

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

**WEDNESDAY, SEPTEMBER 15, 2021, 10:00 A.M.**

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  
**Jacqueline Guzman**

Clerk of the Trust  
**Robin Stieler**

This agenda contains a brief general description of each item to be considered. The Orange County Housing Finance Trust encourages public participation. GUIDANCE FOR PUBLIC ACCESS TO REDUCE RISK OF COVID-19: On June 11, 2021, Governor Gavin Newsom enacted Executive Orders authorizing a local legislative body to continue holding public meetings via teleconference. This meeting will be held in person and there are two options to attend the meeting remotely. However, please be advised if you are calling in or signing in via computer, you will NOT have the ability to make a public comment during the meeting.

1) For Video, use the link to join the webinar remotely to view:

<https://ocgov.webex.com/ocgov/onstage/g.php?MTID=e421a5d600eb69adad2909a660d83f464>  
then type first name, last name and email, and then click the Join Now Button.

2) To listen to live meeting, call: +1 415-655-0001

Access Code: 2452 366 2618

Passcode/Attendee ID: #

The Board is accepting public comments to be submitted by emailing them to [aeliason@ochft.org](mailto:aeliason@ochft.org). The comments will be distributed to all the Board Members. 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. To ensure that staff has the ability to provide comments to the Board in a timely manner, please submit your comments by 5:00 p.m. Tuesday, September 14, 2021.

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 in person, please state your name for the record prior to providing your comments.

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

*All supporting documentation is available for public review online at:  
[www.OCHFT.org](http://www.OCHFT.org) and in the office of the Clerk of the Board of Supervisors located in the  
Hall of Administration Building, 333 W. Santa Ana Blvd., 10 Civic Center Plaza, Room 465,  
Santa Ana, California 92701 during regular business hours,  
8:00 a.m. - 5:00 p.m., Monday through Friday.*

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**CONSENT CALENDAR ITEMS (Item 1):**

1. Approve Orange County Housing Finance Trust minutes from the July 21, 2021, meeting.

**DISCUSSION ITEMS (Items 2-4):**

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

2. Approve the 2021 update to the 2020-2025 Orange County Housing Finance Trust Strategic Plan
3. Authorize the Trust Manager to execute a revised funding letter of commitment extending the funding expiration date to five projects awarded funding under the Orange County Housing Finance Trust's 2020 NOFA (Center of Hope to 2/6/22, FX Residences to 9/1/22, Mountain View to 12/27/21, Orchard View Senior Gardens and Santa Angelina to 6/30/22).
4. Approve amendments to the Trust Bylaws related to the Trust Advisory Board composition and appointment.

**HOUSING TRUST MANAGER REPORT (Item 5):**

5. Oral Report from the Housing Trust Manager

**PUBLIC COMMENTS:**

*At this time members of the public in attendance 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:** November 17, 2021, at 10:00 a.m.

Agenda Item 1  
Minutes – July 21, 2021

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

**Wednesday, July 21, 2021, 10:00 A.M.**

**JAMEY FEDERICO**  
Chair

**DOUG CHAFFEE**  
Vice Chair

**DON BARNES**  
Director

**LISA A. BARTLETT**  
Director

**STEPHEN FAESSEL**  
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 Barnes, Federico, Bartlett, Chaffee, Faessel, Jung and Sachs

ABSENT: Directors Freidenrich and Penaloza

PRESENT: Trust Counsel  
Clerk of the Trust

Jacqueline Guzman  
Robin Stieler

**CALL TO ORDER**

The Chair called the meeting to order at 10:13 A.M.

**PLEDGE OF ALLEGIANCE**

The Chair 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 May 19, 2021, meeting.  
**ON THE MOTION OF DIRECTOR FAESSEL, SECONDED BY DIRECTOR BARNES, BY A VOTE OF 5 TO 0, WITH DIRECTORS FREIDENRICH, JUNG, PENALOZA AND VICE CHAIR CHAFFEE BEING ABSENT, APPROVED THE ORANGE COUNTY HOUSING FINANCE TRUST MINUTES FROM THE MAY 19, 2021 MEETING**

**DISCUSSION ITEMS (Items 2-4):**

2. Receive and file State funding advocacy update from Platinum Advisors  
**RECEIVED STATE FUNDING ADVOCACY UPDATE FROM NICK GARCIA, PLATINUM ADVISORS**
3. Conduct Public Hearing to consider adopting resolution authorizing the Housing Trust Manager to apply for Local Housing Trust Fund 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 approve a waiver for The Meadows project regarding capitalized operating subsidy reserve; and approve the 2021 Orange County Housing Finance Trust - Notice of Funding Availability Projects  
**CLOSED PUBLIC HEARING; ON THE MOTION OF CHAIR FEDERICO, SECONDED BY DIRECTOR BARNES, BY A VOTE OF 6 TO 0, WITH DIRECTORS FREIDENRICH, PENALOZA AND VICE CHAIR CHAFFEE BEING ABSENT, APPROVED ITEM AS RECOMMENDED**  
*RESO: 21-001-OCHFT*
4. Election of Officers for Fiscal Year 2021/2022  
**ON THE MOTION OF DIRECTOR BARTLETT, SECONDED BY CHAIR FEDERICO, BY A VOTE OF 7 TO 0 WITH DIRECTORS FREIDENRICH AND PENALOZA BEING ABSENT, THE BOARD NOMINATED AND ELECTED VICE CHAIR CHAFFEE AS CHAIR AND DIRECTOR FAESSEL AS VICE CHAIR FOR FISCAL YEAR 2021/2022**

**HOUSING TRUST MANAGER REPORT (Item 5)**

5. Oral Report from the Housing Trust Manager  
**FOCUSING ON AREAS OF CONCERN FOR THE TRUST'S STRATEGIC PLAN UPDATE INCLUDING ALTERNATIVES TO LOWER THE COST OF HOUSING**  
**ONGOING EFFORTS TO RAMP UP FUNDING (GOVERNMENT AND PHILANTHROPIC)**  
**INCREASING COLLABORATION WITH BE WELL OC CLINICS TO HELP THOSE IN NEED OF HOUSING AFTER THEY HAVE COMPLETED THEIR RECOVERY; WILL BE INCLUDED AS PART OF THE STRATEGIC PLAN UPDATE**  
**REACHING OUT TO MEMBER AND NON-MEMBER CITIES AND THE COUNTY TO PROVIDE AN UPDATE OF THE TRUST'S EFFORTS AND ACCOMPLISHMENTS**

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

**COMPLETION OF THE 2019/2020 AUDIT OF THE ORANGE COUNTY HOUSING FINANCE TRUST PERFORMED BY AN INDEPENDENT FIRM; REPORT WILL BE DISTRIBUTED TO MEMBERS AND POSTED ON THE TRUST’S WEBSITE; THE 2020/2021 AUDIT WILL COMMENCE IN THE FALL**

**PUBLIC & TRUST COMMENTS:**

**PUBLIC COMMENTS**

None

**DIRECTOR COMMENTS**

**Director Faessel** – Oral re: City of Anaheim has created a Community Care Response Team to address homelessness and is working to establish a partnership with Be Well OC; invited the Housing Trust Manager to provide an update of the Trust’s efforts and accomplishments at a future City of Anaheim City Council meeting

**Director Barnes**– Oral Re: Directed staff to review the study that was performed in 2018 regarding the set target of permanent supportive housing units (2,700 units), determine if number is still adequate and provide updated numbers to Trust members prior to the next meeting; suggested fast tracking available developers for one-time funding when it becomes available to help the Trust reach their goal

**Director Federico** – Oral re: Need to secure funding for list of current projects; consider Cities Regional Housing Needs Allocation requirements during the Trust’s Strategic Plan Update

**Director Sachs** – Oral re: Asked how Cities Regional Housing Needs Allocation is tied to the Trust’s goal of 2,700 permanent supporting housing units; agrees to incorporate the Regional Housing Needs Allocation to the Trust’s projected permanent supporting housing units

**Vice Chair Chafee** – Oral re: Agrees the Trust should incorporate the Regional Housing Needs Allocation as a reference in the Strategic Plan Update for more affordable housing and funding

**ADJOURNED:** 11:15 A.M.

**NEXT MEETING:** September 15, 2021 at 10:00 a.m.

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**JAMEY FEDERICO**  
*Chair, Orange County Housing Finance Trust*

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**ROBIN STIELER**  
*Clerk of the Orange County Housing Finance Trust*

Agenda Item 2  
2021 Update to Trust Strategic  
Plan

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

**MEETING DATE:** September 15, 2021

**SUBJECT:** Approve the 2021 update to the 2020-2025 Orange County Housing Finance Trust Strategic Plan.



Adam B. Eliason, Manager

**RECOMMENDED ACTION:**

APPROVE THE 2021 UPDATE TO THE 2020-2025 ORANGE COUNTY HOUSING FINANCE TRUST STRATEGIC PLAN.

**BACKGROUND:**

On July 15, 2020, the Board approved the Strategic Plan.

Last year the Trust, working with strategic planning consultant John Trauth, completed the Trust's initial 5-Year Strategic Plan, covering the period from July 1<sup>st</sup>, 2020, to June 30<sup>th</sup>, 2021.

Previously, the Board of Directors approved a Strategic Plan that included five components:

1. Aggressive Fundraising Strategy
2. Deploy Trust Funds for Supportive and Affordable Housing Projects
3. Perform Accountability and Compliance Monitoring
4. Retain and Increase Trust City Membership
5. Increase Outside Administrative Funding Opportunities While Keeping Administrative Funds Lean.

Staff represented to the Board last year that an annual assessment of the Strategic Plan would ensure the strategy remains focused, effective, and relevant to the current events and efforts regarding homelessness and affordable housing development in Orange County. Now that the first year has passed, staff and the consultant have interviewed key Orange County stakeholders working in the homelessness and affordable housing field and incorporated their



feedback into the updated strategic plan. The updated strategic plan (See Attachment A) also provides an Executive Summary that summarizes the progress made in the first year of Trust operations and in the later part of the report, sets out the strategies, goals, and activities/tasks for the remaining years.

Highlights of the updated strategic plan update are as follows:

- The Trust has issued two NOFAs totaling almost \$20 million dollars and has committed funding to 13 projects which will create 901 additional affordable and permanent supportive housing units. The Trust set a goal to contribute to the creation of 373 supportive housing units by June 30, 2021. The total supportive housing in the 13 projects is 304 units.
- The Trust was granted \$4.2 million from the State of California Housing & Community Development – Local Housing Trust Fund program and recently completed the grant application for an additional \$5 million that is awaiting announcement of funding approval.
- The first two Trust funded projects have closed and started construction with an additional two projects starting before the end of 2021.
- The Trust and its lobbyist sought additional sources of funds to help the Trust meet the goal of 2,700 units of permanent supportive housing by 2025. These efforts are ongoing.
- Trust staff recently started to meet with member and non-member cities to provide an update and present the accomplishments of the Trust.
- Trust staff and their consultant met with last year’s strategic partners in the past several weeks. Those not interviewed have submitted updates to their narrative comments of last year.
- The Trust executed an MOU with the County to reduce administrative expenses and hire third party consultants as needed for auditing, marketing, lobbying, and project proforma review.
- The Trust applied for and was awarded \$600,000 in administrative grant funding from the Orange County Council of Governments and SCAG. In addition, the capital funding grant of \$4.2 million from the State allows \$210,000 in project related administrative expenses. This significant receipt of administrative grant funding has eliminated the necessity for member cities to contribute administrative funding for the 2021-22 budget year and potentially beyond.

Developer partners tell us that they are happy with the Trust’s activities and with its NOFA process. In future NOFAs, the Trust will explore a funding priority to projects where the cost per Permanent Supportive Housing (PSH) unit is lower so that more units can be created with the funds available.

The Trust website features the following progress numbers towards the goal of creating 2,700 PSH units

- |                           |            |
|---------------------------|------------|
| 1. In progress of funding | 339        |
| 2. Under construction     | 535        |
| 3. Completed              | <u>306</u> |
| 4. TOTAL PSH Units        | 1,180      |

Trust staff remains optimistic that the overall County goal of creating 2,700 new permanent supportive housing will be achieved by June 30, 2025.

ATTACHMENT: Attachment A – Strategic Plan

Orange | Housing  
County | Finance  
Trust

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**STRATEGIC PLAN**

July 1, 2020 to June 30, 2025

Adopted July 15, 2020

Updated September 15, 2021

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## Executive Summary

Homelessness is on the rise in California. In Orange County, the latest “point-in-time” count, in January 2019, identified nearly 7,000 individuals/families who are experiencing homelessness including both sheltered and unsheltered populations. It is estimated that the advent of Covid-19 and the resulting increase in unemployment will expand the homeless population by 20%<sup>1</sup> which would potentially increase the Orange County homeless population by an estimated 1,400.

The cost of providing support to this population is extremely high. A collaborative study by Orange County United Way, Jamboree Housing and the University of California at Irvine<sup>2</sup> estimated that the average annual cost per homeless person in a 12 month period from mid-2014 to 2015 was \$45,000, with municipalities paying the largest share followed closely by emergency room hospital costs. These costs are most likely higher now and are significantly reduced when individuals and families have access to affordable and supportive housing.

So, while there are many root causes of homelessness, there is no doubt that there is a need for more affordable and supportive housing units to serve this population. The 2018 Housing Funding Strategy initiated by the Orange County Board of Supervisors established the need to create 2,700 new permanent supportive housing (PSH) units and an additional 2,700 affordable units before June 2025.<sup>3</sup>

In 2019 the Orange County Housing Finance Trust (Trust) was established to seek additional funding sources and finance the development of affordable and permanent supportive housing (PSH) projects throughout the region. Created through a Joint Powers Authority, the Trust includes the County of Orange and 23 of its incorporated cities, representing 80% of the County’s population.

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

*“ The vision of the Trust is to respond to the humanitarian crisis of homelessness by identifying and securing funding that will contribute to the construction of 2,700 permanent supportive*

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<sup>1</sup> White House Chief Domestic Policy Economist, Kevin Corinth, has determined through standard regression analysis that for every 1% increase in the unemployment rate, homelessness increases by 0.65%. California’s number is projected to be lower than other states because it already has a high rate of homelessness.

<sup>2</sup> See Appendix for website link to the study “Homelessness in Orange County: The Costs to Our Community” by OC United Way, Jamboree Housing and UCI.

<sup>3</sup> See Appendix for website link to the study “Orange County Housing Funding Strategy – June 2018.

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*housing units and work to secure funding that will contribute to additional affordable housing units by 2025.”*

For consistency purposes, the Trust will track and establish goals based upon the County’s start date of June 2018.

The Trust’s Strategic Plan covers the period from July 1, 2020, through June 30, 2025. It identifies five strategic components that will help provide direction to the organization. It includes the two primary strategic components of raising and deploying funding that will help create 2,700 supportive housing units by June 2025. The Plan also includes three additional supportive strategic components to ensure accountability and compliance, to retain and increase Trust membership, and to attain self-sufficiency.

This Executive Summary presents the five strategic components and the corresponding year one tasks and status:

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

1. Apply for Local Housing Trust Funds (LHTF) grant program dollars (1st Year).
  - a. *Accomplished. Received \$4.2 million dollars. A \$5.0 million dollar application has been submitted for year two.*
2. Work in conjunction with lobbyists to seek additional State/Federal funding beyond the LHTF grant program.
  - a. *Ongoing. Governor may allocate surplus funding through State Housing & Community Development (HCD) in a competitive or formula-based process.*
3. Explore and create potential co-lending program to further leverage Trust funds for short term pre-development loans that also generates Trust administrative dollars.
  - a. *Ongoing. A proposed relationship with Century Housing or Clearinghouse CDFI has been discussed, but to date the Trust has not approved a source of funds that can be used for pre-development purposes. Meanwhile, other sources of administrative funding have been secured, as reported below.*
4. Subscribe to and track various funding announcements and explore ways in which the Trust can apply for funding.
  - a. *Ongoing. Trust staff has subscribed to receive HCD announcements for funding and is seeking other direct funding opportunities through legislative processes.*
5. Set up a donor advised fund with Orange County Community Foundation (OCCF) for the receipt of charitable donations to the Trust.
  - a. *Accomplished.*
6. Identify key philanthropic opportunities with individuals and private sector entities to explore appropriate mechanisms for financial contributions (i.e., donations, legacy gifts, project naming opportunities).
  - a. *To be pursued further in year two through donor-advised fund.*

### **Strategic Component 2: Deploy Trust Funds for Supportive and Affordable Housing Projects**

1. Deploy Trust co-lending through short-term pre-development loan funds that also generate Trust administrative dollars.

- a. *Funds for Trust predevelopment loans have not yet been identified. When or if they are, the relationship with Century Housing and Clearinghouse CDFI will be pursued.*
2. Create Trust “Notice of Funding Availability” (NOFA) loan documents.
  - a. *Accomplished and approved by HCD.*
3. Review and fund 1st year NOFA projects ready to close.
  - a. *Ongoing. Trust funding for the first project to close is currently being processed at HCD. Trust funding for three additional projects will be processed before the end of 2021.*
4. Update and issue Trust 2nd year NOFA.
  - a. *Accomplished.*
5. Review, award and provide commitment letters to 2nd year NOFA recipients.
  - a. *Accomplished.*
6. Deploy additional funding obtained from other various sources.
  - a. *No other funding sources have been obtained so far.*
7. Contribute to the creation of 373 supportive housing by June 30, 2021.
  - a. *The first two NOFAs from the Trust funded 13 projects. The total supportive housing within those 13 projects equals 304 units.*

### **Strategic Component 3: Perform Accountability and Compliance Monitoring**

1. Create updated website GIS mapping of affordable and permanent supportive housing (PSH) units to monitor pipeline and progress toward 2025 goal.
  - a. *Accomplished. In addition, grant funding to the Trust has been obtained to upgrade the website, increase public awareness, and track affordable housing.*
2. Prepare and submit annual report to the Trust Board and Trust Members.
  - a. *Accomplished. The Trust is also currently scheduling meetings with member and non-member cities to present an update on Trust accomplishments and solicit non-members to join.*
3. Develop loan compliance monitoring checklist and procedures in accordance with Trust loan documents.
  - a. *On-going. A financial compliance manager was recently hired to focus on this area of the Trust and is currently creating all the related checklists, procedures, and related reporting.*
4. Prepare annual Trust strategic plan review and update.
  - a. *Accomplished following Year 1 and will be submitted to the Trust Board for approval on September 15, 2021.*

### **Strategic Component 4: Retain and Increase Trust City Membership**

1. Submit annual report to the Trust Members and Non-Member cities.
  - a. *Accomplished.*
2. Solicit non-member cities to join the Trust using Trust members, Trust Board, and developers.
  - a. *Ongoing and scheduled to be completed before the end of 2021.*
3. Promote the Trust through the Trust website, email blasts, speaking presentations, conference participation, talking points for Directors/Staff, and city council meetings.



- a. *Ongoing. The Trust Manager has and will continue to participate and present at recurring affordable housing and homelessness public and committee meetings. The Trust website eblast notifications have been utilized to announce various Trust news events. The Trust website continues to be updated including the project mapping unit table, helping the public stay informed on the goal of accomplishing the 2,700 PSH unit goal by 2025.*

**Strategic Component 5: Increase Outside Administrative Funding Opportunities While Keeping Administrative Funds Lean**

1. Establish roles and responsibilities for County staff supporting the Trust and as-needed services.
  - a. *Accomplished. MOU signed between the County and the Trust establishing the budget and identifying various departments at the County which will provide administrative support to the Trust.*
2. Hire part-time contract-based administrative assistants when necessary and appropriate.
  - a. *Accomplished. Part-time Project Manager and Financial Compliance Manager have been hired to manage various aspects of the Trust.*
3. Engage sub-consultants and County staff only when needed.
  - a. *Accomplished and ongoing. CSH was hired to participate in the NOFA project proforma review process. 3<sup>rd</sup> party auditor was hired to review and prepare an independent audit of the Trust. A lobbying RFP was prepared to engage the Trust in advocacy of additional funding from Sacramento. A marketing RFP will be prepared at the end of 2021 to help promote the Trust.*
4. Explore and pursue funding and financing that provide one-time or recurring sources of administrative funding (e.g., grant funding, legislative appropriations, member contributions, philanthropic donations, fees, and loan repayments).
  - a. *Accomplished. The Trust applied and received approval to receive \$600,000 in administrative grant funding from the Orange County Council of Governments and SCAG. In addition, the Trust applied and received the 2020-21 LHTF \$4.2 million in capital grant funding, of which 5% (\$210,000) can be used by the Trust for project related administrative expenses. Finally, the Trust applied and is awaiting a response on the 2021-22 LHTF \$5.0 million capital grant funding, of which 5% (\$250,000) can be used by the Trust for project related administrative expenses. This significant receipt of administrative grant funding has provided sufficient funding to eliminate the necessity of member cities to contribute administrative funding for the 2021-22 budget year and will likely be the same for the 2022-23 budget year.*

## **Chapter 1: History and Trust Formation**

In June 2018, the Orange County Board of Supervisors approved a “Housing Funding Strategy” in response to the crisis of homelessness and a shortage of affordable and supportive housing in the County. The strategy set a target for the development of 2,700 new supportive housing units within 6 years and identified a need for an additional 2,700 affordable housing units during the same time period. The Housing Funding Strategy identified potential funding sources and required funding for the development of 2,700 new supportive housing units. However, there was not enough funding identified to fill the gap needed to achieve the targeted housing units.

On September 11, 2018, Governor Jerry Brown signed into law Assembly Bill 448 which authorized the creation of the Orange County Housing Financing Trust. AB 448 allowed the County and any of the incorporated cities in the county to create a joint powers authority. The collaborative effort allows the Orange County region to be more competitive and access additional funding sources available to JPA’s for addressing homelessness and affordability.

Following the passage of AB 448, the County worked with representatives of the Association of California Cities Orange County (ACCOC) to form a collaborative working group comprised of elected officials and staff from both the County and various cities to establish the initial framework for the Trust.

On March 12, 2019, the Orange County Board of Supervisors approved the Trust Joint Powers Agreement and in subsequent months, 23 cities, representing over 80% of the County’s population, approved a resolution to join the Trust and execute the Agreement.

It was not anticipated that the Trust would be the sole funding source to achieve the goal of creating 2,700 new supportive housing units. Instead it was envisioned that the Trust would unite the region in a concerted effort to bring new sources of “gap” funding needed to make projects feasible and thus contribute towards ending homelessness.

### **Governance**

The Trust is governed by a nine-member Board of Directors, consisting of the following:

- Two members of the Orange County Board of Supervisors
- Two county-wide officials selected by the Board of Supervisors
- One representative each from the three largest cities in each of the regional service planning areas: North, Central and South.
- Two city council members who are each selected by the member cities and who are not already represented on the Board of Directors. The selection of these Directors is made by a “City Selection Committee” consisting of representative of cities that are not already included on the Board.

Current members of the Trust Board are listed below:

1. Chair Doug Chaffee, County of Orange Supervisor, 4<sup>th</sup> District
2. Vice Chair Stephen Faessel, City of Anaheim
3. Board Member David Penaloza, City of Santa Ana
4. Board Member Lisa Bartlett, County of Orange Supervisor – 5<sup>th</sup> District
5. Board Member Shari Freidenrich, County of Orange Treasurer-Tax Collector
6. Board Member Don Barnes, County of Orange Sheriff
7. Board Member Fred Jung, City of Fullerton
8. Board Member Ed Sachs, City of Mission Viejo
9. Board Member Jamey Federico, City of Dana Point

The Trust Bylaws specify the unique composition of an Advisory Board. It is envisioned that in 2021 the Trust Board will formally approve this Advisory Board and they will review and recommend various strategic planning goals and direction to the full Board of Directors.

The County of Orange agreed to fund the initial year of Trust administrative and formation operations through June 30<sup>th</sup>, 2020. After that, a cost-sharing formula was adopted by the Trust Board providing for administrative funding from both the County and the member cities, in proportion to their population size. Member cities and the County funded the first full year of Trust operations, July 1, 2020, through June 30, 2021. The Trust was able to secure administrative grant funding such that the 2021/2022 budget did not require any member cities to contribute administrative funding.

Soon after its creation, the County hired a Trust Manager on a contract basis. Other administrative support in the first year was provided by the County. Since that time that Trust Manager has hired various sub-consultants to aid in the administrative efforts of the Trust.

## **Mission and Vision Statement**

The Board also approved the following mission statement for the Trust:

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

The Trust will utilize its regional strength to lobby and apply for additional funds for the next five years, and beyond, including State and Federal funds.

As part of the adoption of this strategic plan, the Trust Board adopted the following vision statement:

*The vision of the TRUST is to respond to the humanitarian crisis of homelessness by identifying and securing funding that will contribute to the construction of 2,700*

*permanent supportive housing units and work to secure funding that will contribute to additional affordable housing units by 2025.*

The Trust’s website, found at [www.ochft.org](http://www.ochft.org), provides an interactive map displaying project details for all the affordable and supportive housing projects in the pipeline in Orange County (see following sample map). The map is updated on a regular basis and provides an effective tool for tracking the progress toward achieving the 2,700 supportive housing units.

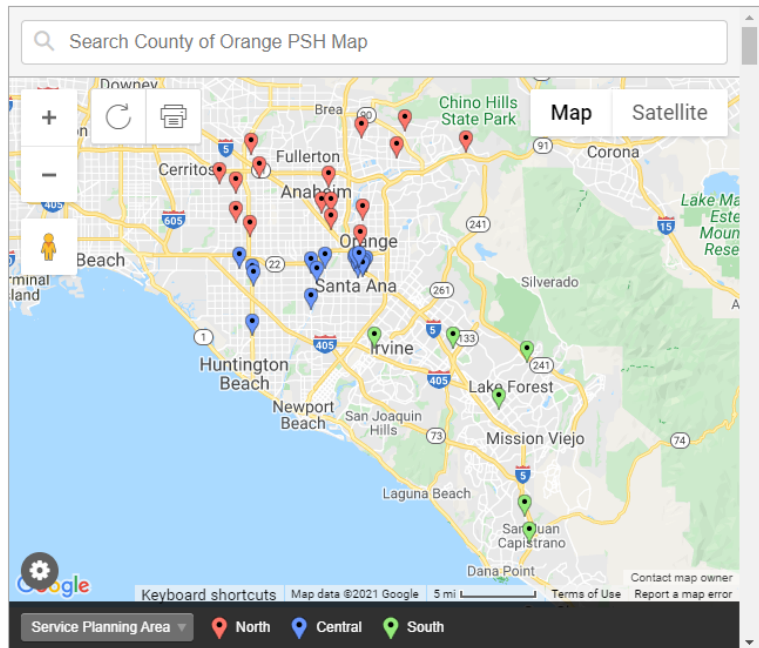
# Developments

The Orange County Housing Finance Trust, County, and Cities share a common goal of creating 2,700 permanent supportive housing units by June 30, 2025. This page tracks the progress of that goal since June 2018 and reports the details related to each project.

Click on each push pin to obtain detailed project information. Zoom in and out to see overlapping push pins. Click on the link below the map to view a full screen version of the map.

SERVICE PLANNING AREA	TOTAL PSH	% PSH	TOTAL UNITS	% TOTAL UNITS
Central	549	47%	964	40%
North	517	44%	1,024	43%
South	114	10%	401	17%
<b>Grand Total</b>	<b>1,180</b>	<b>100%</b>	<b>2,389</b>	<b>100%</b>

PROJECT STATUS	PSH UNITS	% PSH	TOTAL UNITS	% TOTAL UNITS
Complete	306	26%	549	23%
In progress of funding	339	29%	900	38%
Under Construction	535	45%	940	39%
<b>Grand Total</b>	<b>1,180</b>	<b>100%</b>	<b>2,389</b>	<b>100%</b>



## Initial Funding and Projects

The Trust issued its first Notice of Funding Availability (NOFA) on January 24, 2020. The development community responded enthusiastically with thirteen (13) applications for funding with requests nearly twice the \$11 million available.

Initial NOFA funding sources included the following:

1. County MHSA Funds	\$3,215,360.00
2. County General Funds	\$1,000,000.00
3. State General Funds	\$950,000.00
4. State Local Housing Trust Funds	\$4,004,592.01
<b>TOTAL</b>	<b>\$9,169,952.01</b>

- State funds also provided \$210,768.00 in administrative funds.

On May 6, 2020, the Trust Board awarded funding to help finance seven (7) projects and thus create 467 new affordable and supportive housing units in Orange County.

The Trust issued its second NOFA in January 2021. The Trust received seven applications and one was deemed incomplete and withdrew. The six remaining projects were scattered evenly with two projects in south county, two projects in central county, and two projects in north county.

On May 19, 2021, the Trust Board awarded funding to help finance six (6) projects and thus create 434 new affordable and supportive housing units in Orange County.

NOFA funding sources included the following:

1. County MHSA Funds	\$4,442,729.78
2. County General Funds	\$1,000,000.00
3. State Local Housing Trust Funds	\$4,750,000.00
<b>TOTAL</b>	<b>\$10,192,729.78</b>

- State funds also provided \$250,000 in administrative funds.

What is so evident from the Trust funding to date is the need to accelerate the creation of affordable and PSH units in Orange County to not only reach the established goals but most importantly to provide a means to achieve “functional zero”<sup>4</sup> homelessness before the challenges of homelessness is out of control.

As a regional entity and a source of development funding, Trust staff has begun to explore alternative ways to lower the costs associated with affordable and PHS development and instituted an incentive in the Trust NOFA to leverage scarce development funds.<sup>5</sup>

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<sup>4</sup> All homeless people are provided an opportunity to be placed in a variety of housing choices depending upon their circumstances.

<sup>5</sup> See Appendix “Ways to Reduce PSH Unit Costs”

## Joint Powers Agreement and Bylaws

The Joint Powers Agreement (JPA) and the Bylaws become the governing documents for the Trust and among other things specify what the Trust can and cannot do. A summary of both is provided below.

The Trust can perform the following:

1. Make or enter contracts
2. Contract for staff assistance
3. Apply for, accept, receive, and disburse grants, loans, or other aids from any agency of the United States of America or the State of California
4. Invest any money in the treasury pursuant to limitations found in the Joint Powers Act
5. Apply for letters of credit or other forms of financial guarantees
6. Carry out the provisions of the Joint Powers Agreement
7. Engage the services of private consultants to render professional and technical assistance and advice
8. Enforce affordable housing covenants or hold security interests in loans in a variety of methods
9. Rent space for the Trust
10. Solicit charitable contributions from private sources
11. Propose amendments to the JPA

The Trust cannot do the following:

1. Regulate land use in Cities or in the unincorporated area of the County
2. Serve as an owner or operator of housing units
3. Levy, or advocate or incentivize the levying of, an exaction, including an impact fee, charge, dedication, reservation, or tax assessment, as a condition for approval of a development project
4. Require or incentivize inclusionary zoning requirements
5. Require the Parties to the JPA to dedicate or assign funding for any Trust obligations or programs
6. Approve a housing project or program that is not supported by the governing body of the jurisdiction (a City or County) in which the project is proposed to be sited
7. Require the Parties to the JPA to accept or provide any number of housing units as a prerequisite to joining or remaining a member of the Trust

## **Chapter 2: Strategic Partner Interviews**

The success of Trust activities will be enhanced by close cooperation and collaboration with other organizations, entities and individuals also addressing the problem of homelessness in the County. This concept is called, “Collective Impact.”

Through this process, all the various entities stay informed of what each is doing, what successes are being realized and what problems are being encountered, and how they can mutually support each other. Duplication and inefficiency are minimized.

Interviews were conducted with other players in the homelessness space to inform them about the Trust, solicit their reactions, suggestions, and guidance, and determine how everyone can work together in pursuit of our common goal.

Each organization was briefed on the Trust’s formation, mission, and vision. In addition, these organizations were asked for their opinions regarding the role that the Trust should play and what Trust activities would be helpful to help support/sustain their efforts. How they each might support the Trust’s efforts was also discussed.

The results were overwhelmingly positive. The Trust is viewed as a non-partisan, joint effort of the County and the member cities, representing a positive new force to help address homelessness.

For the 2021-22 Strategic Plan Update, each of the original interview narratives was updated.

### **University of California, Irvine (UCI)**

Dr. George Tita, Professor of Criminology, Law and Society and Urban Planning and Public Policy, Director of the Livable Cities Lab; Doug Colby, Senior Director of Development.

The previous UCI study “Homelessness in Orange County – The Costs to our Community” quickly became one of the nation’s most comprehensive and groundbreaking cost studies on homelessness. The purpose of the study was to better understand how much is spent by the County and the municipalities within the County and local non-governmental service agencies to provide services to the local homeless population. Key findings are summarized below:

- 68% of the County homeless population have lived in the county 10 years or longer.
- \$299 million was spent by governmental and non-governmental entities in a 12-month period encompassing 2014/2015.
- Average annual cost per homeless person for all services is approximately \$45,000.
- Those homeless in permanent supportive housing reported 78% fewer ambulance transports and 100% fewer arrests, compared to those who are chronically homeless living on the street or in emergency shelters.

- The estimated average annual cost of services per capita for permanent supportive housing clients is 50% lower than for the chronically street homeless.
- Taking into consideration the average cost of services per capita, the study determined a cost savings of approximately \$42 million per year if all Orange County chronically homeless were placed into permanent supportive housing.
- The potential cost savings of housing the homeless are even more significant for the chronically street homeless who are the heaviest service users, and for those in the upper decile of costs. The study found that 10% of the chronically street homeless incur annual costs higher than \$439,787 per person, whereas the costliest 10% of those in permanent supportive housing incur annual costs in excess of only \$55,332.

This study and the related findings have contributed to helping policy makers throughout the county approve various efforts to provide shelter and housing for the homeless.

UCI is now conducting another research study on how the siting of affordable housing affects crime, housing prices, and local business receipts.

In addition, UCI’s “Livable Cities Lab” tracks trends on the intersection of public safety, dignified housing, and social enterprise.

Data from UCI studies can contribute to “myth-busting” of previously held negative beliefs regarding affordable housing, homelessness, and homelessness prevention programs.

*Strategic Plan Implication: UCI studies and data can help educate and inform policy makers and the public on a variety of aspects related to homelessness. This ultimately improves the Trust’s outreach efforts and helps build the case for the Trust locally as well as for Trust-funded projects.*

## **Orange County United Way**

*Susan B. Parks, President & CEO; Michelle Murphy, Director, Public Affairs.*

The mission of Orange County United Way is to improve lives in Orange County by delivering measurable long-term solutions to complex issues in education, health, financial stability, and housing. Through their ten-year “FACE 2024” communitywide action plan, they implement programs that: (1) Increase the high school graduation rate to 95% among students from disadvantaged socio-economic backgrounds; (2) Seek to increase the number of Orange County Healthy Schools from 34 to 50; (3) Reduce the percentage of financially unstable families by 25%; and (3) End homelessness by achieving functional zero within targeted populations. United Way puts their mission into action through three initiatives: *United to End Homelessness, United for Financial Security, and United for Student Success.*

## **UNITED TO END HOMELESSNESS**



United to End Homelessness (U2EH) was launched in February of 2018 to end homelessness in Orange County through public awareness, community education, advocacy, and housing. It is a collaboration of more than 150 leaders from Orange County's business, philanthropic, governmental, faith-based, and non-profit sectors. *U2EH is committed to ending homelessness by achieving functional zero within targeted populations.* Their efforts complement the work of the Orange County Commission to End Homelessness and the Continuum of Care Board.

Following are the programs that are part of this initiative:

- WelcomeHomeOC: This unique county-wide landlord incentive program has helped more than 500 homeless individuals with HUD rental vouchers to secure housing in private market apartments, including specific campaigns to end Veteran's homelessness with VASH vouchers and end former Foster Youth homelessness with FYI vouchers.
- Public Awareness/Education: Through Homelessness 101 classes, answers are provided to some of the most frequently asked questions, breaking down myths, and providing the most up-to-date statistics and best practices for solving homelessness in Orange County. U2EH engages in broad public awareness activities through social media, speaking engagements, and advertising, and has engaged more than 35,000 people to date.
- Advocacy: The Housing Champions Advocacy Network recruits, trains, equips, and organizes community members to engage in advocacy in their communities for housing solutions to end homelessness. To date, 231 local residents have been trained to be Housing Champions to advocate for increased affordable and permanent supportive housing, resulting in the approval of 492 new units over the last year.

#### UNITED FOR FINANCIAL SECURITY

Orange County United Way is driving economic mobility through three key programs that involve accessing financial assistance, improving financial literacy, and workforce development, *seeking to prevent homelessness for those that are financially and housing insecure.* Following are the programs that are part of this initiative:

- OC Free Tax Prep: Partners with more than 30 organizations to offer a free tax preparation service for 15,000 low- and moderate-income individuals, families, and seniors. Volunteer tax preparers help eligible clients claim their refunds and federal Earned Income Tax Credit (EITC) and CalEITC.
- SparkPoint OC: Helps 400 families and individuals improve their financial literacy with financial coaching and workshops. With the help of one-on-one financial coaching, goal-setting plans are created in three key areas to: (1) Increase income via job training and placement, free tax prep/tax credits, and access to public assistance programs; (2) Manage credit by managing debt, creating sustainable household budgets, and improving credit scores; and (3) Build assets through savings and asset planning to help families reach goals like buying a home or paying for college.
- UpSkill OC: This program builds a job pipeline that assesses and matches the needs of employers for middle-skill occupations in healthcare and information technology (IT).

UpSkill OC annually targets 100 low-income residents from high-need areas, including rapid re-housing programs, to create a thriving job market through career training, education, case management, and job placement.

### UNITED FOR STUDENT SUCCESS

United Way's educational and health programs are geared toward ensuring that children and youth receive the support they need to strengthen their literacy, stay on track in school, graduate high school on time, pursue college and/or find a career. This holistic focus brings together a multi-faceted approach to define success through a student's ability to be healthy and thriving.

- Early Literacy programs make books available in communities where access is scarce and encourages parents and caregivers to read aloud to kids every day to ensure children are reading proficiently by the third grade.
- Destination Graduation (DG): Implemented at 22 middle and high schools to improve math and science skills, DG engages, empowers, and inspires 5,000 at-risk youth to finish high school on time, and better prepares them for college.
- Youth Career Connections (YCC): This integrated work-based learning program connects 1,000 high school students directly to employers, so they graduate college and are career ready. YCC brings learning to life through Field Trips, Pitch Panels, Corporate Speakers, and Student Internships where students gain invaluable career exploration and work experience with leading local employers.
- Healthy Schools Initiative is an evidence-based effort that empowers schools to promote student health and wellness through physical activity, nutrition, and community-led advocacy. United Way seeks to increase Orange County's Healthy Schools from 34 to 50 by 2024.

*Strategic Plan Implication: Potential trusted partner, strong advocate for housing to end homelessness, provider of homeless prevention programs, and committed to increasing Orange County's utilization rate of HUD rental vouchers that increase the available housing opportunities for the Orange County homeless population.*

### **Association of California Cities - Orange County (ACC-OC)**

Bruce Channing, Executive Director

- ACC-OC was formed after a breakup with the Orange County League of Cities over Brown's carbon tax. ACC-OC members were against the tax, while the League was in favor.
- City members of the Trust are mostly the same as the ACC-OC cities.
- ACC-OC former Executive Director was very involved in the creation of the Trust.

- ACC-OC wants to continue to be informed on Trust goals and accomplishments. The Trust is invited to participate in ACC-OC activities and conferences.
- The Trust should send ACC-OC suggested content and news updates for distribution to ACC-OC member cities using their monthly newsletter.
- The Trust can attend ACC-OC organized trips to Sacramento, Washington DC each year to meet with legislators on issues affecting their cities.

*Strategic Plan Implication: Partner for promoting future legislation favoring the Trust; good organization for networking with Orange County cities regarding Trust activities.*

### **Orange County Housing Trust (OCHT)**

Helen O’Sullivan, Executive Director of OCHT, and President & CEO, NeighborWorks of Orange County, and Lucy Dunn, President and CEO, Orange County Business Council

Orange County Housing Trust is a 15-year-old 501c3 non-profit with a track record of success. It was retooled in 2019 and reinvigorated by a major grant from Disney. It seeks private and public sector contributions for affordable housing and supportive housing projects in Orange County.

- OCHT is looking for short-term financing opportunities as a “quiet” lender (predevelopment, acquisition loans).
- NeighborWorks OC is providing Helen O’Sullivan to serve as OCHT’s executive director. The volunteer board of OCHT, chaired by Lucy Dunn of OCBC, is comprised of long-time OCHT members and has recently been joined by members of OCBC. OCHT will dedicate its resources to housing until such time as it develops funding for full time staff.
- OCHT may plan an annual fundraising campaign to the business community. OCHT currently has \$6 million available. \$5 million has been committed from Disney’s contribution for gap financing for projects in the City of Anaheim.
- OCHT may want to eventually become a CDFI in order to access low-cost capital for affordable housing development finance.
- OCHT is not subject to Brown Act or other public agency requirements, does not have elected officials on its board, which have been known in other non-profits to be problematic. OCHT can move quickly to fund when funds are available.
- OCHT has been around for many years and has a significant track record itself.

*Strategic Plan Implications: A potential corporate financing partner to keep in mind. Some local corporate capital involved in Trust financing would be a major political advantage when seeking additional funding in Sacramento.*

### **Salvation Army Orange County**

### Ben Hurst, Director of Strategic Operations

The Salvation Army has been operating in Orange County for 128 years and started its operations in Santa Ana. Captain Nesan Kistan is the head of Orange County operations. Funds to support operations come from donations and sales from Thrift stores.

The Center of Hope project in Anaheim is the Salvation Army's major project. Salvation Army is both the developer and the operator of the 6.9-acre site. This project already includes 325 emergency shelter beds, with the goal of expanding to 600, including both shelter and permanent supportive housing units and offices for service providers and project administration.

- On August 11, 2021, the Anaheim Center of Hope was approved for allocations of bonds and tax credits.
- 50 Section 8 vouchers from the Anaheim Housing Authority are dedicated to the project.
- Other Salvation Army housing projects like the Center for Hope are being considered, including a large site in San Clemente. The Salvation Army owns considerable land in Orange County and 69 other sites throughout California (Salvation Army is one of the biggest landowners in the United States).
- Construction costs are rising, particularly influenced by the increasing lumber costs.
- Salvation Army and the Trust share a goal of "Functional Zero" homelessness. This is where all homeless people are provided an opportunity to be placed in a variety of housing choices depending upon their circumstances.
- Vets, women, and children are the first priorities. Beds for men are last, but men represent the largest segment of the homeless population.
- The single largest expense for homelessness is hospitalization. The second biggest expense is for first responders (police, fire, etc.).
- There is a need for the Salvation Army and others in the homeless space to coordinate closely with CalOptima, a local organization which provides health insurance for low and very low-income people. This is being coordinated through the BeWell OC clinics and other County Health Care Agency efforts.
- Without a concerted and successful effort to get the homeless population to change and learn life skills and self-sufficiency qualities, most people will likely never leave permanent supportive housing and therefore the need continually grows. Studies show that currently only 8% of homeless people eventually self-resolve.

*Strategic Plan Implications: The Salvation Army can be an essential partner for the Trust. Salvation Army has already received a \$2.5 million award of funds from the Trust for the City of Hope project. The Trust might also provide support for future Salvation Army projects. The cost of land might be zero if Salvation Army-owned land is made available for projects, thereby lowering per-unit cost.*

## **Commission to End Homelessness**

Dan Young, Vice Chair, and former President of the Irvine Company.

The Commission to End Homelessness includes all the various organizations addressing homelessness in the County. It provides a forum for all of them to stay connected, track activities and progress, and coordinate with and support each other.

- Doug Chaffee is the Chair of the Commission.
- Dan Young was instrumental in getting AB 448 approved, which enabled the creation of a Joint Powers Authority which established the Trust.
- Dan believes there is plenty of land in Orange County for Trust projects.
- Land can be the match for additional public funds if the Trust can get it free (state land) or at a below-market price.
- Dan knows some wealthy individuals who could potentially be willing to make a substantial contribution and/or legacy gift to the Trust. To facilitate contributions, the Trust has established a donor-advised fund with the Orange County Community Foundation, which would serve as its fiscal agent for contributions since the Trust is not itself a 501c3 organization.
- However, Dan feels that the Trust is not yet ready to make requests for charitable donations. The Trust first needs to generate considerable enthusiasm for its work and raise significantly more public money to gain the reputation which will attract support from private philanthropists.
- Cities in Orange County also need to step up to do their part. While some have, others have not. Expanding the Trust membership to include all Orange County cities is a goal, but cities will need to participate financially in projects in their jurisdictions. Everyone needs to be part of the solution to ending homelessness.

*Strategic Plan Implications: The Commission to End Homelessness, which includes all the homeless providers, offers a significant networking opportunity for the Trust. In addition, Dan Young is an experienced and influential developer in Orange County. He is well known in Sacramento and has a broad network of influential individuals. He played a pivotal role in the Trust formation and wants to see it succeed. He could be extremely helpful to the Trust in various ways and Trust staff need to keep him involved and seek his advice and counsel on a regular basis.*

## **Century Housing**

Ron Griffith, CEO, & Josh Hamilton, Sr. VP, Lending

Century is a significant affordable housing lender based in Culver City and active in Orange County. It was originally capitalized through transfer of the remaining assets of the State of California program to relocate homes in Los Angeles in the path of the construction of the Century Freeway.

- Century makes early-stage acquisition/bridge loans to help nonprofits secure land, get soft financing and tax credit approvals, and arrange for construction loans.
- Century often partners with the “Golden State Acquisition Fund, (GSAF)” a revolving below market rate loan fund administered by State HCD, which takes the 25% top loss position in each loan. Loan-to-value percentages are higher (100% in some cases) (note that GSAF funded loans do not exceed 100% LTV, although LTV does not exceed 100% when Century funds a predevelopment loan). HCD’s rate on the State’s money is blended with Century’s rate. The GSAF is currently out of funds, but additional money will be available as loans are repaid.
- Century originates these early-stage loans for nonprofits, underwrites and closes the loans, and is repaid from construction loan proceeds.
- Rates are currently 5.75% (variable rate tied to LIBOR) with interest payments made through an interest reserve funded from the loan at closing, and no prepayment penalties. Origination fees are typically 1 to 1½% depending on the loan amount.
- Century is interested in possibly being involved in the early stages of Trust projects and proposes a co-lending arrangement. In such an arrangement, the Trust might share in the loan origination fees, providing money for Trust overhead and thereby reducing the amount required by Trust Members.

*Strategic Plan Implications: Another potential financing partner for Trust projects, like the CDFI Clearinghouse (see below). Century has a strong balance sheet and its own internal capital source as well as an existing partnership with the State of California. Should the Trust wish to do early-stage lending in addition to late stage (residual receipts loans or another financing structure), partnering with Century would help leverage Trust funds potentially 3 to1 for early-stage project financing. The Trust could take advantage of Century’s existing and proven underwriting and loan servicing programs. Century could help the Trust expand its financing options and potentially lend credibility to the Trust in its early years of operations.*

## **Orange County Continuum of Care**

Tim Shaw, Chair, CofC Board

Since 1998, the County of Orange has coordinated a comprehensive regional Continuum of Care (CoC) to develop and implement a strategy to address homelessness in Orange County. The Orange County Continuum of Care covers the Orange County jurisdiction, including all 34 incorporated cities and unincorporated areas. Participation is welcomed from County departments and agencies, local governments, homeless, housing, and supportive service providers, community groups (including non-profits, faith-based organizations, interested business leaders, schools, individuals with lived experience and many other stakeholders.

The Orange County CoC Board is the governing body for the Orange County CoC whose purpose is to implement the Continuum of Care program. The Continuum of Care Program is authorized by subtitle C of Title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11381-11389). As noted in CFR 24 Part 578.1, the Continuum of Care program is designed to:

- A. Promote a communitywide commitment to the goal of ending homelessness through Regional Coordination and collaboration.
- B. Advocate for funding and resources to end homelessness and provide funding for proven efforts by nonprofit providers, States, and local governments to quickly rehouse people experiencing homelessness while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness.
- C. Promote access to and effective utilization of mainstream programs by homeless individuals and families.
- D. Promote the implementation of best practices and evidence-based approaches to homeless programming and services.

The Orange County CoC has several committees aimed at coordinating and collaborating on specific functions and programs associated with the Continuum of Care Program. One of these is the CofC Housing Committee chaired by Judson Brown (see Continuum of Care Housing Committee below).

- Tim Shaw has been involved in various capacities on homelessness activities since the 1990's and has served in many capacities. He has a good overview of the activities of various agencies working in this space.
- The Continuum of Care Board needs to be briefed on the Trust and its activities. Tim will help to arrange for the Trust Manager to present at a future Board Meeting.
- Money flows through the Continuum of Care process, including Covid-19 homelessness relief funding, and is allocated to various agencies, but there is a need for a better understanding of the sources of money and their various restrictions so the money can be more effectively employed. HUD has technical assistance grants for this purpose.
- More advocacy is necessary to reduce political resistance to the creation of permanent supportive housing in OC communities. CofC, the Kennedy Commission and United Way can all play an advocacy role.
- Tim offers to help with bringing more OC cities into the Trust. Advocacy assistance was provided previously for the Trust's Lake Forest project.

Judson Brown, Chair of Housing Committee of the Continuum of Care & City of Santa Ana  
Housing Division Manager

- The City of Santa Ana is running a very large emergency rental assistance program. It has \$24.8 million from the Federal government and an additional \$24.8 million from the State of California. It implements the program using eight nonprofit organizations

including Catholic Charities, The Salvation Army and United Way of Orange County in addition to 5 others.

- Emergency housing vouchers are run through the Continuum of Care. There is a need for incentives for landlords to lease up units using these vouchers (increased security deposits, pre-paid rent, etc.).
- The cost of permanent supportive housing and affordable housing can be reduced significantly by land donations. The Silicon Valley Housing Trust is buying land for this purpose. Santa Ana has been working to do the same and retain ownership of the land under a ground lease to reduce the cost of the project to the developer and to ensure long-term affordability. In addition, State-owned, county-owned, and city-owned land, and underutilized parking lots, school and church sites might present opportunities. Land was donated for this purpose by the United Methodist Church.
- There are also new funding sources coming soon, like the HOME “American Rescue Fund” (Federal program) beginning soon with very flexible money) and the 3<sup>rd</sup> and 4<sup>th</sup> funding rounds of the Homeless Housing, Assistance and Prevention (HHAP) grant program.
- The Trust, as a quasi-government organization, can be more of a neutral party and help with fundraising, coordination, and placement of funds for those developers in the PSH and Affordable Housing space. The Irvine Community Land Trust has done a good job of this in Irvine. Tracking the tax credit project pipeline would also be helpful.
- The efforts by United to End Homelessness (United Way Orange County), The Commission to End Homelessness, and the Continuum of Care need to be better coordinated and perhaps even merged in the future. The Trust could play a role here.
- Anaheim has been very supportive of homeless programs. (See summary on interview with Anaheim Housing Authority Director Grace Stepter, below.)

*Strategic Plan Implications: There is much support for the Trust locally, and due to its regional aspect and its neutral position politically, there is support for the Trust to play key leadership and coordinating roles for all the various stakeholders in the Orange County homelessness space.*

## **Kennedy Commission**

Cesar Covarrubias, Executive Director

The Kennedy Commission is the major local advocate organization for affordable and supportive housing. Cesar believes that adequate staffing is currently lacking at State HCD. Meanwhile, the State of California is anxious for some “wins,” and the Trust’s regional approach could be highly effective.

- Orange County Housing Bond - Large bond issuances are needed to get more money for supportive housing and affordable housing programs, like they have done in Santa Clara



County (\$980 million), Alameda County: (\$500 million), and attempted in San Diego City (\$900 million).

- Perhaps a real estate transfer tax would create more local funds for homeless interventions.
- The County should use a portion of surplus budget funding and dedicate it to the development of permanent supportive housing and affordable housing.
- The County should use Covid-19 Economic Relief Act (CARES) funding for the development of permanent supportive housing and affordable housing.
- Each OC city and County should identify local surplus land and dedicate it for the development of permanent supportive housing and affordable housing.
- State excess land and previous redevelopment agency land could be transferred to local successor agencies, which might help identify future project possibilities (see “Continuum of Care, above.).

*Strategic Plan Implications: The Kennedy Commission can be helpful in supporting Trust initiatives and in publicizing Trust activities to help increase awareness and support in Orange County.*

### **National Core**

Michael Ruane, Executive VP. and Lorna Contreras, Senior Development Manager

National CORE is a major nonprofit developer in southern California (formerly known as SoCal Housing and National Housing Development Corporation). Michael is a former Deputy Executive Officer of Orange County, so he knows all the various entities and players. He also Chairs the Health Care Foundation for Orange County and is familiar with philanthropic fund development initiatives.

- National CORE recently received an S&P A+ Bond rating, one of only two nonprofit housing developers in the country to attain this rating. This will allow National CORE to access cheaper money for its projects through bond sales.
- The Trust as a special regional entity can actively raise money for projects. The County must be an integral part of this effort to support the Trust’s requests.
- The Trust could also be the platform for philanthropic and corporate contributions, working with (or absorbing) the OCHT. The Trust may be uniquely positioned to support or lead efforts to seek national foundation and federal grant opportunities that are targeted at regional or multi-jurisdictional collaboratives.
- For raising private and philanthropic dollars, Michael suggested last year that the Trust establish a relationship with a local foundation. That arrangement is now in place with the Orange County Community Foundation, where the Trust has established a Donor-Advised Fund which can receive charitable contributions for Trust projects.

- National CORE finds the Trust’s NOFA process streamlined and simple. National CORE hopes that the Trust’s NOFA process can eventually become semi-annual to align with tax credit allocations.
- A big need in Orange County is for larger affordable units (3+ bedrooms).
- Costs of building new is so high that the Trust should prioritize funding for acquisition of existing buildings, including motels, hotels, and existing apartment buildings.

*Strategic Plan Implications: National CORE can be a key developer for Trust projects. IN addition, National CORE supports the same coordinating role for the Trust as others do and supports the Trust raising money from public and private sources, including corporate donations.*

## **Mind OC - Be Well OC Clinic**

Marshall Moncrief, ED

No one organization, or even sector, can solve the pervasive challenge of mental health and substance use disorders alone. In Orange County, there are exceptional services, but they function in silos of excellence. BeWell OC is a transformative movement bringing together public, private, academic, and faith-based organizations, as well as others, to create a unified system of mental health care and support for all Orange County residents, regardless of payer. Three regional Be Well OC Campuses – North, Central & South County – will anchor the system, increasing access and greatly improving the quality and outcomes of mental health and addiction treatment for the community. The Campuses will include a variety of mental health and addiction assessment, stabilization and recovery services, co-located and coordinated, and uniquely available to all residents.

BeWell OC North Campus, a 60,000 sq. ft. state of the art facility in the city of Orange was completed in December 2021 and became fully operational in May 2021. This Campus sets the first tangible cornerstone in building a world-class system of mental healthcare, and a new reality for the community. A 28-acre property has been secured for a second campus in the City of Irvine and is planned for completion in 2023. Additional clinical and other services (health/wellness, education, research, and supportive services) are planned to be offered there in the future.

Integration of mental health and substance abuse services in a central, easily accessible location improves access to care. Coordination in care across services improves the experience for patients and providers. Co-locating community-based social support services honors whole-person needs, improves outcomes, and reduces recidivism.

### **Examples of On-site services slated for inclusion:**

- Social Services Support
- Community Based Organizations
- Faith Based Organizations
- Supportive Employment

- Supportive Education
- Legal Services

The length of a person’s stay may range from 7 to 90 days, depending on their individual needs, but one thing that remains consistent regardless is the coordination and warm, supportive transition of a client from the campus to their next right destination in their journey to optimal mental health and wellness.

A “discharge planner” has been hired, funded temporarily by Jamboree Housing. Jamboree is investigating the possibility of how to better coordinate the discharge of BeWell OC clients into various housing options.

For more information on BeWell OC, like or follow [@bewelloc](https://www.facebook.com/bewelloc) on Facebook or visit [www.bewelloc.org](http://www.bewelloc.org).

*Strategic Plan Implications: Mind OC and its BeWell OC clinics are intended to be the intermediary needed for transitioning homeless to permanent supportive housing. Mind OC and the Trust are both regional entities that can work closely together to support each other in helping to treat and reduce homelessness. Each needs the other to be successful.*

## **Anaheim Housing Authority**

Grace Stepter, Deputy Director for Community and Economic Development

The City of Anaheim is now the largest city in Orange County, recently surpassing Santa Ana. The Anaheim Housing Authority’s allocation of Section 8 vouchers is currently 6,800. The Housing Authority also currently manages the HOME money, several affordable ground-lease projects, the City’s CDBG program, the Housing Opportunities Program for People with Aides, and residual redevelopment agency housing set-aside resources

- The Center of Hope project in Anaheim applied to the Trust for funding. The project has 50 project-based vouchers from the Anaheim Housing Authority and has had to address many complications which have now mostly been resolved.
- The Ecolodge project (motel conversion to supportive housing which is being developed by Jamboree) is also in Anaheim.
- Anaheim Housing Authority is on the front lines for developing responses to covid-19 issues. Trailers are being sent to Anaheim by the State to help address the immediate needs of those infected by the virus.
- Grace believes that the Trust can play a very important role in developing affordable and supportive housing through providing additional funding, facilitating project development, representing a collective voice for approving and funding supportive housing projects, and educating politicians and others about the development process.
- The Trust’s geographic tracking of County-wide affordable and supportive housing projects is very helpful.

*Strategic Plan Implications: The City of Anaheim, through its Housing Authority, can be an active partner in helping leverage the Trust's funding to create more affordable and supportive housing by identifying projects, expediting project approvals and providing necessary Section 8 vouchers.*

## **Commission to End Homelessness - Housing Ad Hoc Committee**

Paul Wyatt, Councilman, Dana Point: Member

As a south County councilman, and as a member of the Commission's Ad Hoc Housing Committee, Paul has been very involved in the homeless issue. He was an early supporter of the Trust and has done significant modeling of the homeless need for affordable and supportive housing in Orange County through 2030. The City of Dana Point is represented on the Trust Board.

- The Trust was formed to help increase the amount of funding for affordable and supportive housing, which is very important, but there is also a great need for coordination of local existing resources. The Trust can play that role.
- Trust "early gap financing" is badly needed and could potentially cut 12 months off the development process. This early stage financing is needed to help the developers' "pocket projects" move from the concept phase to pre-development.
- Paul has worked with Dan Young on the Commission and strategized about various homeless initiatives. He is also active with Mind OC and its BeWell clinics. He believes that the eventual solution must include prevention, or the County will never have sufficient gap funding or time to catch up to the affordable and supportive housing need.
- The solution must also include one-on-one intervention to address specific individual needs, development of more units, and a feeder system to place needy individuals in appropriate housing with the services they need.
- In addition to new development, the overall plan needs to include purchase and rehabilitation of existing units. These units are less expensive to acquire initially but require additional rehabilitation funds later.
- The development of "Micro Projects," of 100% supportive housing, in a range between 15 and 30 units, is a good strategy and more politically acceptable than larger projects because they can be scattered throughout the County. Projects with 15 units and above can sustain on-site services

*Strategic Plan Implications: Paul can be a strong supporter and advocate for the Trust. The big picture for addressing homelessness must include a number of components, including prevention, tailoring services to the needs of the individual, greater supply of supportive housing units, and a "housing locator" function to match individuals and families with units appropriate to their needs and circumstances.*

## **Orange County Health Care Agency**

Jeff Nagel, Lisa Rowe, Jenny Hudson, Linda Molina

The Orange County Health Care agency (OCHCA) is responsible for administering the Mental Health Services Act (MHSA) funds which provide both the development gap funding and the 20-year services contracts for the Trust's supportive housing units. For this reason, the Trust has adopted their MHSA funding term sheet criteria into its NOFA's. OCHCA has allocated significant MHSA funds to the Trust for the development of projects and for the provision of services. The County Board of Supervisors has approved the transfer of \$20.5 million in MHSA development gap funding to the Trust that will be used as a source of matching funds to apply for State Local Housing Trust Fund grant money for the next five years.

- Project design is important. Frequent problem issues are size of the units. Studios are not recommended, and 1-bedroom units are best. Units should have adequate storage space, and accessibility, including handicap-accessible features and elevators in projects.
- The South County service planning area needs additional supportive housing units. However, there is limited transportation and other supportive community services in this area.
- Also, the "Housing for a Healthy California" program provides supportive services through its Whole Person Care program. Medicare eligible persons receive services through this program, associated with illness recovery. After recovery, many of these program recipients need supportive housing and there are often limited opportunities for units. But recipients must be able to maintain this housing.
- People exiting treatment are matched with available PSH units through the "Coordinated Entry System" which analyzes individual needs by various measures and within categories (chronically homeless, in-shelter, vulnerability assessments) and then prioritizes and matches people with available units. BeWell is one of these exit points, but there are a number of others. Use of the Coordinate Entry System is mandatory so individual centers like BeWell cannot be individually prioritized outside the system.
- A close relationship with OCHCA is critical. OCHCA needs to know about potential Trust projects starting in the early stages. A system has been created on the Trust website to track units in development and continually share information with OCHCA, OCCR and other stakeholders.
- OCHCA's "Expression of Interest" form can be used by developers when potential projects are under consideration.

*Strategic Plan Implications: For the Trust to function effectively, it will need to have a close working relationship with OCHCA. An information-sharing process been developed, and this same system will be used to inform the other stakeholders of the Trust's activities and projects.*

## **The Financial Services Consulting Group, Minneapolis, MN**

Donovan Walsh, Executive Management Consultant

The Financial Services Consulting Group (TFSCG) works with financial services institutions to manage change and mitigate risk associated with entering new markets. In addition to its private sector work, TFSCG works with banks, non-profits, and foundations to help provide access to capital for community development, affordable housing, jobs creation, environment, and neighborhood stabilization and development.

- TFSCG developed an innovative \$20+ million equity pool for affordable/supportive housing projects in the Minneapolis/St. Paul area in partnership with Sunrise Banks, a community bank and Community Development Financial Institution (CDFI).
- This unprecedented program established a collaboration between non-profit and private sectors. Ultimately, it enables the non-profit affordable and supportive housing developer (Aeon) to access a new source of low-cost, flexible equity to use in its efforts.
- Equity capital for affordable and supportive housing is notoriously scarce. Traditional funding like tax credits, deferred loans, and grants are simply insufficient. This model changes the landscape.
- Three foundations, including The Minneapolis Foundation, the St. Paul and Minnesota Foundation, and the Frey Foundation partner in the program with Sunrise Banks.
- The foundations provide an impact investment, along with unfunded limited guarantees, to a community development corporation (CDC) established by the Bank for the program.
- The Bank utilizes an innovative approach to leverage the impact capital as regulatory capital (and paired with its own set aside for the program) at approximately 20:1, which in turn provides low-cost, flexible, long-term equity capital through the CDC to be used by the developer. (This is actual equity capital and not a loan.)
- The developer then leverages the initial impact investment at approx. 60:1 (utilizing conventional first-lien financing paired with the equity from the CDC) for its work in affordable and supportive housing.
- For example, foundations provide approximately \$1mm impact investment along with approximately \$6mm of guarantees. The Bank leverages that investment, creating nearly \$20mm in low-cost equity. When a developer accesses the fund, they can acquire roughly \$60mm of affordable housing thanks to the initial \$1mm investment and additional unfunded guaranty support.
- This program is focused primarily for affordable housing purchase/preservation, including refurbishing of existing units – however the model allows the equity capital to be used for new construction, etc. in multifamily in addition to preservation in other programs, or for other asset classes (e.g. single-family, small business, etc.).
- The term of the equity at the project level is 10 years (coterminous with the first mortgage), after which the projects can be refinanced by the affordable housing developer (and likely without any new equity needed).
- The “standby guarantees” are provided as unfunded commitments from the three foundations, and typically from the part of the foundations corpus dedicated to “program-related investments” (PRIs). This leverages a framework TFSCG helped develop and launch nationally with The Kresge Foundation and others.

- The guarantees allow Sunrise Banks to both provide lower rate capital for the community reinvestment projects by lowering the risk profile of the program and provide more capital than would otherwise be allowable through regulatory guidelines.
- The structure of the unfunded guarantee of the foundation allows its capital to remain there and continue to earn regular returns from its portfolio investments. It typically remains in the foundations' PRI investment pool as a contingent liability until/unless needed, and at which point a call would be treated as a grant.
- However, the guarantees may likely never be called due to the structure of the program (which also includes self-funding credit reserve, and loss sharing with the Bank). In the event there is a call on the guaranty, typical foundation earnings over the 10-13 years would have more than funded any call amount.
- The model provides the housing developer a pool of low-cost equity, offers the bank appropriate levels of risk and economic return, and generates significant impact for foundations without expending valuable funds for other community needs. It was created with the intent to scale.

*Strategic Plan Implication: This TFCSG program represents a potential model for lowering long-term financing rates for Trust projects through developing a similar partnership with local banks and foundations. TFCSG and Sunrise Banks are committed to support other communities looking to leverage the program.*

### **Clearinghouse CDFI**

Kristy Ollendorff, Chief Credit Officer

Clearinghouse Community Development Financial Institution (CCDFI) is a full-service, direct lender financing projects that create jobs and services to help people work, live, dream, grow, and thrive in healthy communities. CCDFI was established in 1996 to serve low-income and disadvantaged communities in Southern California. Since then, CCDFI has expanded its service area to address unmet credit needs throughout the U.S. with a focus on CA, NV, AZ, NM, TX, and Indian Country. Learn more at [www.ccdfi.com](http://www.ccdfi.com).

CCDFI has funded \$1.98 billion in total loans for over 2,250 community projects over the past 24 years. These projects have created or retained more than 23,000 jobs and benefit over 2.8 million individuals. In 2020, CCDFI created 1,137 housing units, 57% of which were designated affordable units.

CCDFI offers both short and long-term permanent, fixed-rate mortgages from 3-years to 25-years fully amortizing.

#### **Project types:**

- Multi-family affordable housing

- Community facilities
- Small businesses
- Commercial real estate
- Sovereign Nations / Indian Country
- New Markets Tax Credits

**Loan Types:**

- Construction
- Acquisition
- Renovation
- Expansion
- Refinance

CCDFI is a B Corporation—a certification received from the nonprofit B Lab. B Corps are companies who meet rigorous standards of social and environmental performance, transparency, and accountability, and use business as a force for good.

*Strategic Plan Implication: While not currently configured to make predevelopment loans, the Clearinghouse/CDFI could be a good local source of acquisition and permanent financing for Trust projects.*



## Chapter 3: Charitable Contributions to Support Trust Projects

Strategic Partner interviews revealed that there may be local individuals of significant means who might be encouraged, under the right circumstances, to contribute significant sums to assist Trust projects and help leverage the Trust loan fund.

In addition to appropriate recognition to these individuals for these gifts, individually negotiated with each donor, the Trust would need to either create its own 501c3 charity, with a separate Board, and assume all associated administrative/accounting and reporting requirements for the IRS or use an existing 501c3 local foundation organization as a pass-through to fund Trust projects directly.

Since donations would most likely involve only a few large contributions, there are significant cost and operational advantages to using an existing 501c3. The costs of establishing a new 501c3 would not be incurred, estimated between \$15,000 to \$25,000. In addition, the Trust would avoid the need to set up and staff a separate Board of Directors, as required by the IRS, in addition to employing the services of an accountant to prepare the annual filing of tax returns and Form 990's. There was no line item for these expenses in the approved FY 2020-2021 budget.

The costs of using a local foundation for contributions intended for Trust projects would be significantly less (primarily staff time), associated with establishing a donor advised fund and/or account with a foundation and the required percentage of assets that the agent/foundation would charge for assets under management which would be paid not by the Trust but from the donor contribution (see below).

Under this scenario, charitable contributions, while intended for Trust projects, would not be permitted to pass through the Trust. Instead, they would remain with the 501c3 and then, upon a resolution of the Trust Board, be distributed directly to the 501c3 project sponsors. However, funds would not be transferred to any project without Trust Board approval.

Two potential local foundations were interviewed. The first was the Orange County Community Foundation, a significant local charity (\$240 million in assets) that also funds homeless initiatives, including Trust stakeholders such as United Way of Orange County. Cathleen Otero, Vice President, Donor Relations, and her staff were interviewed. OCCF would set up a “donor-advised” fund in the name of the Trust. OCCF charges an annual fee under a sliding scale starting at 2% and lower at various intervals starting at \$10 million. In general practice, the 2% is charged for the average of the amount of funds in the account each year. Trust projects funded through OCCF could only be distributed to non-profit affordable housing providers. In the case of a qualified for-profit affordable housing provider, the Trust would issue other non-donated funds.

The second foundation interviewed was Community Ventures (CV), a significantly smaller foundation (\$12 million in assets) which is primarily a nonprofit incubator. Ms. Anne Olin, President and CEO, and her staff were interviewed. CV would act as a “fiscal agent” for the Trust, enabling charitable contributions to be made directly to CV, which charges a higher fee, ranging from 6% to 10% for which it provides not only fiscal stewardship for the contributions but also technical assistance. Most significantly, if contributions were made through CV, then qualifying Trust projects sponsored by for-profit sponsors could also be funded.

It is important that the Trust, in receiving charitable contributions (albeit indirectly), not be viewed as a competitor to the fundraising efforts of other local charities. The Trust is not currently perceived as such as it seeks the vast majority of its support from public rather than private sources. Significant contributions from a few wealthy individuals who would like to support specific Trust projects would most likely not be competitive with local charities’ interests.

Furthermore, it is not the intention of the Trust to compete with any local charities in any broad-based local fundraising activities focusing on smaller donors.

It was recommended in the Trust’s first-year strategic plan that the Trust initially establish a donor-advised fund with the Orange County Community Foundation for the following reasons:

- The fees are lower (2% for OCCF vs. 6% to 12% for CV).
- A significant majority of Trust projects will be most likely be sponsored by other 501c3 organizations.
- The Trust is not in need of the technical assistance services that Community Ventures would provide. (Community Ventures does not have experience in developing supportive and affordable housing)

However, a relationship should be maintained with Community Ventures as this organization will most likely play a role in addressing homelessness in some way in the future with other Trust stakeholders, like United Way. In addition, should a major donor wish to support a for-profit project that meets Community Ventures’ criteria as a primarily charitable venture, then a “fiscal agent” relationship with Community Ventures might be an option for that project, enabling a charitable deduction for the donor to that project through CV. OCCF and CV work together on various initiatives and relationships do not have to be exclusive.

After the Trust Board approved the original strategic plan, Trust staff continued its conversations with the Orange County Community Foundation. A contract was reviewed to establish a donor-advised fund with OCCF. Following the signatures of the Trust Board Chair and the Trust Manager, which is predicted to occur early in the Trust’s second year of operations, the donor-advised fund will be in place and Trust staff will be able to approach philanthropists when future potential projects in need of additional subsidy are identified and the timing is appropriate.

## Chapter 4: Trust Staff and Support

The Trust operated in its first formative year (through June 30, 2020) through funds provided by the County of Orange. A Trust Manager was hired on a contract basis and other support services were provided by the County and various sub-consultants to the Trust, as mentioned above.

Starting July 1, 2020, the Trust expenses are paid from membership dues and any administrative funds collected from the State or other sources. The approved expense budget for 2021-2022 is shown below:

### Orange County Housing Finance Trust

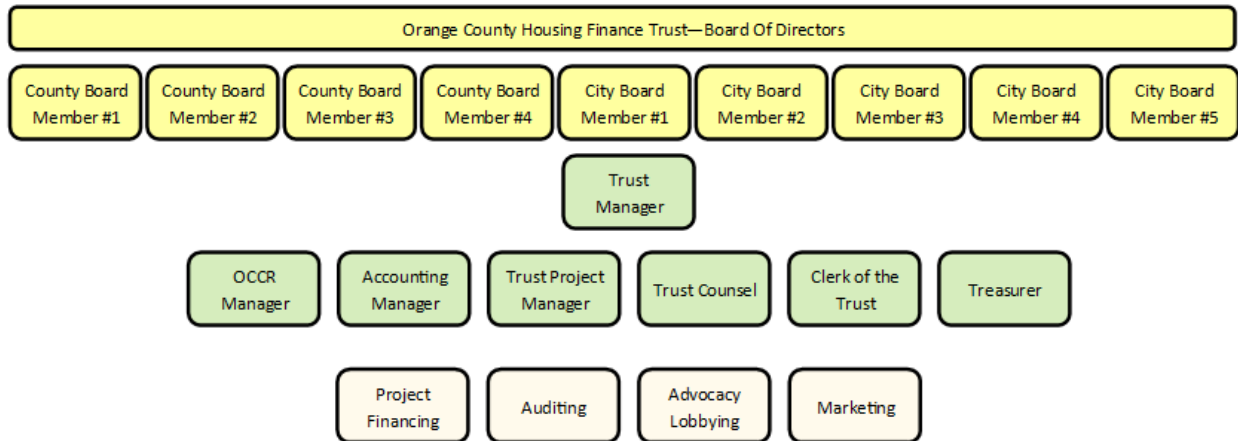
#### FY 2021-22 Budget

REVENUE SOURCES	20-21 ESTIMATED	20-21 ACTUAL	21-22 ESTIMATED				
			TOTAL	2021 REAP	COUNTY MEMBER	CITY MEMBER	20-21 LHTF
	\$450,000	\$450,020	\$615,384	\$ 310,000	\$ 200,000	\$ -	\$ 105,384
EXPENSE USES	20-21 ESTIMATED	20-21 ACTUAL	21-22 ESTIMATED				
			TOTAL	2021 REAP	COUNTY MEMBER	CITY MEMBER	20-21 LHTF
<b>GENERAL OPERATING COSTS</b>							
<i>Board Member Parking Validations</i>	\$750	\$0	\$0				
<i>Memberships/Subscriptions/Dues/Website/Email</i>	\$2,500	\$400	\$2,500		\$ 2,500		
<i>Taxes/Business Licenses/Fees</i>	\$1,200	\$0	\$0				
<i>Office Supplies/Mailing/Equipment/Software/Copying/Misc Fees</i>	\$8,000	\$0	\$2,000		\$ 2,000		
<i>Conference-Registration Fees/Travel Expenses/Business Meeting</i>	\$4,000	\$0	\$4,000		\$ 4,000		
<i>Insurance (Alliant) (this budget item approved mid-year)</i>	\$6,200	\$6,200	\$16,000		\$ 16,000		
<b>TOTAL GENERAL OPERATING COSTS</b>	<b>\$22,650</b>	<b>\$6,600</b>	<b>\$24,500</b>	<b>\$0</b>	<b>\$24,500</b>	<b>\$0</b>	<b>\$0</b>
<b>CONSULTANT COSTS</b>							
<i>Management and Administration (CivicStone)</i>	\$175,000	\$160,000	\$240,000	\$ 140,000	\$ 50,000		\$ 50,000
<i>County Counsel (County MOU)</i>	\$42,969	\$37,000	\$40,000	\$ 10,000	\$ 19,500		\$ 10,500
<i>County Clerk of the Board (County MOU)</i>	\$7,200	\$5,000	\$6,000		\$ 6,000		
<i>County Sheriff (Board Meeting Audio/Video) (County MOU)</i>	\$1,803	\$1,400	\$1,803		\$ 1,803		
<i>County Treasurer (County MOU)</i>	\$7,800	\$0	\$0				
<i>Auditor Controller (County MOU)</i>	\$13,193	\$7,000	\$7,500		\$ 5,000		\$ 2,500
<i>County Community Resources (County MOU)</i>	\$92,585	\$75,000	\$80,000	\$ 3,419	\$ 69,197		\$ 7,384
<i>Financial Consultant (CSH)</i>	\$30,000	\$25,000	\$35,000	\$ 10,000			\$ 25,000
<i>Auditing Consultant (Edie Bailly)</i>	\$15,000	\$15,500	\$17,000		\$ 17,000		
<i>Advocacy/Lobbying Services (Platinum Advisors)</i>	\$38,000	\$38,000	\$72,000	\$ 72,000			
<i>Marketing &amp; Communication Services</i>	\$10,000	\$0	\$20,000	\$ 3,000	\$ 7,000		\$ 10,000
<i>Website and GIS Mapping Consultant</i>	\$0	\$0	\$71,581	\$ 71,581			
<b>TOTAL CONSULTANT COSTS</b>	<b>\$433,550</b>	<b>\$363,900</b>	<b>\$590,884</b>	<b>\$310,000</b>	<b>\$175,500</b>	<b>\$0</b>	<b>\$105,384</b>
<b>ESTIMATED ANNUAL EXPENSES</b>	<b>\$456,200</b>	<b>\$370,500</b>	<b>\$615,384</b>	<b>\$310,000</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$105,384</b>

Hiring staff on a contract basis is a cost-effective strategy at this point in the Trust's evolution. Should the Trust's staffing and support needs grow, based on the success of its operations, then bringing full-time contract staff on board (with attendant overhead) might be considered.

The current staffing needs of the Trust is provided either by contract employees or County staff through a Memorandum of Understanding (MOU) agreement with the County. This MOU allows the Trust to save administrative dollars than the same function through additional private contract consultants.

The following Organization Chart illustrates the Trust Board governance, Trust staff, and the various consultants that are identified and funded in the Trust approved budget.



## **Chapter 5: Implementation Plan**

This chapter documents the action items needed to ensure all the desired outcomes of the Trust are achieved. The overarching vision is to *“respond to the humanitarian crisis of homelessness by identifying and securing funding that will contribute to the construction of 2,700 permanent supportive housing units and work to secure funding that will contribute to additional affordable housing units by 2025.”* All the sub tasks listed in each strategic component supports the overarching vision in some fashion.

An important element of the Trust and based upon multiple comments from stakeholder interviews was that the Trust join and contribute to other regional efforts to end homelessness in Orange County. While this regional effort is not a strategic component of the Trust, it does, however, help the overall mission and vision of the Trust to bring new funding into Orange County for the development of permanent supportive housing.

For example, Trust staff may coordinate with and communicate its activities to other stakeholder groups, commissions, committees, and individuals on an on-going basis, research best practices and studies in other areas that might be applicable to Orange County, investigate other housing options for homeless people that can be implemented quickly and for a lower cost per unit, coordinate with UCI to use their data and studies in furtherance of Trust projects, and provide support to Trust member cities’ efforts to create supportive housing units in their jurisdictions. In appropriate circumstances, the Trust may partner with one or more of its strategic partners in submitting funding requests when this will improve the chances of funding.

Progress in Year One has been reported above by strategic component. The five strategic components are presented below along with years 2, 3 and 5 identified tasks. An annual review of the strategic components and corresponding tasks will take place following the end of each fiscal year (i.e., after June 30<sup>th</sup>).

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

#### YEAR TWO

1. Apply for Local Housing Trust Funds (LHTF) grant program dollars.
2. Work in conjunction with a lobbyist to seek additional State/Federal funding beyond the LHTF grant program, with the goal of raising enough money to fund an aggregate total to date of at least 1,080 PSH units by the end of year two.
3. Continue to explore finding funds for a potential co-lending program to further leverage Trust funds for short term pre-development loans that also generates Trust administrative dollars.
4. Subscribe to and track various other funding possibilities and explore ways in which the Trust can apply for funding.
5. Finalize the establishment of the donor advised fund with Orange County Community Foundation (OCCF) allowing for the receipt of charitable donations to Trust-funded projects.

6. Identify key philanthropic opportunities with individuals and private sector entities and explore appropriate mechanisms for financial contributions (i.e., donations, legacy gifts, project naming opportunities, etc.).

#### YEAR THREE

1. Examine whether to continue with OCCF, Community Ventures (CV), or establish separate 501c3.
2. Expand list of key philanthropic individuals/companies favorable to the Trust mission.
3. Work in conjunction with lobbyists to seek additional State funding beyond the LHTF grant program.
4. Apply for LHTF grant program dollars (3<sup>rd</sup> and 4th Years).
5. Actively seek philanthropic donations.

#### YEAR FIVE

1. Re-examine whether to continue with OCCF, CV, or establish separate 501c3.
2. Expand list of key philanthropic individuals/companies favorable to the TRUST mission.
3. Work in conjunction with lobbyists to seek additional State funding beyond the LHTF grant program.
4. Apply for LHTF grant program dollars (5th Year).
5. Seek philanthropic donations.

### **Strategic Component 2: Deploy Trust Funds for Supportive and Affordable Housing Projects**

#### YEAR TWO

1. If appropriate funding is obtained, deploy Trust co-lending short-term pre-development loan funds that also generate Trust administrative dollars.
2. Issue Trust “Notice of Funding Availability” (NOFAs) to attract competitive applications for Trust funding.
3. Review and fund NOFA projects ready to close.
4. Update and issue additional Trust second year NOFA.
5. Review, award and provide commitment letters to 2nd year NOFA recipients.
6. Deploy additional funding obtained from other various sources.

#### YEAR THREE

1. Deploy Trust co-lending short-term pre-development loan funds that also create Trust administrative dollars.
2. Review and fund various NOFA projects ready to close.
3. Update and issue Trust 3rd & 4th year NOFA.
4. Review, award and provide commitment letters to 3rd & 4th year NOFA recipients.
5. Deploy additional funding obtained from other various sources.
6. Contribute to the creation of an aggregate 1,620 supportive housing by June 30, 2023.

#### YEAR FIVE

1. Deploy Trust co-lending short-term pre-development loan funds that also create Trust administrative dollars.
2. Review and fund various NOFA projects ready to close.
3. Update and issue Trust 5th year NOFAs.
4. Review, award and provide commitment letters to 5th year NOFA recipients.
5. Deploy additional funding obtained from the various sources.
6. Contribute to the creation of an aggregate 2,700 supportive housing by June 30, 2025, thereby meeting the Trust's original five-year goal.

### **Strategic Component 3: Perform Accountability and Compliance Monitoring**

#### **YEAR TWO**

1. Create updated website GIS mapping of affordable and permanent supportive housing (PSH) units to monitor pipeline and progress toward 2025 goal.
2. Prepare and submit annual report to the Trust Board and Trust Members.
3. Employ and complete all loan/grant compliance monitoring checklist and procedures in accordance with Trust loan/grant documents.
4. Prepare annual Trust strategic plan review and update.

#### **YEAR THREE**

1. Continue maintaining and updating website GIS mapping of affordable and PSH units to monitor pipeline and progress toward 2025 goal.
2. Prepare and submit annual report to the Trust Board and Trust Members.
3. Perform loan/grant compliance monitoring checklist in accord with Trust loan/grant documents.
4. Prepare annual Trust strategic plan review and update.

#### **YEAR FIVE**

1. Continue maintaining and updating website GIS mapping of affordable and PSH units to monitor pipeline and progress toward 2025 goal.
2. Prepare and submit annual report to the Trust Board and Trust Members.
3. Perform loan/grant compliance monitoring checklist in accord with Trust loan/grant documents.
4. Prepare Trust strategic plan summary of accomplishments and measure against Trust goals. If the Trust continues, prepare next 5-year strategic plan and submit to the Trust Board for approval in June 2025.

### **Strategic Component 4: Retain and Increase Trust City Membership**

#### **YEAR TWO**

1. Submit annual report to the Trust Members and Non-Member cities.
2. Solicit non-member cities to join the Trust with the help of Trust members, Trust Board, and developers.

3. Promote the Trust through the Trust website, email blasts, speaking presentations, conference participation, talking points for Directors/Staff, and city council meetings.

#### YEAR THREE

1. Submit annual report to the Trust Members and Non-Member cities.
2. Solicit remaining non-member cities to join the Trust using Trust members, Trust Board, and developers.
3. Promote the Trust through the website, email blasts, speaking presentations, conference participation, talking points for Directors/Staff, and city council meetings.

#### YEAR FIVE

1. Submit annual report to the Trust Members and Non-Member cities.
2. Solicit any remaining non-member cities to join the Trust using Trust members, Trust Board, and developers.
3. Promote the Trust through the website, email blasts, speaking presentations, conference participation, talking points for Directors/Staff, and city council meetings.

### **Strategic Component 5: Increase Outside Administrative Funding Opportunities While Keeping Administrative Funds Lean**

#### YEAR TWO

1. Review and update roles and responsibilities for County staff supporting the Trust including as-needed services.
2. Hire any necessary additional part-time or full-time consultant staff.
3. Engage other sub-consultants and County staff only when needed.
4. Explore and pursue funding and financing that provide one-time or recurring sources of administrative funding (e.g., grant funding, legislative appropriations, member contributions, philanthropic donations, fees, and loan repayments).

#### YEAR THREE

1. Consider full-time vs. part-time contract-based administrative assistant when necessary and appropriate.
2. Engage sub-consultants and County staff only when needed.
3. Continue to explore and pursue funding and financing that provide one-time or recurring sources of administrative funding (e.g., grant funding, legislative appropriations, member contributions, philanthropic donations, fees, and loan repayments).

#### YEAR FIVE

1. Adjust staffing as appropriate for fifth year operations.
2. Engage sub-consultants and County staff only when needed.
3. Continue to explore and pursue funding and financing that provide one-time or recurring sources of administrative funding (e.g., grant funding, legislative



appropriations, member contributions, philanthropic donations, fees, and loan repayments).

4. Prepare and submit to the Trust Board a five-year summary report on Trust operations and achievements.

## **Chapter 6: Trust Sustainability**

The formation period up to June 30, 2020, was funded by the County of Orange. The following five years will be funded by administrative grants awarded to the Trust and \$200,000 per year from the County through an agreement with the Trust. If additional administrative funding is needed, member cities will pay based upon a cost-sharing formula as detailed in the Trust bylaws. Future administrative costs may be reduced by fees and interest that the Trust might earn through the placement of its financing.

While not part of the current plan or budget, there may be an opportunity for the Trust to earn additional income from the placement of its financing. At present, it has been planned that Trust funds would be invested as “residual receipt” loans, with payback of minimal interest (3%) only when projects have revenue which exceeds their other debt and reserve obligations. The current NOFA allocations are predicated on this basis.

However, should the Trust receive additional funds without restrictions, the Trust could provide other sources of earlier financing, such as pre-development funds. As described in the stakeholder interviews in Chapter 3 above, one possibility would be to partner with financial institutions (e.g., Century Housing & Clearinghouse CDFI) to provide pre-development financing. While these financial institutions would underwrite the projects, and earn the origination fee, the Trust might participate in the amount financed and earn a proportional rate of return on those funds, thus providing an additional source of support for Trust operations.

In 2020/2021 the Trust secured \$600,000 in Regional Early Action Planning grant funds and \$210,768 in administrative funding associated with the Local Housing Trust Fund program from the State of California. These two sources will help support the Trust administrative expenses over the next two and a half years. In the next five years, the Trust will continue to seek other sources of administrative funds to help sustain its operations.

## Appendix

### List of Trust Cities

# Orange County

Housing  
Finance  
Trust

## MEMBERS



### Trust Bylaws

<https://OCHFT.org/jpa-bylaws>

## TRUST Project Mapping Link

<https://OCHFT.org/developments>

### SWOT Analysis

<p style="text-align: center;"><u>STRENGTHS</u></p> <ul style="list-style-type: none"><li>• Strong regional collaborative entity with the County of Orange and 23 incorporated cities.</li><li>• Strong and experienced developers.</li><li>• Political will to address homelessness throughout the County.</li></ul>	<p style="text-align: center;"><u>WEAKNESSES</u></p> <ul style="list-style-type: none"><li>• Administrative cost from Member cities may be an issue for some.</li><li>• Single outside funding source; State.</li><li>• High cost of affordable and supportive housing.</li></ul>
<p style="text-align: center;"><u>OPPORTUNITIES</u></p> <ul style="list-style-type: none"><li>• Additional funding from the State.</li><li>• Philanthropic donations.</li><li>• Alternative housing at lower cost.</li></ul>	<p style="text-align: center;"><u>THREATS</u></p> <ul style="list-style-type: none"><li>• Political and taxpayer support may evaporate if significant results are not achieved within the next several years.</li><li>• Long term financial sustainability of the Trust.</li></ul>

### Orange County Housing Funding Strategy

June 2018

<https://OCHFT.org/oc-housing-funding-strategy>

### Homelessness in Orange County: The Costs to Our Community

Full report at [www.unitedwayoc.org/resources](http://www.unitedwayoc.org/resources)

## Ways to Reduce PSH Unit Costs

The need for more permanent supportive housing in Orange County is urgent. With the current cost of building new units exceeding \$400,000 per unit and taking years to complete, it is useful to explore ways of creating more PSH units quickly and at lower cost.

The Trust NOFA added language in the second year of funding that prioritizes projects that leverage funding. The specific language in the NOFA is as follows:

*Projects receiving identical scores based on the project scoring will be ranked based on a tie breaker. The tie breaker is intended to determine the efficiency of each project's use of Trust funds. The tie breaker is a calculation of the requested Trust loan amount per unit in the project. (Total project request / total number of affordable units in the project = Trust dollars/unit.) The total number of affordable units in the project includes all affordable units, not limited to the number of units the applicant is requesting be funded through this NOFA. If a project includes multiple phases, the total number of affordable units in the project shall only include the number of units being proposed as part of the phase of the project that is being considered as part of the application to this NOFA.*

Additional ways to lower the cost of affordable housing include the following, and may occasionally be used in combination in a single project:

Purchasing existing properties: With this strategy, per unit costs can be cheaper and timeframes for bringing these units on-line can be much shorter. For example, the City of San Francisco, which has approximately the same number of homeless people as Orange County (but concentrated in a much smaller area), currently has an aggressive program to buy or lease 1,500 units of additional PSH before the end of 2022. Recent purchases include a motel in the outer Mission district, an apartment building originally intended for student housing south of Market Street, a single-room occupancy hotel in the Mission district, and a tourist hotel in Japantown.

Creating Tiny Villages: Seattle has a program to help create “tiny villages” which consist of very small units (sometimes movable structures with a single bed) combined with shared eating and bathing facilities. Services can be co-located or brought on-site. The City of Oakland is making certain larger properties currently in the development process available temporarily for shelters and supportive housing during the time that the approval process moves forward, which can be several years.

Using Donated Land: Unit costs can be significantly reduced if the cost of land is eliminated. The donation of city, county, state, or federally owned land are prime targets for this strategy. For example, the City of Santa Ana has used city-owned property for this purpose, leasing the land to the project and thereby maintaining control of affordability under a “land Trust” structure. The Salvation Army owns various potential sites that could be used for future projects.

Reducing Production and Building Material Costs: LifeArk based out of Duarte, CA is an example of a company utilizing the prefabrication process to lower housing costs. They have several affordable and PSH projects scattered throughout California. The company produces housing and PSH units using plastic rotational molding as building material. The material meets all building code standards and results in lower overall construction costs. LifeArk employs off-site prefabrication of building structures using a common design that reduces overall costs and expedites construction time. LifeArk won a \$1 million grant in LA County's "Homeless Initiative" competition.

Demonstration Programs and Expedited Processing: When the need is urgent, some jurisdictions have waived some requirements temporarily and prioritized approvals of certain development projects which address a critical need. Moving projects forward quickly reduces the holding costs for the developer. This is sometimes accomplished through demonstration projects that are approved for a certain time period and therefore encounter less political resistance than would be the case with permanent changes. Numerous cities throughout California have employed expedited processing for affordable housing projects located near transit hubs.

Accessory Units: Additional units that can be created in existing structures, such as second units in single-family homes, can be a cost-effective strategy. The Development Fund in San Francisco ran a program with foundation funding which provided free design services and low-cost financing to homeowners who would agree to keep rents in the newly created units affordable. A similar program could be structured to create PSH units.

Facilitating the Use of Section 8 Housing Vouchers: Creating PSH units in existing properties is highly cost-effective. Jurisdictions which do not use all their housing vouchers in a year are subject to a lower allocation the following year. When the need for supportive and affordable housing is great, efforts to match qualifying individuals and families with vacant units can be productive and result in increased allocations in the future. The Covid-19 relief program provided an additional allocation of emergency housing vouchers to jurisdictions. United Way of Orange County operates a program to identify vacant units through working with landlords and those qualifying for Section 8 assistance to match people to units, thereby ensuring that all housing vouchers are used. These units can be matched with supportive services.

## Agenda Item 3

Extension for funding  
expiration date for 2020 NOFA  
projects

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

**MEETING DATE:** September 15, 2021

**SUBJECT:** Authorize the Trust Manager to execute a revised funding letter of commitment extending the funding expiration date to five projects awarded funding under the Orange County Housing Finance Trust's 2020 NOFA.



Adam B. Eliason, Manager

**RECOMMENDED ACTION:**

AUTHORIZE THE TRUST MANAGER TO EXECUTE A REVISED FUNDING LETTER OF COMMITMENT EXTENDING THE FUNDING EXPRIATION DATE TO FIVE PROJECTS AWARDED FUNDING UNDER THE ORANGE COUNTY HOUSING FINANCE TRUST'S 2020 NOTICE OF FUNDING AVAILABILITY. REVISED FUNDING EXPIRATION DATES ARE RECOMMENDED AS FOLLOWS:

1. CENTER OF HOPE TO FEBRUARY 6, 2022.
2. FX RESIDENCES TO SEPTEMBER 1, 2022.
3. MOUNTAIN VIEW TO DECEMBER 27, 2021.
4. ORCHARD VIEW SENIOR GARDENS TO JUNE 30, 2022.
5. SANTA ANGELINA TO JUNE 30, 2022.

**BACKGROUND:**

In May 2020, the Trust Board awarded funds to seven projects through its Affordable and Permanent Supportive Housing NOFA. The Trust issued loan commitment letters for seven projects that are set to expire on November 6, 2021. Two of those projects have commenced construction. However, the remaining five projects will not commence construction prior to the expiration of the Trust's loan commitment. The applicants for these five projects have requested an extension of their loan commitments.

**DISCUSSION:**

Each of these applicants applied for the various funding consistent with their Trust NOFA application. However, for various reasons they were not awarded the financing they had expected when they applied for the Trust NOFA. In some cases, they were awarded funds in subsequent application rounds, or they restructured their financing to use other programs for which they were more competitive. Each applicant has worked to meet the schedule they included in their Trust NOFA applications and has continued to work diligently to secure financing and move their projects forward given the uncertainty inherent to affordable housing finance. All five projects have a viable financing plan and path forward to commencement of construction.

The applicants for each of these projects relied upon the Trust's loan commitment to help them secure the additional financing necessary to construct the project. Without these commitment extensions, the other funding for each of these projects will be put into jeopardy.

A brief summary of the status of each project and their requested extension dates are as follows:

### **Center of Hope**

The Salvation Army, the applicant for Center of Hope, originally anticipated being awarded No Place Like Home (NPLH) funds in mid-2020 but was unable to secure an award at that time. However, they re-applied in January 2021 and secured a NPLH award. In addition, they secured an award of 4% tax credits and tax-exempt bonds on August 11, 2021. Based on those awards, they must start construction no later than February 11, 2022.

### **FX Residences**

HomeAid Orange County, the applicant for FX Residences, originally anticipated commencing construction in February 2021. However, several unforeseen circumstances have delayed construction of the project. The biggest delay was due to the entitlement process, which took an additional 6 months. The entitlement approval for this project is scheduled to go to City Council on October 5, 2021, for approval. HomeAid Orange County is still working to close a remaining funding gap on FX Residences. However, once the entitlements are approved by the City of Santa Ana, they will continue to move forward with preparing for the commencement of construction, which they anticipate happening during the 2<sup>nd</sup> quarter of 2022, as they close their financing gap. HomeAid is requesting an extension until September 1, 2022.

### **Mountain View**

National CORE, the applicant for Mountain View, originally anticipated an award of Multifamily Housing Program (MHP) funds in 2020. However, the project was not competitive for MHP funds, and the financing was restructured to use 9% tax credits in place of the MHP funds. National CORE was awarded 9% tax credits for the Mountain View project in June 2021. Based



on this award, they must close on their construction financing no later than December 27, 2021.

### **Orchard View Senior Gardens**

National CORE, the applicant for Orchard View Senior Gardens, originally anticipated receiving a NPLH award in June 2020. Unfortunately, the project was uncompetitive for NPLH during that award cycle or the subsequent award cycle. The project financing has been restructured to include 9% tax credits in place of the NPLH funds. National CORE applied to the California Tax Credit Allocation Committee (CTCAC) for tax credits in July 2021 and is currently on the waitlist to be funded. National CORE anticipates an award letter from CTCAC in November or December 2021. Once an award letter is issued, National CORE will have 180 days to close their construction financing, which they expect to happen mid-June 2022. National CORE is requesting an extension until June 30, 2022.

### **Santa Angelia**

National CORE, the applicant for Santa Angelina, originally anticipated receiving an award of NPLH funds in June 2021 and a 9% tax credit allocation in October 2021. However, the project was not competitive for NPLH funds with the 9% tax credit financing structure. In order to be competitive for NPLH funds, National CORE restructured the financing for Santa Angelia to use 4% tax credits and tax-exempt bonds, along with the NPLH funds. With this new structure, the project was competitive and received a NPLH award. However, the project did not receive an allocation of 4% tax credits and tax-exempt bonds. However, the State of California recently created the Multifamily Development Acceleration Program (MDAP) to accelerate the development of shovel-ready affordable rental housing waiting for bonds and tax credits. Santa Angelia will be prioritized in the first tier of this new project funding announcement which is anticipated prior to the end of 2021, with close of construction financing required by June 30, 2022.

Staff recommends approval of this agenda item.

- ATTACHMENTS:
- Attachment A – Letter of request for Center of Hope
  - Attachment B – Letter of request for FX Residences
  - Attachment C – Letter of request for Mountain View
  - Attachment D – Letter of request for Orchard View Senior Gardens
  - Attachment E – Letter of request for Santa Angelia



# Orange County

Serving Orange County Since 1887

August 30, 2021

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

RE: The Salvation Army Anaheim Center of Hope Project Update

Dear Mr. Eliason,

We are providing for your review and consideration a number of items, including an updated closing schedule and updated proforma. We are requesting an extension of the funding commitment from the Orange County Housing Finance Trust to The Salvation Army Anaheim Center of Hope from November 6, 2021 to February 6, 2022. The current anticipated construction start date is no later than February 1, 2022. However, we are working with all finance partners to complete project closing in late December, 2021.

This extension is being requested as we were delayed in securing the HCD No Place Like Home (NPLH) funding award, and this delayed our submission to CDLAC and TCAC for our tax-exempt bond and 4% Federal LITHC allocations. The project schedule proposed in the application to OCHFT assumed award of NPLH funding in mid-2020, with a first-round application to CDLAC/TCAC in January of 2021. As the project did not receive NPLH funds in 2020, The Salvation Army reapplied for NPLH funding in January of 2021, requiring delay of application for bonds/tax credits until 2nd round of 2021. We were successful in our application for NPLH funding and secured an award on June 23, 2021. Additionally, we were awarded tax exempt bonds and low-income housing tax credits by the California Debt Limit Allocation Committee and California Tax Credit Allocation Committee respectively on August 11, 2021. (Based on CDLAC/TCAC requirements, the project must start construction no later than 180 days post award - February 11, 2022.)

No additional awards are necessary before construction begins, and the project anticipates final permit approval by the end of October. As the schedule reflects, there are still a number of key milestones for the project this fall, including final approval of the parcel map, project bidding and final GMP, and securing the project's building permit.

In the materials attached, please note that we are anticipating drawing OCHT funds at initial closing.

Thank you for your consideration of this extension. The Salvation Army is extremely appreciative of the support of the OCHFT for the Anaheim Center of Hope project.

Sincerely,

A handwritten signature in blue ink that reads "Ben Hurst".

Ben Hurst



17821 17<sup>th</sup> Street, Suite 120, Tustin, CA 92780  
949.220.1136 | info@homeaidoc.org | EIN: 33-0568079

August 26, 2021

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

Dear Mr. Eliason,

HomeAid Orange County is respectfully requesting an extension of the Orange County Housing Finance Trust funding commitment of \$832,051.18, that was originally awarded on May 13, 2020 for the FX Residences in the city of Santa Ana.

We anticipate breaking ground in the 2<sup>nd</sup> quarter of 2022 and to be complete with construction 12 months later. Several circumstances have arisen over the past 16 months, that have delayed the start of the project noted in our original application.

- One of our major obstacles was the entitlement process. The process ended up taking much longer than expected, due to encountered city closure delays, reduced staff availability, as well as the inability to meet with city staff. HomeAid worked with the city to have several conditions waived, which also increased the review and revision time through entitlement.
- Additionally, HomeAid faced several funding challenges after applying to numerous sources and we encountered issues of how these sources would work together. This includes, but is not limited to, issues with Article 34 and prevailing wage. Thankfully, HomeAid was able to work through the issues and resolve them with a positive outcome and we will be moving forward. We are also scheduled to go through a senior loan committee for one of our permanent financing sources, however, we expect no issues on approval.
- Finally, as with so many others, the emergence of COVID-19 and the world wide pandemic, was a hindrance and slowed down many processes within the building industry and city. HomeAid had to delay our Planning Commission and City Council dates by 6+ months and we are finally scheduled to go before City Council for Entitlement Approval on September 2, 2021 and we expect no issues at City Council.

The FX Residences project currently has a funding gap, however we have had several conversations with the city of Santa Ana and they have assured HomeAid that they will be able to help us fill that remaining gap. HomeAid is also aggressively fundraising for private dollars to reduce this gap further.

Thank you for your consideration of our request for an extension of the awarded funds. HomeAid is proud to support the development of affordable housing for those experiencing homelessness here in Orange County.

Regards,

A handwritten signature in black ink, appearing to read "Gina R. Scott".

Gina R. Scott  
Executive Director

cc: file



*Together, we transform lives and communities*

Item 3.0  
Attachment C

August 27, 2021

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

Re: Mountain View – Lake Forest CA  
Request for Extension of Closing Date

Dear Mr. Eliason,

National Community Renaissance (National CORE), as developer of the Mountain View affordable housing project, is requesting OCHFT support for an extension of the construction loan closing deadline to December 27, 2021. The extension of the closing deadline will allow us to process the construction documents with the City and complete the necessary closing requirements for our lenders and equity partner.

The original financing plan assumed that the Mountain View project would receive an allocation of MHP funds in 2020. Unfortunately, the project was not competitive for MHP funds and did not receive an award, which delayed our schedule. As a result, the project financing was restructured to include 9% tax credits.

The Mountain View project was successful in the award of the highly competitive 9% tax credits from the California Tax Credit Allocation Committee (CTCAC) in June 2021. Based on this award and the reservation letter provided by TCAC and enclosed for your reference, the project is required to close construction financing no later than December 27, 2021. After we close the construction financing, which is expected mid-December, we would start construction within two weeks, or beginning to mid-January 2022. Construction is scheduled to take approximately 18 months. Other than pulling permits and closing the construction loan before December 27, 2021, 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 December 27, 2021. Please feel free to contact me with any questions or for further information at (949) 444-8417.

Sincerely,

A handwritten signature in black ink, appearing to read "Lorna", with a long horizontal flourish extending to the right.

Lorna Contreras  
Assistant VP of Development



9421 Haven Avenue  
Rancho Cucamonga, CA 91730

[www.nationalcore.org](http://www.nationalcore.org)



*Together, we transform lives and communities*

Item 3.0  
Attachment D

August 31, 2021

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 an extension of the construction loan closing deadline to June 30, 2022. The extension of the closing deadline will allow time for the California Tax Credit Allocation Committee (CTCAC) to issue their waitlist letters and for us to process the construction documents with the City and complete the necessary closing requirements for our lenders and equity partner.

The original financing plan assumed that the Orchard View Senior Gardens project would receive an allocation of 9% tax credits in June 2021. 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.

Subsequently, we submitted a 9% tax credit application to CTCAC in July 2021 and preliminary results show that the Orchard View Senior Gardens project will be funded on the waitlist. If projections hold, CTCAC will issue the project an allocation letter in November or December 2021. 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 mid- June 2022, we would start construction withing two weeks, or beginning to mid-July 2022. Other than pulling permits and closing the construction loan before June 30, 2022, 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 June 30, 2022. Please feel free to contact me with any questions or for further information at (949) 444-8417.

Sincerely,

A handwritten signature in black ink, appearing to read "Lorna", followed by a long horizontal flourish.

Lorna Contreras-Assistant VP of Development



9421 Haven Avenue  
Rancho Cucamonga, CA 91730

[www.nationalcore.org](http://www.nationalcore.org)



*Together, we transform lives and communities*

Item 3.0  
Attachment E

August 31, 2021

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

Re: Santa Angelina Senior Community – Placentia, CA  
Request for Extension of Closing Date

Dear Mr. Eliason,

National Community Renaissance (National CORE), as developer of the Santa Angelina Senior affordable housing project, is requesting OCHFT support for an extension of the construction loan closing deadline to June 30, 2022. The extension of the closing deadline will allow time for the State to issue their NOFA and for us to process the construction documents with the City and complete the necessary closing requirements for our lenders and equity partner.

The original financing plan assumed that the Santa Angelina Senior project would receive an allocation of 9% tax credits in October 2021. It also assumed the project would receive an award of NPLH Funds in June 2021. The project structured with 9% tax credits was not competitive for NPLH funds. In order to be competitive, the project was restructured with 4% tax credits and was in fact successful in receiving an award of NPLH funds Round 3, in the amount of \$4,806,018. With the NPLH award in place, the final funding was the 4% tax credits and bonds which we applied for on May 25, 2021. Unfortunately, the project was not competitive and did not receive an allocation of 4% tax credits and bonds.

The good news is the State recently appropriated funds to the California state budget to accelerate the development of shovel-ready affordable rental housing developments waiting for bonds and tax credits. These funds, totaling \$1.75 billion, are reserved for projects that have received financial assistance awards from the Department of Housing and Community Development (HCD), but that have not secured an allocation of bonds and/or tax credits, and hence cannot proceed without additional funding. They are being provided under a new program, the Multifamily Development Acceleration Program (MDAP). Priority of the MDAP funds will be given to projects which have applied to CDLAC prior to July 1, 2021 but were not funded.

The Santa Angelina project has both received an award from HCD and applied to CDLAC prior to July 1, 2021, so our project will be prioritized in the first tier. A funding announcement is expected from HCD soon which will provide more detail on the application process and timing of the funding awards. Once an award is made the project will be required to start construction within 180 days. We believe awards will be made before the end of the year and would be required to close construction financing by June 30, 2022. After we close the



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construction financing, construction would start within two weeks. Construction is scheduled to take approximately 18 months. Other than pulling permits and closing the construction loan before June 30, 2022, 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 June 30, 2022. Please feel free to contact me with any questions or for further information at (949) 444-8417.

Sincerely,

A handwritten signature in black ink, appearing to read "Lorna", followed by a long horizontal flourish.

Lorna Contreras  
Assistant VP of Development



## Agenda Item 4

Revision to Trust Bylaws  
regarding Advisory Board



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

**MEETING DATE:** September 15, 2021

**SUBJECT:** Approve amendments to the Trust Bylaws related to the Trust Advisory Board composition and appointment.



Adam B. Eliason, Manager

**RECOMMENDED ACTION:**

APPROVE AMENDMENTS TO THE TRUST BYLAWS RELATED TO THE TRUST ADVISORY BOARD AS INCLUDED IN ATTACHMENT A.

**BACKGROUND:**

In accordance with the Trust Joint Exercise of Powers Agreement effective March 12, 2019, Section 5(c) and Trust Bylaws approved on August 30, 2019, Article III, Section A(3), a seven (7) member Advisory Board consisting of the following members shall advise the Trust Board of Directors with respect to all matters that Trust Board of Directors has taken in furtherance of Trust's purpose as expressed in the Joint Exercise of Powers Agreement.

- a. One public member who also serves on the Orange County Commission to End Homelessness (or its successor body).
- b. Three members who are City Managers or Assistant City Managers, whose cities are not represented on the Board of Directors, with these three members representing cities in each of the three Service Planning Areas or their successor delineation.
- c. The Chief Executive Officer of the County of Orange, or his or her designee.
- d. A police chief (or his or her designee); and
- e. A City with a Housing Authority in Orange County, which receives Housing Choice Voucher funding, and which is not otherwise represented as a city on the Board of Directors

The Bylaws specify that appointments to the Advisory Board shall be as follows:

- a. The Chair of the Orange County Board of Supervisors, with ratification by a majority of the Board of Supervisors, shall appoint the representative from the Orange County Commission to End Homelessness.
- b. The Orange County City Managers Association shall select the three City Manager or Assistant City Manager representatives.
- c. The Orange County Police Chiefs Association shall select the Police Chief representative.
- d. The City members of the Trust shall select a representative from a member City, whose Housing Authority receives Housing Choice Voucher funding, and which is not otherwise represented on the Board of Directors from votes cast on a one-city-one-vote basis.

Trust staff recommends the following changes to the Trust Bylaws related to the Advisory Board composition and appointment:

1. Substitute a member of the Orange County Commission to End Homelessness with a member of the Orange County Continuum of Care Board.
2. Add that the appointment of the Continuum of Care Board member shall be by a majority vote of the Continuum of Care Board.
3. Substitute the "City members of the Trust" selecting the Housing Authority representative with a recommendation from the Trust Manager and ratified by the Trust Board.

The Commission to End Homelessness and the Continuum of Care have very similar missions of ending homelessness. However, the Continuum of Care is the direct recipient of federal and state funding of homeless services and programs, whereas the Commission to End Homelessness is a policy and strategy entity. Trust staff believes that a member from the Continuum of Care Board will add value to the Trust Advisory Board, bringing knowledge of funded homeless services and programs into the Trust conversation to finance the development of affordable and PSH units in a holistic and regional approach of ending homelessness in Orange County.

The Orange County Continuum of Care Board has a wide spectrum of participants all involved in the effort to end homelessness through regional coordination and collaboration which is in alignment with the Trust mission.

The suggested change to the Housing Authority appointment to the Trust Advisory Board is a matter of simplicity and default possibilities. There are three city housing authorities in Orange County: Santa Ana, Anaheim, and Garden Grove. Santa Ana and Anaheim are excluded from consideration in this Advisory Board category because they are already represented on the Board of Directors. This leaves only Garden Grove at this time for Advisory Board consideration. Receiving a vote for the housing authority appointment from all Trust city

members is vague because it doesn't delineate who would cast that vote for each city and seems rather excessive when there is only one city possible. The Trust Manager proposes to reach out to the City Manager of Garden Grove and seek a representative from their Housing Authority to sit on the Advisory Board.

The Trust Bylaws allow amendments at a regular meeting of the Board and deemed approved following a majority vote of the Board of Directors.

ATTACHMENTS:      Attachment A – Redline Version of Trust Bylaws

**ORANGE COUNTY**

**HOUSING FINANCE TRUST**

**Bylaws**

**APPROVED BY THE  
ORANGE COUNTY HOUSING FINANCE TRUST  
BOARD OF DIRECTORS  
ON AUGUST 30, 2019  
UPDATED SEPTEMBER 15, 2020**

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## **Part 1 – Introduction to the Orange County Housing Finance Trust (OCHFT)**

### **1.01 Establishment**

Chapter 336 of the California Statutes of 2018 (AB 448, 2018, Quirk-Silva, Daly, and Moorlach) was entered into law on September 11, 2018. Chapter 336 authorized the County of Orange and any of the cities within the County of Orange to create a joint powers agency known as the Orange County Housing Finance Trust, which may do any of the following: (1) fund the planning and construction of housing of all types and tenures for the homeless population and persons and families of extremely low, very low, and low income, as defined in Section 50093 of the Health and Safety Code, including, but not limited to, permanent supportive housing; (2) receive public and private financing and funds; and (3) authorize and issue bonds, certificates of participation, or any other debt instrument repayable from funds and financing received and pledged by the Orange County Housing Finance Trust.

The OCHFT was established on March 12, 2019 by the execution of the Joint Exercise of Powers Agreement (the “Agreement”) by and between the Cities of Fullerton, Newport Beach, Garden Grove, San Juan Capistrano, and Costa Mesa (collectively, the “Cities”) and the County of Orange (the “County”). These Bylaws were adopted by OCHFT’s Board of Directors and provide for the organization and administration of OCHFT. These By-Laws supplement the Agreement.

### **1.02 OCHFT Guiding Vision and Mission**

Following the passage of AB 448, the County of Orange and ACC-OC formed a collaborative working group to establish the OCHFT. As such, the working group, comprised of elected officials and staff from both the County and Cities worked to create the guiding vision and mission as follows:

*The vision of OCHFT is to provide innovative financial solutions for the humanitarian crisis of homelessness in our local communities.*

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

### **1.03 - OCHFT Guiding Principles**

The guiding principles of the OCHFT:

1. Implement the findings and declarations of AB 448.
2. Provide funding based on principles of fiscal responsibility and demonstrated value to the taxpayer and funder.

3. Retain local control and the ability for local governments to use OCHFT funding for housing solutions when needed, or to participate within the region as a whole.
4. Demonstrate accountability and transparency for members of the JPA and the public.
5. Promote public-private partnerships, nonprofit collaborations, and community building to maximize sources of funds public and private, when available, and to efficiently accelerate housing for low, very low and extremely low income individuals and families.
6. Provide opportunities to strengthen local partnerships and increase capacity of local cities and agencies engaged in fulfilling housing goals.
7. Commit to innovation and best practices in financing, production, and service delivery in supportive housing.
8. Serve the region's needs geographically by (1) extremely low, very low, low income, and supportive housing types and (2) by population.
9. Foster collaborative planning to allow for project prioritization and establish a pipeline of projects.
10. Provide access to funding to ensure that Orange County receives the maximum benefit for the resources provided.
11. Incorporate County's Coordinated Entry System in conjunction with the cities' locally-driven protocols to ensure that the developed housing resources has appropriately targeted and prioritized eligible homeless populations for each project.

## **Part 2 – Bylaws of the OC Housing Finance Trust**

### **ARTICLE I - Name**

The name of this entity shall be the “Orange County Housing Finance Trust” or “OCHFT” in these Bylaws.

### **ARTICLE II – Membership and Purpose**

#### **Section A: OCHFT Membership**

OCHFT is comprised of the County of Orange and the cities have executed OCHFT's Joint Powers Agreement (see Exhibit \_\_). The Agreement may be amended from time to time, as needed, and is incorporated herein subject to those amendments.

### **Section B: Purposes, Functions and Preclusions**

The vision of OCHFT shall be to provide innovative financial solutions for the humanitarian crisis of homelessness in our local communities, in furtherance of OCHFT's mission as stated in *Part 1, Introduction*. More specifically, the purpose and functions of OCHFT shall be:

1. To fund the planning and construction of housing for the homeless population and persons and families of extremely low, very low, and low income, as defined in Section 50093 of the Health and Safety Code, including, but not limited to, housing that includes supportive services;
2. To receive public and private financing and funds;
3. To follow annual financial reporting and auditing requirements that maximize transparency and maximize public information as to the receipt and use of funds by the agency. The annual financial report shall show how the funds have furthered the purposes of the Orange County Housing Finance Trust; and
4. To comply with the regulatory guidelines of each specific state and federal funding source received.

OCHFT is specifically precluded from:

1. Regulating land use in cities or in the unincorporated area of the County of Orange.
2. Serving as an owner or operator of housing units.
3. Exercising any authority to levy, or advocate or incentivize the levying of, any fee, charge, dedication, reservation, tax assessment, or other exaction related to development projects.
4. Requiring or incentivizing inclusionary zoning requirements. The power to adopt inclusionary zoning ordinances remain with the entities that possess land use and planning authority.



5. Providing OCHFT funding for a project that is opposed by the elected body (if within an incorporated area, the City Council, or if in an unincorporated area, the Orange County Board of Supervisors) in which the project is proposed to be located.

## **ARTICLE III – Board of Directors**

### **Section A: OCHFT Board of Directors**

1. All members of the Board of Directors must be from a member of the governing board of a party to the Agreement.
2. Board of Directors. The nine (9) voting members of the Board of Directors of OCHFT shall be as described below. Each member shall be entitled to one (1) vote on the Board:

#### **a) County Representatives (4):**

- i. Two members of the Board of Supervisors of the County of Orange, selected by the Board of Supervisors; and
- ii. Two countywide elected officials selected from the following six Orange County elected officials: Assessor, Auditor-Controller, Clerk-Recorder, District Attorney-Public Administrator, Sheriff-Coroner, and the Treasurer Tax-Collector by the Board of Supervisors of the County of Orange.

A city member within each Service Planning Area with a population larger than a current appointee under Section A.2 (b)(i)-(iii), shall be seated to the Board of Directors at the end of the term of the currently seated Director for that Service Planning Area.

#### **b) City Representatives (5):**

- i. One City Council member for the city member with the greatest population in the North Region Service Planning Area as measured in the most recent decennial census.
- ii. One City Council member for the city member with the greatest population in the Central Region Service Planning Area as measured in the most recent decennial census.
- iii. One City Council member for the city member with the greatest

population in the South Region Service Planning Area as measured in the most recent decennial census.

iv. One City Council member from a city member with a population of over 60,000 persons as measured in the most recent decennial census; and

v. One City Council member from a city member with a population of under 60,000 persons as measured in the most recent decennial census.

The selection of Directors under categories iv. and v., above, shall be made by the City Selection Committee from votes cast by eligible city members in each respective category on a one-city-one-vote basis and who are not already represented pursuant to Section A.2, subdivisions (b) (i), (b) (ii), and (b) (iii).

3. Advisory Board (7). An advisory board consisting of the following members shall advise the Board of Directors with respect to all matters that OCHFT Board of Directors has taken in furtherance of OCHFT's purpose as expressed in the Agreement:

- a) One ~~Public~~ Member who also serves on the Orange County Continuum of Care Board Commission to End Homelessness (or its successor body);
- b) Three (3) members who are city managers or assistant city managers, whose cities are not represented on the Board of Directors, with these three members representing cities in each of the three Service Planning Areas or their successor delineation;
- c) The Chief Executive Officer of the County of Orange, or his or her designee;
- d) A police chief (or his or her designee); and
- e) A city from a Housing Authority in Orange County, which receives Housing Choice Voucher funding and which is not otherwise represented as a city on the Board of Directors.

4. All Advisory Board members are entitled to attend all OCHFT regular and special meetings and to fully participate in such meetings, but cannot vote on project applications or amendments to OCHFT bylaws, rules, or procedures.

5. Advisory Board members need not be elected officials.

## **Section B: Selection of Advisory Board Members**

Appointments to the Advisory Board shall be as follows:

1. ~~The Chair of the Orange County Board of Supervisors, with ratification by a A~~ majority of the Orange County Continuum of Care Board~~Board of Supervisors~~, shall appoint the

representative from the Orange County Continuum of Care Board~~Commission to End Homelessness~~;

2. The Orange County City Managers Association shall select the three City Manager or Assistant City Manager representatives; and
3. The Orange County Police Chiefs Association shall select the Police Chief representative.
4. The Trust Manager, with ratification by a majority of the Orange County Housing Finance Trust Board, ~~City members of OCHFT~~ shall select a representative from a City member, whose Housing Authority receives Housing Choice Voucher funding and which is not otherwise represented on the Board of Directors from votes cast on a one-city-one-vote basis.

### **Section C: Terms and Vacancies**

1. Board of Directors: Terms of office for members of the Board of Directors shall be for two (2) years. A Board of Director's seat shall be deemed vacant if he or she leaves elected office, or if his or her appointing body removes him or her. Upon a vacancy, the appointing body shall be notified and shall attempt to fill the vacancy within sixty (60) days of the vacancy occurring.
2. Advisory Board: Terms of office for members of the Advisory Board shall be for two (2) years. An Advisory Board member's seat shall be deemed vacant if he or she fails to attend three consecutive regular or special meetings, or if his or her appointing body removes him or her. Upon a vacancy, the appointing body shall be notified and shall attempt to fill the vacancy within sixty (60) days of the vacancy occurring.

### **Section D. Board of Director Officers**

The Board of Directors shall select a Chair and a Vice-Chair on an annual basis at the first meeting after the start of the fiscal year. Only members of the Board of Directors may serve as Chair or Vice-Chair. If a County representative is the Chair for any one period, a City representative shall serve as Vice-Chair. If a City representative is Chair for any one period, a County representative shall serve as Vice-Chair.

## **ARTICLE IV – Duties of Officers and Board Members**

### **Section A: Duties of the Chair and Vice-Chair**

It shall be the duty of the Chair to preside at the meetings of the OCHFT. In the Chair's absence, the Vice-Chair shall preside at the meetings of the OCHFT.

### **Section B: Duties of the Board of Director Members:**

1. Meet when called by the Chair to plan and coordinate the business and proposed activities of OCHFT;
2. Review and consider applications for project funding;
3. Review and consider OCHFT's financial information, including the Annual Financial Report, any related independent audit, and the OCHFT's annual budget; and
4. Serve on subcommittees or task forces when appropriate.

### **Section C: Formation of Subcommittees**

The Board may create subcommittees or task forces to accomplish the goals and purposes of OCHFT.

## **ARTICLE V – Meetings**

### **Section A: Regular Meetings**

Regular meetings of OCHFT's Board shall be held once every two (2) months, unless otherwise called by the Chair. Meeting notice, agenda, and public comment procedures shall comply with the provisions of the Ralph M Brown Act. The Clerk of the Board shall prepare meeting agendas and handle noticing requirements.

### **Section B: Special Meetings**

Special meetings of OCHFT may be held at any time upon call of the Chair, provided that the special meetings' noticing and agenda complies with the Ralph M. Brown Act.

### **Section C: Quorum**

A majority of the seated members of the Board of Directors shall constitute a quorum at any meeting of the Board except that less than a quorum may adjourn a meeting to another time and place.

### **Section D: Voting on Project Funding**

1. The Board should strive to attain a unanimous decision on all projects which receive funding from OCHFT; however
2. Every act or decision done or made by a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors.

### **Section E: Voting on Amending OCHFT's Bylaws, Principles, or Procedures**

1. Amendments to OCHFT's Bylaws, Principles or Procedures shall be considered at a regular meeting, and shall comply with the Ralph M. Brown Act.
2. An amendment to these Bylaws is deemed approved following a majority vote of the Board of Directors.

### **Section F: Minutes**

The Clerk of the Board shall take minutes for OCHFT. A previous meeting's minutes shall be considered and approved at a subsequent meeting by a majority vote of the Board of Directors.

### **Section G: Meeting Procedure**

The conduct of meetings shall be governed by Robert's Rules of Order (most recent published edition) where the question at issue is not determined by these Bylaws.

### **Section H: Location of Meetings**

The Board must meet in publicly-accessible places typical for hosting public meetings, such as Council Chambers, city community rooms, or County board or conference rooms.

## **ARTICLE VI – Financial Review and Oversight**

### **Section A: Annual Financial Report**

1. The Board shall ensure that an Annual Financial Report is prepared, reviewed, adopted and made public annually, to ensure transparency and demonstrate actions that have furthered the purposes of OCHFT.
2. As a part of the development of the Annual Financial Report, the Board shall engage an independent auditor to complete an independent financial audit of OCHFT's operations. The audit must be provided to the public, and the auditor must report all findings to the Board in a public meeting.

### **Section B: Budget**

The Annual Budget of OCHFT shall be reviewed and approved by the Board of Directors in May or June of each year, in advance of the start of OCHFT's next Fiscal Year.

### **Section C: OCHFT Fiscal Year**

The fiscal year of OCHFT shall be from July 1 to June 30 of each year.

## **ARTICLE VII – OCHFT Board Code of Conduct**

This OCHFT Board Code of Conduct represents OCHFT’s commitment to high standards of ethics, public service, collegiality, and transparency. The following standards should be regarded as minimum expectations for conduct. OCHFT Board Members will act in accordance with and maintain the highest standards of professional integrity, impartiality, diligence, creativity and productivity. OCHFT will act in accordance with federal, state, and local laws and regulations.

### **Section A: Compliance with Policies**

1. Members of the Board of Directors and Advisory Board will conduct the OCHFT business in accordance with the Agreement and the bylaws of OCHFT, including conflict of interest policies.

### **Section B: Conflicts of Interest**

4. The Board of Directors may not have a conflict of interest as determined by the California Political Reform Act (the “Act”), inclusive of the Levine Act, California Government Code section 81000, et. seq., and the regulations promulgated to effectuate the Act. Nor shall the Board of Directors have a conflict of interest under California Government Code section 1090.
3. Members of the Board of Directors and Advisory Board are required to file a Statement of Economic Interest (Form 700) in the disclosure category as designated on the OCHFT Conflict of Interest Code.

### **Section C: Confidentiality**

Members of the Board of Directors and Advisory Board must maintain the highest standards of confidentiality regarding information obtained directly or indirectly through their involvement with the OCHFT. This includes but is not limited to information about applications for funding, OCHFT members and their organizations and funded agencies. Members must also avoid inadvertent disclosure of confidential information through casual public discussion, which may be overheard or misinterpreted. Notwithstanding the foregoing, when applicable, the California Public Records Act and Ralph M. Brown Act apply to the OCHFT.

### **Section D: Gifts or Honoraria**

It is not permissible for members of the Board of Directors and Advisory Board to offer or accept gifts, gratuities, excessive favors or personal rewards intended to influence OCHFT decisions or activities.

### **Section G: Harassment**

Harassment, interpreted as unwelcome conduct, comment, gesture, contact, or intimidating and offensive behavior likely to cause offense or humiliation, will not be tolerated and may result in disciplinary measures up to and including removal from OCHFT Board.

### **Section H: Laws and Regulations**

OCHFT business will be conducted in a manner that reflects the highest standards and in accordance with all federal, state, and local laws and regulations.