source contract.

Option No. B: Twelve Month Extension and Direct Staff to Issue Request for Proposal (RFP)

Under this option, the Board of Directors would extend the current contract with CivicStone for an additional twelve months in an amount not to exceed \$260,000. Generally, County staff needs six to nine months to complete the RFP process. A twelve-month extension would allow County staff to develop and issue an RFP, review and score the proposals submitted, and recommend an award to the Board of Directors. Under this option, County staff would return to your Board in May 2023 to consider a contract award to the winning proposal.

Both extensions include an expanded scope of work that contemplates additional quarterly meetings with the Trust's Advisory Board. The expanded scope of work also includes additional activities that correspond with the Regional Early Action Planning ("REAP") grant award to the Trust.

ATTACHMENTS

Attachment A-1 – Six Month Extension to the Professional Services Agreement between the Trust and CivicStone, LLC

Attachment A-2 –Twelve Month Extension to the Professional Services Agreement between the Trust and CivicStone, LLC

Attachment B – Professional Services Agreement between the Trust and CivicStone, LLC (redlined)

**FIRST AMENDMENT
TO AGREEMENT BETWEEN
ORANGE COUNTY HOUSING FINANCE TRUST
AND CIVICSTONE, LLC FOR CONSULTING SERVICES**

This Amendment to the Consulting Services, (hereinafter referred to as “Contract”), hereinafter referred to as “First Amendment” is made and entered into as of the date fully executed by and between the Orange County Housing Finance Trust, a California public agency formed pursuant to California Government Code section 6500 et. Seq., with a place of business at 1 League #62335, Irvine CA 92602, (hereinafter referred to as “OCHFT” or “Trust”), and CivicStone, LLC, with a place of business at 1 League #62335, Irvine CA 92602; (hereinafter referred to as “Contractor”), with OCHFT and Contractor sometimes individually referred to as “Party” or collectively referred to as “Parties.”

RECITALS

WHEREAS, OCHFT entered into a Contract with CivicStone, LLC for the provision of Consulting Services, with an allocation amount of \$240,000.00 and services commencing July 1, 2021, through June 30, 2022; and

WHEREAS, OCHFT now desires to amend the Contract to extend the term through December 31, 2022, and increase the Contract amount by \$130,000, replace Attachment A Scope of Work with Attachment A-1, and replace Attachment B Compensation / Payment with Attachment B-1; and

NOW, THEREFORE, in consideration of the mutual obligation set forth herein, both Parties mutually agree to amend the Contract as follows:

1. Amend the Contract to extend the term through December 31, 2022 and increase the Contract in the amount of \$130,000.
2. Attachment A Scope of Work is hereby replaced with Attachment A-1.
3. Attachment B Compensation / Payment is hereby replaced with Attachment B-1.
4. Except as otherwise expressly set forth herein, all terms and conditions contained in the Contract, including any amendments/modifications, are hereby incorporated herein by this reference as if fully set forth herein and shall remain in full force and effect.

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Signature Page

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment on the dates with their respective signatures:

CIVICSTONE, LLC

By: _____

Name: Adam B. Eliason

Title: Principal

Date: _____

*For Subrecipients that are corporations, signature requirements are as follows: 1) One signature by the Chairman of the Board, the President, or any Vice President; and 2) One signature by the secretary, any assistant secretary, the Chief Financial Officer or an Assistant Treasurer.

For Subrecipients that are not corporations, the person who has authority to bind the Subrecipient to a contract must sign on one of the lines above.

ORANGE COUNTY HOUSING FINANCE TRUST

By: _____

Doug Chaffee, Chair
Orange County Housing Finance Trust

Dated: _____

**APPROVED AS TO FORM
TRUST COUNSEL**

By: _____

TRUST COUNSEL

Dated: _____

ATTACHMENT A-1

SCOPE OF WORK

I. BACKGROUND

In its efforts to address affordable housing and homelessness, the Orange County Board of Supervisors Board co-sponsored Assembly Bill 448, which authorizes the County and cities in Orange County to create the Orange County Housing Finance Trust (OCHFT). OCHFT will provide and receive funds for housing for those experiencing homelessness and those who are of extremely low, very low, and low income within Orange County.

On March 12, 2019, the Board approved the OCHFT Joint Powers Agreement (JPA). The management and administrative support services provided by the Contractor in this Contract will continue to implement the Board's leadership related to the passage of Assembly Bill 448, Bylaws and the future 5-year Strategic Plan.

The County of Orange, OC Community Resource's Housing Funding Strategy set an initial goal of 2,700 new supportive housing units and affordable housing units within six years. Since its inception, OCHFT has created the Permanent Supportive Housing (PSH) mapping tool to track this goal.

II. OBJECTIVE

To continue the OCHFT regional collaborative effort for affordable housing, to work with key stakeholders dedicated to improving the humanity and quality of life throughout the communities in Orange County, and continue to align with the State goals to deploy funding to finance the development of more affordable and supportive housing.

III. SCOPE OF SERVICES

The Contractor shall perform management and administrative support services described in this Contract to support OCHFT on an as-needed basis. Due to varying degrees and complexities to fulfill the service requirements of this Contract, the actual scope of services including tasks, deliverables, project timeline/schedule, and fees will require mutual approval from the Parties in accordance with the Service Request Procedures identified in this Contract. Those services that are funded with Regional Early Action Planning (REAP) grant funds are indicated below. Contractor services shall include, but are not limited to, the following:

1. Finalize the award of the 2022 Trust Notice of Funding Availability (NOFA) and coordinate the preparation of Trust loan documents and loan closings (REAP).
2. Initiate and manage the 4th Trust NOFA (\$10 million) for the development of affordable and supportive housing (REAP).
3. Continue to work on grants, legislative and/or lobbying efforts to secure additional funding from the State and Federal sources for capital and administrative funding (REAP).
4. Manage approved funding disbursements and compliance monitoring of funding both capital and administrative.
5. Meet with Trust Advisory Board on a quarterly basis.
6. Update the Trust 5 Year Business/Strategic Plan (REAP).
7. Work closely with Auditor/Controller on the management of the Trust Budget.
8. Prepare and/or coordinate all items for Trust Board meetings including the coordination with various County Memorandum of Understanding (MOU) Departments such as OCCR Staff, County Counsel and Clerk of the Board.

9. Continue to establish policies and procedures for the Trust including various compliance monitoring Trust funded projects (REAP).
10. Continue to manage and update the Trust website including an opportunities and accomplishments mapping upgrade (REAP).
11. Continue to represent the Trust at city council meetings, housing forums, seminars, workshops, committee meetings, various regional and stakeholder meetings to collaborate and explore solutions to the housing crisis in Orange County.
12. Develop and implement a strategy to retain and increase Trust membership throughout Orange County (REAP).
13. Other duties and assignments as may be deemed necessary and requested by the OCHFT Board or through the Chair.
14. Meet with nonmember cities in an effort to increase membership (REAP).
15. Prepare NOFA developer outreach strategy and property selection criteria for real estate brokerage community (REAP).
16. Implement NOFA developer outreach and strategy to meet with real estate brokerage community (REAP).
17. Create affordable and PSH housing opportunities and accomplishments mapping system (REAP).

IV. SERVICE REQUEST PROCEDURES

The Chair or Trust Board shall have the right to request all services and work provided for under this Contract. The Contractor shall timely perform all such requested services and work as requested. All requests for services shall require review and/or approval from the Chair or designee.

A. Contractor Responsibilities

1. The Contractor shall be required to submit a written quote to the Chair with detailed tasks, deliverables, timeline, and not to exceed hours binding the Contractor for all work in response to a request for services.
2. The Contractor shall discuss all required services to be performed with the Chair or key designated personnel prior to the start of work.
3. The Contractor shall perform all the necessary work in a professional manner and notify the Chair or designee upon project completion.

B. Change Management

1. No changes to an approved request for services (tasks, deliverables, timeline, and not to exceed hours, etc.) shall be permitted without a change request in writing submitted by the Contractor and approved in writing by the OCHFT Board.

C. Communication Management

1. All communication for any work performed in this Contract will be directed to the Trust Board through the Chair.

V. OCHFT RESPONSIBILITIES

1. The Trust Board, through its Chair or Trust's designee, shall assign, review, and approve all Contractor services provided in this Contract.
2. OCHFT will provide meeting facilities, as needed.

VI. SUBCONTRACTORS

In accordance with Article I, Assignment, the following subcontractor(s) shall assist the Contractor to provide services on this Contract.

NAME	Project Function
Grant Henninger	Executive Assistant
John Trauth	Sub-Consultant
(TBD)	Project, Budget, and Grant Funding Compliance Monitor

Assignment of additional key personnel shall be subject to OCHFT approval. OCHFT reserves the right to have any of the Contractor personnel removed from providing services to OCHFT under this Contract. OCHFT is not required to provide any reason for the request for the removal of any Contractor personnel.

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ATTACHMENT B-1

COMPENSATION / PAYMENT

- I. COMPENSATION:** This is a professional services Contract between the OCHFT and the Contractor for Consulting Services as set forth in Attachment A-1 Scope of Work. The total Contract amount shall not exceed **\$130,000.00** for the services provided in Attachment A-1, Scope of Work. **Excluded from this scope of work is time spent locating responsive records and responding to record requests under the California Public Records Act. Such requests shall be billed at a rate of \$85.00 per hour. The Contractor shall seek to subcontract pursuant to Section 21 of this Contract to reduce the costs associated with California Public Records Act requests.**

The Contractor agrees to accept the specified compensation as set forth in this Contract as full remuneration for performing all services and furnishing all staffing labor, insurance requirements, and taxes required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by the Contractor of all its duties and obligations hereunder. The Contractor shall only be compensated as set forth herein below for work performed in accordance with the Scope of Work. The OCHFT shall have no obligation to pay any sum in excess of the not to exceed Contract amount specified herein unless authorized by an amendment in accordance with Article C of this Contract.

- II. CONTRACTOR FEES:** OCHFT shall pay the Contractor at the fixed hourly rate specified herein, based on the number of actual hours expended by the Contractor to complete the services in this Contract; provided, however, that the total of such payments, including reimbursable expenses, shall not exceed the total Contract amount.

Hourly Rates:

STAFF NAME TITLE	RATE PER HOUR
Adam Eliason Principal	\$184.00
John Trauth Sub Consultant	\$184.00
Grant Henninger Executive Assistant	\$162.00
(TBD) Project, Budget, and Grant Funding Compliance Monitor	\$85.00

- III. FIRM DISCOUNT AND PRICING STRUCTURE:** The Contractor guarantees that prices quoted are equal to or less than prices quoted to any other local, State, or Federal government entity for services of equal or lesser scope. The Contractor agrees that no price increases shall be passed along to the OCHFT during the term of this Contract not otherwise specified and provided for within this Contract.
- IV. CONTRACTOR’S EXPENSE:** The Contractor shall furnish all materials, supplies, computer equipment, and labor to provide the requested services in this Contract.

The Contractor will be responsible for all costs related to individual/mobile telephone communications, travel within Orange County; parking, and all out-of-pocket expenses including the Contractor while on OCHFT sites during the performance of work and services under this Contract, unless otherwise specified. The Contractor shall be responsible for payment of all parking costs and expenses incurred at an OCHFT facility while performing work under this Contract, except to the extent the OCHFT facility has free parking available to the public and the Contractor makes appropriate use of this free parking. However, the OCHFT will not provide free parking to the Contractor.

The Contractor's travel expenses conducted outside of Orange County for airfare, lodging, car rental/rideshare, car rental gas, toll expenses, airport parking fees, and conference/meeting fees will be paid on a reimbursement basis with receipts attached to the monthly invoice. Office expenses such as messenger services, copy service, notary, and overnight shipping/express mail costs, will be paid on a reimbursement basis with receipts attached to the monthly invoice.

Travel outside of Orange County shall not be reimbursed without prior authorization from Trust Board. Authorization must be done in writing. Written authorization may be in a form including fax or email confirmation.

- V. **PAYMENT TERMS:** Invoices are submitted monthly in arrears for services rendered. The invoice(s) shall be submitted to the user agency/department to the bill-to address unless otherwise directed in this Contract. The Contractor shall reference the Contract number on the invoice. Payment will be net 30 days after receipt of an invoice in a format acceptable to the OCHFT and verified and approved by the agency/department and subject to routine processing requirements. The responsibility for providing an acceptable invoice rests with the Contractor.

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

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

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

1. Contractor's name and address
2. Contractor's remittance address
3. Contractor's Taxpayer ID number
4. Name of Trust: OC Housing Finance Trust
5. Contract Number if any.
6. Dates services rendered.
7. Service description.
8. Date Specific and total time and billable cost.

Invoices and supporting documentation are to be sent to:

Orange County Housing Finance Trust
Attn: Board Chair
601 N. Ross, 6th Floor
Santa Ana, CA 92701

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

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

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

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

**FIRST AMENDMENT
TO AGREEMENT BETWEEN
ORANGE COUNTY HOUSING FINANCE TRUST
AND CIVICSTONE, LLC FOR CONSULTING SERVICES**

This Amendment to the Consulting Services, (hereinafter referred to as “Contract”), hereinafter referred to as “First Amendment” is made and entered into as of the date fully executed by and between the Orange County Housing Finance Trust, a California public agency formed pursuant to California Government Code section 6500 et. Seq., with a place of business at 1 League #62335, Irvine CA 92602, (hereinafter referred to as “OCHFT” or “Trust”), and CivicStone, LLC, with a place of business at 1 League #62335, Irvine CA 92602; (hereinafter referred to as “Contractor”), with OCHFT and Contractor sometimes individually referred to as “Party” or collectively referred to as “Parties.”

RECITALS

WHEREAS, OCHFT entered into a Contract with CivicStone, LLC for the provision of Consulting Services, with an allocation amount of \$240,000.00 and services commencing July 1, 2021, through June 30, 2022; and

WHEREAS, OCHFT now desires to amend the Contract to extend the term through June 30, 2023, and increase the Contract amount by \$260,000, replace Attachment A Scope of Work with Attachment A-1, and replace Attachment B Compensation / Payment with Attachment B-1; and

NOW, THEREFORE, in consideration of the mutual obligation set forth herein, both Parties mutually agree to amend the Contract as follows:

1. Amend the Contract to extend the term through June 30, 2023 and increase the Contract in the amount of \$260,000.
2. Attachment A Scope of Work is hereby replaced with Attachment A-1.
3. Attachment B Compensation / Payment is hereby replaced with Attachment B-1.
4. Except as otherwise expressly set forth herein, all terms and conditions contained in the Contract, including any amendments/modifications, are hereby incorporated herein by this reference as if fully set forth herein and shall remain in full force and effect.

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Signature Page

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment on the dates with their respective signatures:

CIVICSTONE, LLC

By: _____

Name: Adam B. Eliason

Title: Principal

Date: _____

*For Subrecipients that are corporations, signature requirements are as follows: 1) One signature by the Chairman of the Board, the President, or any Vice President; and 2) One signature by the secretary, any assistant secretary, the Chief Financial Officer or an Assistant Treasurer.

For Subrecipients that are not corporations, the person who has authority to bind the Subrecipient to a contract must sign on one of the lines above.

ORANGE COUNTY HOUSING FINANCE TRUST

By: _____

Doug Chaffee, Chair
Orange County Housing Finance Trust

Dated: _____

**APPROVED AS TO FORM
TRUST COUNSEL**

By: Jacqueline Guzman

TRUST COUNSEL

Dated: 05092022

ATTACHMENT A-1

SCOPE OF WORK

I. BACKGROUND

In its efforts to address affordable housing and homelessness, the Orange County Board of Supervisors Board co-sponsored Assembly Bill 448, which authorizes the County and cities in Orange County to create the Orange County Housing Finance Trust (OCHFT). OCHFT will provide and receive funds for housing for those experiencing homelessness and those who are of extremely low, very low, and low income within Orange County.

On March 12, 2019, the Board approved the OCHFT Joint Powers Agreement (JPA). The management and administrative support services provided by the Contractor in this Contract will continue to implement the Board's leadership related to the passage of Assembly Bill 448, Bylaws and the future 5-year Strategic Plan.

The County of Orange, OC Community Resource's Housing Funding Strategy set an initial goal of 2,700 new supportive housing units and affordable housing units within six years. Since its inception, OCHFT has created the Permanent Supportive Housing (PSH) mapping tool to track this goal.

II. OBJECTIVE

To continue the OCHFT regional collaborative effort for affordable housing, to work with key stakeholders dedicated to improving the humanity and quality of life throughout the communities in Orange County, and continue to align with the State goals to deploy funding to finance the development of more affordable and supportive housing.

III. SCOPE OF SERVICES

The Contractor shall perform management and administrative support services described in this Contract to support OCHFT on an as-needed basis. Due to varying degrees and complexities to fulfill the service requirements of this Contract, the actual scope of services including tasks, deliverables, project timeline/schedule, and fees will require mutual approval from the Parties in accordance with the Service Request Procedures identified in this Contract. Those services that are funded with Regional Early Action Planning (REAP) grant funds are indicated below. Contractor services shall include, but are not limited to, the following:

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2. Initiate and manage the 4th Trust NOFA (\$10 million) for the development of affordable and supportive housing (REAP).
3. Continue to work on grants, legislative and/or lobbying efforts to secure additional funding from the State and Federal sources for capital and administrative funding (REAP).
4. Manage approved funding disbursements and compliance monitoring of funding both capital and administrative.
5. Meet with Trust Advisory Board on a quarterly basis.
6. Update the Trust 5 Year Business/Strategic Plan (REAP).
7. Work closely with Auditor/Controller on the management of the Trust Budget.
8. Prepare and/or coordinate all items for Trust Board meetings including the coordination with various County Memorandum of Understanding (MOU) Departments such as OCCR Staff, County Counsel and Clerk of the Board.

9. Continue to establish policies and procedures for the Trust including various compliance monitoring Trust funded projects (REAP).
10. Continue to manage and update the Trust website including an opportunities and accomplishments mapping upgrade (REAP).
11. Continue to represent the Trust at city council meetings, housing forums, seminars, workshops, committee meetings, various regional and stakeholder meetings to collaborate and explore solutions to the housing crisis in Orange County.
12. Develop and implement a strategy to retain and increase Trust membership throughout Orange County (REAP).
13. Other duties and assignments as may be deemed necessary and requested by the OCHFT Board or through the Chair.
14. Meet with nonmember cities in an effort to increase membership (REAP).
15. Prepare NOFA developer outreach strategy and property selection criteria for real estate brokerage community (REAP).
16. Implement NOFA developer outreach and strategy to meet with real estate brokerage community (REAP).
17. Create affordable and PSH housing opportunities and accomplishments mapping system (REAP).

IV. SERVICE REQUEST PROCEDURES

The Chair or Trust Board shall have the right to request all services and work provided for under this Contract. The Contractor shall timely perform all such requested services and work as requested. All requests for services shall require review and/or approval from the Chair or designee.

A. Contractor Responsibilities

1. The Contractor shall be required to submit a written quote to the Chair with detailed tasks, deliverables, timeline, and not to exceed hours binding the Contractor for all work in response to a request for services.
2. The Contractor shall discuss all required services to be performed with the Chair or key designated personnel prior to the start of work.
3. The Contractor shall perform all the necessary work in a professional manner and notify the Chair or designee upon project completion.

B. Change Management

1. No changes to an approved request for services (tasks, deliverables, timeline, and not to exceed hours, etc.) shall be permitted without a change request in writing submitted by the Contractor and approved in writing by the OCHFT Board.

C. Communication Management

1. All communication for any work performed in this Contract will be directed to the Trust Board through the Chair.

V. OCHFT RESPONSIBILITIES

1. The Trust Board, through its Chair or Trust's designee, shall assign, review, and approve all Contractor services provided in this Contract.

2. OCHFT will provide meeting facilities, as needed.

VI. SUBCONTRACTORS

In accordance with Article I, Assignment, the following subcontractor(s) shall assist the Contractor to provide services on this Contract.

NAME	Project Function
Grant Henninger	Executive Assistant
John Trauth	Sub-Consultant
(TBD)	Project, Budget, and Grant Funding Compliance Monitor

Assignment of additional key personnel shall be subject to OCHFT approval. OCHFT reserves the right to have any of the Contractor personnel removed from providing services to OCHFT under this Contract. OCHFT is not required to provide any reason for the request for the removal of any Contractor personnel.

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ATTACHMENT B-1

COMPENSATION / PAYMENT

- I. COMPENSATION:** This is a professional services Contract between the OCHFT and the Contractor for Consulting Services as set forth in Attachment A-1 Scope of Work. The total Contract amount shall not exceed **\$260,000.00** for the services provided in Attachment A-1, Scope of Work. **Excluded from this scope of work is time spent locating responsive records and responding to record requests under the California Public Records Act. Such requests shall be billed at a rate of \$85.00 per hour. The Contractor shall seek to subcontract pursuant to Section 21 of this Contract to reduce the costs associated with California Public Records Act requests.**

The Contractor agrees to accept the specified compensation as set forth in this Contract as full remuneration for performing all services and furnishing all staffing labor, insurance requirements, and taxes required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by the Contractor of all its duties and obligations hereunder. The Contractor shall only be compensated as set forth herein below for work performed in accordance with the Scope of Work. The OCHFT shall have no obligation to pay any sum in excess of the not to exceed Contract amount specified herein unless authorized by an amendment in accordance with Article C of this Contract.

- II. CONTRACTOR FEES:** OCHFT shall pay the Contractor at the hourly rate specified herein, based on the number of actual hours expended by the Contractor to complete the services in this Contract; provided, however, that the total of such payments, including reimbursable expenses, shall not exceed the total Contract amount.

Hourly Rates:

STAFF NAME TITLE	RATE PER HOUR
Adam Eliason Principal	\$184.00
John Trauth Sub Consultant	\$184.00
Grant Henninger Executive Assistant	\$162.00
(TBD) Project, Budget, and Grant Funding Compliance Monitor	\$85.00

- III. FIRM DISCOUNT AND PRICING STRUCTURE:** The Contractor guarantees that prices quoted are equal to or less than prices quoted to any other local, State, or Federal government entity for services of equal or lesser scope. The Contractor agrees that no price increases shall be passed along to the OCHFT during the term of this Contract not otherwise specified and provided for within this Contract.
- IV. CONTRACTOR'S EXPENSE:** The Contractor shall furnish all materials, supplies, computer equipment, and labor to provide the requested services in this Contract.

The Contractor will be responsible for all costs related to individual/mobile telephone communications, travel within Orange County; parking, and all out-of-pocket expenses including the Contractor while on OCHFT sites during the performance of work and services under this Contract, unless otherwise specified. The Contractor shall be responsible for payment of all parking costs and expenses incurred at an OCHFT facility while performing work under this Contract, except to the extent the OCHFT facility has free parking available to the public and the Contractor makes appropriate use of this free parking. However, the OCHFT will not provide free parking to the Contractor.

The Contractor's travel expenses conducted outside of Orange County for airfare, lodging, car rental/rideshare, car rental gas, toll expenses, airport parking fees, and conference/meeting fees will be paid on a reimbursement basis with receipts attached to the monthly invoice. Office expenses such as messenger services, copy service, notary, and overnight shipping/express mail costs, will be paid on a reimbursement basis with receipts attached to the monthly invoice.

Travel outside of Orange County shall not be reimbursed without prior authorization from Trust Board. Authorization must be done in writing. Written authorization may be in a form including fax or email confirmation.

- V. PAYMENT TERMS:** Invoices are submitted monthly in arrears for services rendered. The invoice(s) shall be submitted to the user agency/department to the bill-to address unless otherwise directed in this Contract. The Contractor shall reference the Contract number on the invoice. Payment will be net 30 days after receipt of an invoice in a format acceptable to the OCHFT and verified and approved by the agency/department and subject to routine processing requirements. The responsibility for providing an acceptable invoice rests with the Contractor.

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

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

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

1. Contractor's name and address
2. Contractor's remittance address
3. Contractor's Taxpayer ID number
4. Name of Trust: OC Housing Finance Trust
5. Contract Number if any.
6. Dates services rendered.
7. Service description.
8. Date Specific and total time and billable cost.

Invoices and supporting documentation are to be sent to:

Orange County Housing Finance Trust
Attn: Board Chair
601 N. Ross, 6th Floor
Santa Ana, CA 92701

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

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

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

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

**AGREEMENT BETWEEN
ORANGE COUNTY HOUSING FINANCE TRUST
AND CIVICSTONE, LLC FOR CONSULTING SERVICES**

This Agreement for Consulting Services, (hereinafter referred to as “Contract”), is made and entered into as of the date fully executed by and between the Orange County Housing Finance Trust, a California public agency formed pursuant to California Government Code section 6500 et. seq., with a place of business at 1 League #62335, Irvine CA 92602; (hereinafter referred to as “OCHFT” or “Trust”), and CivicStone, LLC, with a place of business at 1 League #62335, Irvine CA 92602; (hereinafter referred to as “Contractor”), with OCHFT and Contractor sometimes individually referred to as “Party” or collectively referred to as “Parties”.

ATTACHMENTS

This Contract is comprised of this document and the following Attachments, which are incorporated by reference into this Contract as if fully set forth:

Attachment A-1 – Scope of Work
Attachment B-1 – Compensation / Payment

RECITALS

WHEREAS, OCHFT desires to enter into a Contract with Contractor for Consulting Services, as more fully described in Attachment A-1 – Scope of Work; and

WHEREAS, Contractor is willing to provide the services as specified in Attachment A-1, in accordance with the Terms and Conditions of this Contract; and

WHEREAS, OCHFT agrees to pay Contractor the fees as further set forth in Compensation / Payment, attached hereto as Attachment B-1 and incorporated herein;

NOW, THEREFORE, the Parties mutually agree as follows:

ARTICLES

I. General Terms and Conditions:

- A. Governing Law and Venue:** This Contract has been negotiated and executed in the state of California and shall be governed by and construed under the laws of the state of California. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for trial to another county.
- B. Entire Contract:** This Contract, when accepted by the Contractor either in writing or by the shipment of any article or other commencement of performance hereunder, contains the entire Contract between the parties with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on OCHFT unless authorized by OCHFT in writing. Electronic acceptance of any additional terms, conditions or supplemental Contracts by any OCHFT employee or agent, including but not limited to installers of software, shall not be valid or binding on

OCHFTH unless accepted in writing by OCHFTH's Purchasing Agent or his designee, hereinafter "Purchasing Agent."

- C. Amendments:** No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by the parties; no oral understanding or agreement not incorporated herein shall be binding on either of the parties; and no exceptions, alternatives, substitutes or revisions are valid or binding on OCHFTH unless authorized by OCHFTH in writing.
- D. Taxes:** Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax.
- E. Delivery:** Time of delivery of services is of the essence in this Contract. OCHFTH reserves the right to refuse any services and to cancel all or any part of the services that do not conform to the prescribed statement of work. Delivery shall not be deemed to be complete until all services have actually been received and accepted in writing by OCHFTH.
- F. Acceptance/Payment:** Unless otherwise agreed to in writing by the OCHFTH, 1) acceptance shall not be deemed complete unless in writing and until all the services have actually been received to the satisfaction of OCHFTH, and 2) payment shall be made in arrears after satisfactory acceptance and in accordance with Attachment B-1.
- G. Warranty:** Contractor expressly warrants that the goods/services covered by this Contract are fit for the particular purpose for which they are intended. Acceptance of this order shall constitute an agreement upon Contractor's part to indemnify, defend and hold OCHFTH and its indemnitees as identified in paragraph "Z" below, and as more fully described in paragraph "Z", harmless from liability, loss, damage and expense, including reasonable counsel fees, incurred or sustained by OCHFTH by reason of the failure of the services to conform to such warranties, faulty work performance, negligent or unlawful acts, and non-compliance with any applicable state or federal codes, ordinances, orders, or statutes, including the Occupational Safety and Health Act (OSHA) and the California Industrial Safety Act. Such remedies shall be in addition to any other remedies provided by law.
- H. Patent/Copyright Materials/Proprietary Infringement:** Intentionally Omitted
- I. Assignment:** The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the parties. Furthermore, neither the performance of this Contract nor any portion thereof may be assigned or sub-contracted by Contractor without the express written consent of OCHFTH. Any attempt by Contractor to assign or sub-contract the performance or any portion thereof of this Contract without the express written consent of OCHFTH shall be invalid and shall constitute a breach of this Contract.
- J. Non-Discrimination:** In the performance of this Contract, Contractor agrees that it will comply with the requirements of Section 1735 of the California Labor Code and not engage nor permit any subcontractors to engage in discrimination in employment of persons because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons. Contractor acknowledges that a violation of this provision shall subject Contractor to all the penalties pursuant to Section 1741 of the California Labor Code.
- K. Termination:** In addition to any other remedies or rights it may have by law, OCHFTH has the right to terminate this Contract without penalty for cause or after thirty (30) days' written notice without cause, unless otherwise specified. Cause shall be defined as any breach of contract, any misrepresentation or fraud on the part of the Contractor. Exercise by OCHFTH of its right to terminate the Contract shall relieve OCHFTH of all further obligations.
- L. Consent to Breach Not Waiver:** No term or provision of this Contract shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

- M. Independent Contractor:** Contractor shall be considered an independent contractor and neither Contractor, its employees nor anyone working under Contractor shall be considered an agent or an employee of OCHFT. Neither Contractor, its employees nor anyone working under Contractor shall qualify for workers' compensation or other fringe benefits of any kind through OCHFT.
- N. Performance:** Contractor shall warrant all work under this Contract, taking necessary steps and precautions to perform the work to OCHFT's satisfaction. Contractor shall be responsible for the professional quality, technical assurance, timely completion and coordination of all documentation and other services furnished by the Contractor under this Contract. Contractor shall perform all work diligently, carefully, and in a good and workmanlike manner; shall furnish all necessary labor, supervision, machinery, equipment, materials, and supplies, shall at its sole expense obtain and maintain all permits and licenses required by public authorities, including those of OCHFT required in its governmental capacity, in connection with performance of the work. If permitted to subcontract, Contractor shall be fully responsible for all work performed by subcontractors.
- O. Insurance Provision:** Prior to the provision of services under this Contract, the Contractor agrees to purchase all required insurance at Contractor's expense, including all endorsements required herein, necessary to satisfy the OCHFT that the insurance provisions of this Contract have been complied with. Contractor agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with the OCHFT during the entire term of this Contract. In addition, all subcontractors performing work on behalf of Contractor pursuant to this Contract shall obtain insurance subject to the same terms and conditions as set forth herein for Contractor.

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

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the OCHFT's Risk Manager, or designee, upon review of Contractor's current audited financial report. If Contractor's SIR is approved, Contractor, in addition to, and without limitation of, any other indemnity provision(s) in this Contract, agrees to all of the following:

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

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

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the

Best's Key Rating Guide/Property-Casualty/United States or ambest.com). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

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

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

Coverage	Minimum Limits
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for non-owned and hired vehicles	\$1,000,000 per occurrence
Workers' Compensation	Statutory
Employers Liability Insurance	\$1,000,000 per occurrence
Professional Liability Insurance	\$1,000,000 per claims-made \$1,000,000 aggregate

Required Coverage Forms

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

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

Required Endorsements

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

1. An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the ***Orange County Housing Finance Trust its elected and appointed officials, officers, agents and employees*** as Additional Insureds, or provide blanket coverage, which will state ***AS REQUIRED BY WRITTEN CONTRACT.***
2. A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Contractor's insurance is primary and any insurance or self-insurance maintained by the OCHFT shall be excess and non-contributing.

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

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

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

If Contractor's Professional Liability is "Claims-Made" policy, Contractor shall agree to maintain coverage for two (2) years following the completion of the Contract.

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

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

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

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

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

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

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

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

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

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

The Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with OCHFT interests. In addition to the Contractor, this obligation shall apply to the Contractor's employees, agents, and subcontractors associated with the provision of goods and services provided under this Contract. The Contractor's efforts shall include, but not be limited to establishing

rules and procedures preventing its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to influence or appear to influence OCHFT staff or elected officers in the performance of their duties.

- R. Force Majeure:** Contractor shall not be assessed with liquidated damages or unsatisfactory performance penalties during any delay beyond the time named for the performance of this Contract caused by any act of God, war, civil disorder, employment strike or other cause beyond its reasonable control, provided Contractor gives written notice of the cause of the delay to OCHFT within thirty-six (36) hours of the start of the delay and Contractor avails himself of any available remedies.
- S. Confidentiality:** Contractor agrees to maintain the confidentiality of all OCHFT and OCHFT-related records and information pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this Contract. All such records and information shall be considered confidential and kept confidential by Contractor and Contractor's staff, agents and employees.
- T. Compliance with Laws:** Contractor represents and warrants that services to be provided under this Contract shall fully comply, at Contractor's expense, with all standards, laws, statutes, restrictions, ordinances, requirements, and regulations (collectively "laws"), including, but not limited to those issued by OCHFT in its governmental capacity and all other laws applicable to the services at the time services are provided to and accepted by OCHFT. Contractor acknowledges that OCHFT is relying on Contractor to ensure such compliance, and pursuant to the requirements of paragraph "Z" below, Contractor agrees that it shall defend, indemnify and hold OCHFT and OCHFT Indemnitees harmless from all liability, damages, costs, and expenses arising from or related to a violation of such laws.
- U. Freight (F.O.B. Destination):** Intentionally Omitted
- V. Severability:** If any term, covenant, condition, or provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.
- W. Attorney Fees:** In any action or proceeding to enforce or interpret any provision of this Contract, each party shall bear their own attorney's fees, costs and expenses.
- X. Interpretation:** This Contract has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this Contract. In addition, each party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each party further acknowledges that they have not been influenced to any extent whatsoever in executing this Contract by any other party hereto or by any person representing them, or both. Accordingly, any rule or law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Contract against the party that has drafted it is not applicable and is waived. The provisions of this Contract shall be interpreted in a reasonable manner to affect the purpose of the parties and this Contract.
- Y. Employee Eligibility Verification:** The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirement set forth in Federal statutes and regulations. The Contractor shall obtain, from all employees, consultants and subcontractors performing work hereunder, all verification and other documentation of employment eligibility status required by Federal or State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employee, consultants and subcontractors for the period prescribed by the law. The Contractor shall indemnify, defend with counsel approved in writing by OCHFT, and hold harmless, the OCHFT, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the OCHFT

or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

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

AA. Audits/Inspections: Contractor agrees to permit the OCHFT's Auditor-Controller or the Auditor-Controller's authorized representative (including auditors from a private auditing firm hired by the OCHFT) access during normal working hours to all books, accounts, records, reports, files, financial records, supporting documentation, including payroll and accounts payable/receivable records, and other papers or property of Contractor for the purpose of auditing or inspecting any aspect of performance under this Contract. The inspection and/or audit will be confined to those matters connected with the performance of the Contract including, but not limited to, the costs of administering the Contract. The OCHFT will provide reasonable notice of such an audit or inspection.

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

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

Should the Contractor cease to exist as a legal entity, the Contractor's records pertaining to this agreement shall be forwarded to the surviving entity in a merger or acquisition or, in the event of liquidation, to the OCHFT Chair.

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

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

II. Additional Terms and Conditions

1. **Scope of Contract:** This Contract specifies the contractual terms and conditions by which the OCHFT will procure consultant services from Contractor as further detailed in the Scope of Work, identified and incorporated herein by this reference as "Attachment A-1".

2. **Term of Contract:** This Contract shall commence on July 1, 2021 or upon execution of all necessary signatures by Parties, whichever comes later, and continue through December 31, 2022 or June 30, 2023 ~~for one calendar year from that date~~, unless otherwise terminated by OCHFT.

3. **Adjustments – Scope of Work:** No adjustments made to the scope of work will be authorized without prior written approval of the OCHFT Board
4. **Breach of Contract:** The failure of the Contractor to comply with any of the provisions, covenants or conditions of this Contract shall be a material breach of this Contract. In such event the OCHFT may, and in addition to any other remedies available at law, in equity, or otherwise specified in this Contract:
 - i. Terminate the Contract immediately, pursuant to Section K herein;
 - ii. Afford the Contractor written notice of the breach and ten (10) calendar days or such shorter time that may be specified in this Contract within which to cure the breach;
 - iii. Discontinue payment to the Contractor for and during the period in which the Contractor is in breach; and
 - iv. Offset against any monies billed by the Contractor but yet unpaid by the OCHFT those monies disallowed pursuant to the above.
5. **Civil Rights:** Contractor attests that services provided shall be in accordance with the provisions of Title VI and Title VII of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975 as amended; Title II of the Americans with Disabilities Act of 1990, and other applicable State and federal laws and regulations prohibiting discrimination on the basis of race, color, national origin, ethnic group identification, age, religion, marital status, sex or disability.
6. **Conflict of Interest – Contractor’s Personnel:** The Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with the best interests of the OCHFT. This obligation shall apply to the Contractor; the Contractor’s employees and agents, associated with accomplishing work and services hereunder. The Contractor’s efforts shall include, but not be limited to establishing precautions to prevent its employees or agents from making, receiving, providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to appear to influence individuals to act contrary to the best interests of the OCHFT.
7. **Conflict of Interest – OCHFT Personnel:** The OCHFT Board policy prohibits its employees from engaging in activities involving a conflict of interest. The Contractor shall not, during the period of this Contract, employ any OCHFT employee for any purpose.
8. **Contractor’s Expense:** The Contractor will be responsible for all costs related to individual/mobile telephone communications, electronic communication, and fax communications for the performance of work and services under this Contract. The OCHFT will not provide free parking for any service.
9. **Contractor’s Project Manager and Key Personnel:** Contractor shall appoint a Project Manager to direct the Contractor’s efforts in fulfilling Contractor’s obligations under this Contract. This Project Manager shall be subject to approval by the OCHFT and shall not be changed without the written consent of the OCHFT Chair, which consent shall not be unreasonably withheld.

The Contractor’s Project Manager shall be assigned to this project for the duration of the Contract and shall diligently pursue all work and services to meet the project time lines. The OCHFT Chair shall have the right to require the removal and replacement of the Contractor’s Project Manager from providing services to the OCHFT under this Contract. The OCHFT Chair shall notify the Contractor in writing of such action. The Contractor shall accomplish the removal within three (3) business days after written notice by the OCHFT Chair. The OCHFT Chair shall review and approve the appointment of the replacement for the Contractor’s Project Manager. The OCHFT is not required to provide any additional information, reason or rationale in the event it The OCHFT is not required to provide any additional information, reason or rationale in the event it requires the removal of Contractor’s Project Manager from providing further services under the Contract.
10. **Contractor’s Records:** The Contractor shall keep true and accurate accounts, records, books and data which shall correctly reflect the business transacted by the Contractor in accordance with generally

accepted accounting principles. These records shall be stored in Orange County for a period of three (3) years after final payment is received from the OCHFT.

11. **Conditions Affecting Work:** The Contractor shall be responsible for taking all steps reasonably necessary to ascertain the nature and location of the work to be performed under this Contract and to know the general conditions which can affect the work or the cost thereof. Any failure by the Contractor to do so will not relieve Contractor from responsibility for successfully performing the work without additional cost to the OCHFT. The OCHFT assumes no responsibility for any understanding or representations concerning the nature, location(s) or general conditions made by any of its officers or agents prior to the execution of this Contract, unless such understanding or representations by the OCHFT are expressly stated in the Contract.
12. **Data – Title To:** All materials, documents, data or information obtained from the OCHFT data files or any OCHFT medium furnished to the Contractor in the performance of this Contract will at all times remain the property of the OCHFT. Such data or information may not be used or copied for direct or indirect use by the Contractor after completion or termination of this Contract without the express written consent of the OCHFT. All materials, documents, data or information, including copies, must be returned to the OCHFT at the end of this Contract.
13. **Debarment:** Contractor certifies that neither Contractor nor its principles are presently debarred, proposed for debarment, declared ineligible or voluntarily excluded from participation in the transaction by any Federal department or agency. Where Contractor as the recipient of federal funds, is unable to certify to any of the statements in the certification, Contractor must include an explanation with the bid/proposal. Debarment pending debarment, declared ineligibility or voluntary exclusion from participation by any Federal department of agency may result in the bid/proposal being deemed non-responsible.
14. **Errors and Omissions:** All reports, files and other documents prepared and submitted by Contractor shall be complete and shall be carefully checked by the professional(s) identified by Contractor as project manager and key personnel attached hereto, prior to submission to the OCHFT. Contractor agrees that OCHFT review is discretionary and Contractor shall not assume that the OCHFT will discover errors and/or omissions. If the OCHFT discovers any errors or omissions prior to approving Contractor's reports, files and other written documents, the reports, files or documents will be returned to Contractor for correction. Should the OCHFT or others discover errors or omissions in the reports, files or other written documents submitted by the Contractor after OCHFT approval thereof, OCHFT approval of Contractor's reports, files or documents shall not be used as a defense by Contractor in any action between the OCHFT and Contractor, and the reports, files or documents will be returned to Contractor for correction.
15. **Gratuities:** The Contractor warrants that no gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the OCHFT with a view toward securing the Contract or securing favorable treatment with respect to any determinations concerning the performance of the Contract. For breach or violation of this warranty, the OCHFT shall have the right to terminate the Contract, either in whole or in part, and any loss or damage sustained by the OCHFT in procuring on the open market any goods or services which the Contractor agreed to supply shall be borne and paid for by the Contractor. The rights and remedies of the OCHFT provided in the clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.
16. **News/Information Release:** The Contractor agrees that it will not issue any news releases in connection with either the award of this Contract or any subsequent amendment of or effort under this Contract without first obtaining review and written approval of said news releases from the OCHFT through the Chair.
17. **Notices:** Any and all notices, requests demands and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing with a copy provided to the assigned

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

For Contractor: CivicStone, LLC
Attn: Adam Eliason
1 League #62335
Irvine, CA 92620

Email: adam@civicstone.com
Phone: 909-706-7193

For OCHFT Orange County Housing Finance Trust
Attn: Board Chair
1 League #62335
Irvine, CA 92620

18. **Ownership of Documents:** The OCHFT has permanent ownership of all directly connected and derivative materials produced under this contract by the contractor. All documents, reports and other incidental or derivative work or materials furnished hereunder shall become and remains the sole property of the OCHFT and may be used by the OCHFT as it may require without additional cost to the OCHFT. None of the documents, reports and other incidental or derivative work or furnished materials shall be used by the Contractor without the express written consent of the OCHFT.
19. **Precedence:** The Contract documents consist of this Contract and its exhibits and attachments. In the event of a conflict between or among the Contract documents, the order of precedence shall be the provisions of the main body of this Contract, i.e., those provisions set forth in the recitals and articles of this Contract, and then the attachments and exhibits.
20. **Reports/Meetings:** The Contractor shall develop reports and any other relevant documents necessary to complete the services and requirements as set forth in this Contract. The OCHFT Chair and the Contractor's Project Manager will meet on reasonable notice to discuss the Contractor's performance and progress under this Contract. If requested, the Contractor's Project Manager and other project personnel shall attend all meetings. The Contractor shall provide such information that is requested by the OCHFT for the purpose of monitoring progress under this Contract.
21. **Subcontracting:** No performance of this Contract or any portion thereof may be subcontracted by the Contractor without the express written consent of the OCHFT. Any attempt by the Contractor to subcontract any performance of this Contract without the express written consent of the OCHFT shall be invalid and shall constitute a breach of this Contract.

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

22. **Usage:** No guarantee is given by the OCHFT to the Contractor regarding usage of this Contract. Usage figures, if provided, are approximations. The Contractor agrees to supply services requested and/or

commodities requested, as needed by the OCHFT, at rates/prices listed in the Contract, regardless of quantity requested.

23. **Taxpayer ID Number:** The Contractor shall include its taxpayer ID number on all invoices submitted to the OCHFT for payment to ensure compliance with IRS requirements and to expedite payment processing.
24. **Termination – Orderly:** After receipt of a termination notice from the OCHFT, the Contractor may submit to the OCHFT a termination claim, if applicable. Such claim shall be submitted promptly, but in no event later than 60 days from the effective date of the termination, unless one or more extensions in writing are granted by the OCHFT upon written request of the Contractor. Upon termination OCHFT agrees to pay the Contractor for all services performed prior to termination which meet the requirements of the Contract, provided, however, that such compensation combined with previously paid compensation shall not exceed the total compensation set forth in the Contract. Upon termination or other expiration of this Contract, each party shall promptly return to the other party all papers, materials, and other properties of the other held by each for purposes of performance of the Contract.
25. **Waivers – Contract:** The failure of the OCHFT in any one or more instances to insist upon strict performance of any of the terms of this Contract or to exercise any option contained herein shall not be construed as a waiver or relinquishment to any extent of the right to assert or rely upon any such terms or option on any future occasion.

Signature Page

IN WITNESS WHEREOF, the Parties hereto certify that they have read and understand all the terms and conditions contained herein and have hereby caused this Contract to be executed.

CIVICSTONE, LLC

By: _____

Name: Adam B. Eliason

Title: Principal

Dated: _____

*For Subrecipients that are corporations, signature requirements are as follows: 1) One signature by the Chairman of the Board, the President or any Vice President; and 2) One signature by the secretary, any Assistant secretary, the Chief Financial Officer or an Assistant Treasurer.

For Subrecipients that are not corporations, the person who has authority to bind the Subrecipient to a contract, must sign on one of the lines above.

ORANGE COUNTY HOUSING FINANCE TRUST

By: _____

Dated: _____

Doug Chaffee~~Jamey Federico~~, Chair
Orange County Housing Finance Trust

**APPROVED AS TO FORM
TRUST COUNSEL**

By: _____

Dated: _____

TRUST COUNSEL

ATTACHMENT A-1

SCOPE OF WORK

I. BACKGROUND

In its efforts to address affordable housing and homelessness, the Orange County Board of Supervisors (“Board”) co-sponsored Assembly Bill 448, which authorizes the County and cities in Orange County to create the Orange County Housing Finance Trust (OCHFT). OCHFT will provide and receive funds for housing for those experiencing homelessness and those who are of extremely low, very low and low income within Orange County.

On March 12, 2019, the Board approved the OCHFT Joint Powers Agreement (JPA). The management and administrative support services provided by Contractor in this Contract will continue to implement the Board’s leadership related to the passage of Assembly Bill 448, the JPA, Bylaws, and the future 5-year Strategic Plan.

The County of Orange, OC Community Resource’s Housing Funding Strategy set an initial goal of 2,700 new supportive housing units and affordable housing units within six years. Since its inception, OCHFT has created Permanent Supportive Housing (PSH) mapping tool to track this goal.

II. OBJECTIVES

To continue the OCHFT regional collaborative effort for affordable housing, to work with key stakeholders dedicated to improving the humanity and quality of life throughout the communities in Orange County, and continue to align with the State goals to deploy funding to finance the development of more affordable and supportive housing.

III. SCOPE OF SERVICES

Contractor shall perform management and administrative support services described in this Contract to support OCHFT on an as-needed basis. Due to varying degree and complexities to fulfill the service requirements of this Contract, the actual scope of services including tasks, deliverables, project timeline/schedule and fees will require mutual approval from Parties in accordance with the Service Request Procedures identified in this Contract. Those services that are funded with Regional Early Action Planning (REAP) grant funds are indicated below. Contractor services shall include, but are not limited to, the following:

1. Finalize the award of the 2022 Trust Notice of Funding Availability (NOFA) and coordinate the preparation of Trust loan documents and loan closings (REAP).
2. Initiate and manage the 4th Trust NOFA (\$10 million) for the development of affordable and supportive housing (REAP).
3. Continue to work on grants, legislative and/or lobbying efforts to secure additional funding from the State and Federal sources for capital and administrative funding (REAP).
4. Manage approved funding disbursements and compliance monitoring of funding both capital and administrative.
5. Meet with Trust Advisory Board on a quarterly basis.
6. Update the Trust 5 Year Business/Strategic Plan (REAP).
7. Work closely with Auditor/Controller on the management of the Trust Budget.

8. Prepare and/or coordinate all items for Trust Board meetings including the coordination with various County Memorandum of Understanding (MOU) Departments such as OCCR Staff, County Counsel and Clerk of the Board.
 9. Continue to establish policies and procedures for the Trust including various compliance monitoring Trust funded projects (REAP).
 10. Continue to manage and update the Trust website including an opportunities and accomplishments mapping upgrade (REAP).
 11. Continue to represent the Trust at city council meetings, housing forums, seminars, workshops, committee meetings, various regional and stakeholder meetings to collaborate and explore solutions to the housing crisis in Orange County.
 12. Develop and implement a strategy to retain and increase Trust membership throughout Orange County (REAP).
 13. Other duties and assignments as may be deemed necessary and requested by the OCHFT Board or through the Chair.
 14. Meet with nonmember cities in an effort to increase membership (REAP).
 15. Prepare NOFA developer outreach strategy and property selection criteria for real estate brokerage community (REAP).
 16. Implement NOFA developer outreach and strategy to meet with real estate brokerage community (REAP).
 17. Create affordable and PSH housing opportunities and accomplishments mapping system (REAP).
- ~~1. Finalize the award of the 2021 Trust Notice of Funding Availability (NOFA) for \$11 million and coordinate the preparation of Trust loan documents and loan closings. (REAP funded).~~
 - ~~2. Initiate and manage the 3rd Trust NOFA (\$10 million) for the development of affordable and supportive housing (REAP funded).~~
 - ~~3. Continue to work on grants, legislative and/or lobbying efforts to secure additional funding from the State for administrative and development funding (REAP funded).~~
 - ~~4. Manage approved funding disbursements and compliance monitoring of funding both capital and administrative grants.~~
 - ~~5. Manage the Ad Hoc Formation Committee to explore Trust tax exempt donations to fund more affordable and supportive housing (REAP funded).~~
 - ~~6. Update the Trust 5 Year Business/Strategic Plan (REAP).~~
 - ~~7. Work closely with Auditor/Controller on the management of the Trust Budget.~~
 - ~~8. Prepare and/or coordinate all items for Trust Board meetings including the coordination with various County Memorandum of Understanding (MOU) Departments such as OCCR Staff, County Counsel and Clerk of the Board.~~
 - ~~9. Continue to establish policies and procedures for the Trust including various compliance monitoring Trust funded projects (REAP funded).~~
 - ~~10. Continue to manage and update the Trust website including an opportunities and accomplishments mapping upgrade (REAP funded).~~
 - ~~11. Continue to represent the Trust at city council meetings, housing forums, seminars, workshops, committee meetings, various regional and stakeholder meetings to collaborate and explore solutions to the housing crisis in Orange County.~~
 - ~~12. Develop and implement a strategy to retain and increase Trust membership throughout Orange County (REAP funded).~~
 - ~~13. Other duties and assignments as may be deemed necessary and requested by the OCHFT Board through the Chair (“Chair”) or.~~

IV. SERVICE REQUEST PROCEDURES

The Chair or Trust Board shall have the right to request all services and work provided for under this Contract. Contractor shall timely perform all such requested services and work as requested. All request for services shall require review and/or approval from the Chair or designee.

A. Contractor Responsibilities

1. Contractor shall be required to submit a written quote to the Chair with detailed tasks, deliverables, timeline, and not to exceed hours binding the Contractor for all work in response to a request for services.
2. Contractor shall discuss all required services to be performed with the Chair or key designated personnel prior to the start of work.
3. Contractor shall perform all the necessary work in a professional manner and notify the Chair or designee upon project completion.

B. Change Management

1. No changes to an approved request for services (tasks, deliverables, timeline, and not to exceed hours, etc.) shall be permitted without a change request in writing submitted by the Contractor and approved in writing by the OCHFT Board.

C. Communication Management

1. All communication for any work performed in this Contract will be directed to the Trust Board through the Chair.

V. OCHFT RESPONSIBILITIES

1. The Trust Board, through its Chair or Trust’s designee, shall assign, review, and approve all Contractor services provided in this Contract.
2. OCHFT will provide meeting facilities, as needed.

VI. SUBCONTRACTORS

In accordance with Article I, Assignment, the following subcontractor(s) shall assist Contractor to provide services on this Contract.

NAME	Project Function
Grant Henninger	Executive Assistant
John Trauth	Sub-Consultant
(TBD)	Project, Budget, and Grant Funding Compliance Monitor

Assignment of additional key personnel shall be subject to OCHFT approval. OCHFT reserves the right to have any of Contractor personnel removed from providing services to OCHFT under this Contract. OCHFT is not required to provide any reason for the request for removal of any Contractor personnel.

ATTACHMENT B-1
COMPENSATION / PAYMENT

I. COMPENSATION: This is a professional services fixed-fee Contract between the OCHFT and the Contractor for Consulting Services as set forth in Attachment A-1 – Scope of Work. The total Contract amount shall not exceed \$130240,000.00 or \$260,000.00 for the services provided in Attachment A-1, Scope of Work. Excluded from this scope of work fixed-fee is time spent locating responsive records and responding record requests under the California Public Records Act. Such requests shall be billed at a rate of \$14985.00 per hour. Contractor shall seek to subcontract pursuant to Section 21 of this Contract to reduce the costs associated with California Public Records Act requests.

The Contractor agrees to accept the specified compensation as set forth in this Contract as full remuneration for performing all services and furnishing all staffing labor, insurance requirements and taxes required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by the Contractor of all its duties and obligations hereunder. The Contractor shall only be compensated as set forth herein below for work performed in accordance with the Scope of Work. The OCHFT shall have no obligation to pay any sum in excess of the not to exceed Contract amount fixed-rates specified herein unless authorized by amendment in accordance with Article C of this Contract.

II. CONTRACTOR FEES: OCHFT shall pay Contractor at the ~~fixed~~-hourly rate specified herein, based on the number of actual hours expended by Contractor to complete the services in this Contract; provided, however, that the total of such payments, including reimbursable expenses, shall not exceed the total Contract amount.

Hourly RatesFixed Rate:

STAFF NAME TITLE	RATE PER HOUR
Adam Eliason Principal	\$170 184.00
John Trauth Sub Consultant	\$170 184.00
Grant Henninger Executive Assistant	\$149 162.00
(TBD) Project, Budget, and Grant Funding Compliance Monitor	\$85.00

III. FIRM DISCOUNT AND PRICING STRUCTURE: Contractor guarantees that prices quoted are equal to or less than prices quoted to any other local, State or Federal government entity for services of equal or lesser scope. Contractor agrees that no price increases shall be passed along to the OCHFT during the term of this Contract not otherwise specified and provided for within this Contract.

IV. CONTRACTOR’S EXPENSE: Contractor shall furnish all materials, supplies, computer equipment, and labor to provide the requested services in this Contract.

Contractor will be responsible for all costs related to individual/mobile telephone communications, travel within Orange County, parking, and any and all “out of pocket” expenses incurred by the Contractor while on OCHFT sites during the performance of work and services under this Contract, unless otherwise specified. The Contractor shall be responsible for payment of all parking costs and expenses incurred at an OCHFT facility while performing work under this Contract, except to the extent the OCHFT facility has free parking available to the public and the Contractor makes appropriate use of

this free parking. However, the OCHFT will not provide free parking to the Contractor.

Contractor's travel expenses conducted outside of Orange County for airfare, lodging, car rental/ride share, car rental gas, toll expenses, airport parking fees, and conference/meeting fees will be paid on a reimbursement basis with receipts attached to monthly invoice. Office expenses such as messenger services, copy service, notary, overnight shipping/express mail costs, will be paid on a reimbursement basis with receipts attached to monthly invoice.

Travel outside of Orange County shall not be reimbursed without prior authorization from Trust Board. Authorization must be done in writing. Written authorization may be in a form including fax or email confirmation.

- V. PAYMENT TERMS:** Invoices are submitted monthly in arrears for services rendered. The invoice(s) shall be submitted to the user agency/department to the bill-to address, unless otherwise directed in this Contract. The Contractor shall reference the Contract number on invoice. Payment will be net 30 days after receipt of an invoice in a format acceptable to the OCHFT and verified and approved by the agency/department and subject to routine processing requirements. The responsibility for providing an acceptable invoice rests with the Contractor.

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

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

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

1. Contractor's name and address
2. Contractor's remittance address
3. Contractor's Taxpayer ID number
4. Name of Trust – **OC Housing Finance Trust**
5. Contract Number, if any
6. Dates services rendered
7. Service description.
8. Date specific and total time and billable cost.

Invoices and supporting documentation are to be sent to:

Orange County Housing Finance Trust
Attn: Board Chair
601 N. Ross, 6th Floor
Santa Ana, CA 92701

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

- VII. PAYMENT (ELECTRONIC FUNDS TRANSFER [EFT]):** The OCHFT offers Contractors the option of receiving payment directly to their bank account via an Electronic Fund Transfer (EFT) process in lieu

of a check payment. Payment made via EFT will also receive an Electronic Remittance Advice with the payment details via e-mail. An e-mail address will need to be provided to the OCHFT via an EFT Authorization Form. To request a form, please contact the agency/department DPA listed in the Contract. Upon completion of the form, please mail, fax or email to the address or phone listed on the form.

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