

REGULAR MEETING AGENDA  
ORANGE COUNTY HOUSING FINANCE TRUST

WEDNESDAY, JULY 15, 2020, 10:00 A.M.

HALL OF ADMINISTRATION  
COMMISSION ROOM, FIRST FLOOR  
333 W. Santa Ana Blvd.  
Santa Ana, California

**JOHN MARK JENNINGS**  
Chair

**ANDREW DO**  
Vice Chair

**DON BARNES**  
Director

**DOUG CHAFFEE**  
Director

**DAVID PENALOZA**  
Director

**JAMEY FEDERICO**  
Director

**SHARI FREIDENRICH**  
Director

**ED SACHS**  
Director

**STEPHEN FAESSEL**  
Director

Trust Manger  
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. Pursuant to the provisions of California Governor's Executive Order N-29-20, issued on March 17, 2020, this meeting will be held both by teleconference and in person following strict social distancing guidelines. **To attend the meeting via teleconference please call: +1-415-655-0001; enter Access Code: 133 020 7369 followed by #.** For Attendee ID. Enter # (once you enter this code, you should be automatically connected to the call; you will remain on the line until meeting begins). **PLEASE BE ADVISED; In order to ensure that staff has the ability to provide comments to the Directors in a timely manner, please submit your public comments by 5:00 p.m. Tuesday, July 14, 2020 to [a Eliason@ochft.org](mailto:a Eliason@ochft.org).** \*If you wish to comment on a specific agenda item, please identify the item number and your name in your email. General public comments will be addressed during the general public comment item on the agenda and read into the record.\* If you attend the meeting in person and wish to speak during public comment, please complete a Speaker Request Form and deposit it in the Speaker Form Return box located next to the Clerk. Speaker Forms are located on the table next to the entrance doors. Except as otherwise provided by law, no action shall be taken on any item not appearing in the agenda. When addressing the Orange County Housing Finance Trust, please state your name for the record prior to providing your comments.*

**\*\*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 (Items 1-2)**

1. Approve Orange County Housing Finance Trust minutes from the May 6, 2020 Special Meeting.
2. Authorize the Housing Trust Manager to procure consultant and administrative services and expend general operating costs (not to exceed \$109,450).

**DISCUSSION ITEMS (Items 3-7):**

*At this time, members of the public may ask the Board to be heard on the following items as those items are called.*

3. Receive and file State funding advocacy update from Platinum Advisors.
4. Approve contract with Platinum Advisors for advocacy and lobbying efforts through December 31, 2020 (not to exceed \$36,000); and authorize the Housing Trust Manager to execute the agreement.
5. Approve the 2020-2025 Orange County Housing Finance Trust Strategic Plan.
6. Conduct a 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 the 2020 Orange County Housing Finance Trust – Notice of Funding Availability Projects listed as Attachment 6.1 for project funding.
7. Election of Officers for Fiscal Year 2020/2021

**HOUSING TRUST MANAGER REPORT (Item 8):**

8. Oral Report from the Housing Trust Manager

**PUBLIC COMMENTS:**

*At this time members of the public may address the Trust 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.*

**DIRECTOR COMMENTS**

**ADJOURNED:**

**NEXT MEETINGS:** September 16, 2020 at 10:00 a.m.

**Agenda Item #1**  
**Minutes – May 6, 2020**

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

**WEDNESDAY, MAY 6, 2020, 2:00 P.M.**

**JOHN MARK JENNINGS**  
Chair

**ANDREW DO**  
Vice Chair

**DON BARNES**  
Director

**DOUG CHAFFEE**  
Director

**DAVID PENALOZA**  
Director

**JAMEY FEDERICO**  
Director

**SHARI FREIDENRICH**  
Director

**ED SACHS**  
Director

**STEPHEN FAESSEL**  
Director

Trust Manger  
Adam Eliason

Trust Counsel  
Jacqueline Guzman

Clerk of the Trust  
Robin Stieler

ATTENDANCE: Directors Jennings, Do, Chaffee, Penaloza, Federico, Freidenrich, Sachs and Faessel  
(Directors Jennings, Do, Penaloza, Federico, Sachs and Faessel participated via  
teleconference)

ABSENT: Director Barnes

PRESENT: Trust Counsel  
Clerk of the Trust

Jacqueline Guzman  
Robin Stieler

**CALL TO ORDER**

Chair Jennings called the meeting to order at 2:02 p.m.

**PLEDGE OF ALLEGIANCE**

Director Chaffee led the pledge of allegiance

**ROLL CALL**

The Clerk called the roll and confirmed quorum



**CONSENT CALENDAR ITEMS (Items 1-4)**

1. Approve Orange County Housing Finance Trust minutes from the January 15, 2020 Regular Meeting.  
**ON THE MOTION OF DIRECTOR FAESSEL, SECONDED BY VICE CHAIR DO, BY A VOTE OF 8 TO 0 WITH DIRECTOR BARNES BEING ABSENT, THE BOARD UNANIMOUSLY APPROVED ITEM AS RECOMMENDED**
  
2. Approve the proposed amendments to the Orange County Housing Finance Trust Conflict of Interest Code.  
**ON THE MOTION OF DIRECTOR FAESSEL, SECONDED BY VICE CHAIR DO, BY A VOTE OF 8 TO 0 WITH DIRECTOR BARNES BEING ABSENT, THE BOARD UNANIMOUSLY APPROVED ITEM AS RECOMMENDED**  
*RESO: 20-001-OCHFT*
  
3. Authorize Trust Manager to apply for Local Housing Trust Fund program grant funds from the State of California for affordable and supportive housing development.  
**ON THE MOTION OF DIRECTOR FAESSEL, SECONDED BY VICE CHAIR DO, BY A VOTE OF 8 TO 0 WITH DIRECTOR BARNES BEING ABSENT, THE BOARD UNANIMOUSLY APPROVED ITEM AS RECOMMENDED**
  
4. Receive and file Alternative Trust Member Allocation Formula for Administrative Costs.  
**ON THE MOTION OF DIRECTOR FAESSEL, SECONDED BY VICE CHAIR DO, BY A VOTE OF 8 TO 0 WITH DIRECTOR BARNES BEING ABSENT, THE BOARD UNANIMOUSLY APPROVED ITEM AS RECOMMENDED**

**DISCUSSION ITEMS (Items 5-10):**

5. Receive and file Report on State Funding Advocacy Update from Platinum Advisors.  
**RECEIVED ORAL REPORT FROM DARIUS ANDERSON, PLATINUM ADVISORS REGARDING THE TRUST'S STATE BUDGET REQUEST**
  
6. Approve grant agreement between the County of Orange and the Orange County Housing Finance Trust for the development of affordable and supportive housing, FY 2020 through 2025 (\$25.5 million); and approve grant agreement between the County of Orange and the Orange County Housing Finance Trust for the provision of administrative costs, FY 2020 through 2025 (\$1 million); authorize the Trust Manager to execute agreements; and authorize staff to amend agreements under certain conditions.  
**ON THE MOTION OF VICE CHAIR DO, SECONDED BY DIRECTOR PENALOZA, BY A VOTE OF 8 TO 0 WITH DIRECTOR BARNES BEING ABSENT, THE BOARD UNANIMOUSLY APPROVED ITEM AS RECOMMENDED**
  
7. Approve Memorandum of Understanding (MOU) with the County for administrative services to the Orange County Housing Finance Trust (not to exceed \$165,550); authorize Trust Manager to execute and make non-monetary changes to the MOU without further Board approval; and authorize Trust Treasurer and Trust Auditor-Controller to file bonds (not to exceed \$25,000).  
**ON THE MOTION OF DIRECTOR FAESSEL, SECONDED BY VICE CHAIR DO, BY A VOTE OF 8 TO 0 WITH DIRECTOR BARNES BEING ABSENT, THE BOARD UNANIMOUSLY APPROVED ITEM AS RECOMMENDED**

8. Approve professional services agreement with CivicStone, LLC to provide management and administrative services to the Orange County Housing Finance Trust (not to exceed \$175,000).  
**ON THE MOTION OF CHAIR JENNINGS, SECONDED BY DIRECTOR DO BY A VOTE OF 8 TO 0 WITH DIRECTOR BARNES BEING ABSENT, THE BOARD UNANIMOUSLY APPROVED ITEM AS RECOMMENDED**
9. Approve Trust expense and Member allocation amounts for Fiscal Year 2020-2021.  
**ON THE MOTION OF CHAIR JENNINGS, SECONDED BY VICE CHAIR DO, BY A VOTE OF 7 TO 1 WITH DIRECTOR SACHS VOTING NO AND DIRECTOR BARNES BEING ABSENT, THE BOARD APPROVED ITEM AS RECOMMENDED**
10. Approve increase to the 2020 Orange County Housing Finance Trust – Notice of Funding Availability Mental Health Services Act (funding cap at \$163,780 per unit) and projects listed in Attachment A for project funding; and authorize Trust Manager to execute a contingent Letter of Intent to funding awardees.  
**ON THE MOTION OF DIRECTOR FAESSEL, SECONDED BY DIRECTOR PENALOZA, BY A VOTE OF 8 TO 0 WITH DIRECTOR BARNES BEING ABSENT, THE BOARD UNANIMOUSLY APPROVED ITEM AS RECOMMENDED**

**IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTIONS 54954.2 (b), CHAIR JENNINGS STATED THAT THERE WAS A NEED TO TAKE AN IMMEDIATE ACTION AND THAT THE NEED FOR ACTION CAME TO THE ATTENTION OF THE CHAIR SUBSEQUENT TO THE AGENDA BEING POSTED. ON THE MOTION OF CHAIR JENNINGS, SECONDED BY VICE CHAIR DO, BY A VOTE OF 8 TO 0, WITH DIRECTOR BARNES BEING ABSENT, THE BOARD APPROVED CONSIDERATION OF AN URGENT ITEM REGARDING THE CANCELLATION OF THE MAY 20, 2020 MEETING. ON THE MOTION OF CHAIR JENNINGS, SECONDED BY DIRECTOR FAESSEL, BY A VOTE OF 8 TO 0, WITH DIRECTOR BARNES BEING ABSENT, THE BOARD UNANIMOUSLY APPROVED THE CANCELLATION OF THE MAY 20, 2020 MEETING.**

**HOUSING TRUST MANAGER REPORT (Item 11)**

11. Oral Report from the Housing Trust Manager
  - a. League of Women Voters Observer Report from January Board Meeting

**REPRESENTATIVES OF THE LEAGUE OF WOMEN VOTERS ATTENDED THE TRUST'S JANUARY BOARD MEETING AND PROVIDED A LEAGUE OF WOMEN VOTERS OBSERVER REPORT CARD FOR DISTRIBUTION TO ALL TRUST MEMBERS**

**THE CITIES OF HUNTINGTON BEACH AND LAKE FOREST HAVE JOINED THE TRUST**

**THANKED THE BOARD FOR THE APPROVAL OF THE CIVICSTONE, LLC CONTRACT AND STAFF FOR THEIR ASSISTANCE IN SETTING UP THE TRUST'S FIRST TELECONFERENCE MEETING**

**PUBLIC & TRUST COMMENTS:**

PUBLIC COMMENTS: None

**DIRECTOR COMMENTS**

**Director Sachs** – Oral re: Provided a copy of the Orange County Council of Governments membership allocation for review by staff and was advised staff would provide a response before the May 2020 meeting. The Trust Manager informed Director Sachs that Agenda Item #4 on the Consent Calendar provided an analysis of Orange County Council of Governments membership allocation and provided a side-by-side comparison between Association of California Counties – Orange County and Orange County Council of Governments formulas.

**Director Federico** – Oral re: Thanked the County for their commitment to the Trust going forward and to the Trust Manager and County staff for their hard work.

**Director Chaffee** – Oral re: Trust is financing a portion of the projects and would like to see how the rest of the projects are being financed.

**Director Faessel** – Oral re: Achievements of the Trust in funding almost \$11,000,000 of housing in approximately one year; appreciates the attention to detail by staff and action by the Trust.

**Director Freidenrich** – Oral re: Congratulated Trust Manager for his accomplishments and approval of his contract; Notice of Funding Availability was conducted prior to the COVID-19 pandemic; suggests following up with companies to ensure their projects are not impacted by the pandemic and will be completed.

**Chair Jennings** – Oral re: Acknowledged the accomplishments of the Trust; thanked all Trust Members, Trust Manager and County staff for their service.

**ADJOURNED:** 3:00 P.M.

**NEXT MEETING:** July 15, 2020

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***JOHN MARK JENNINGS***  
***Chair, Orange County Housing Finance Trust***

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

Agenda Item #2  
Procure Consultant & Admin  
Expenses

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

**MEETING DATE:** June 15, 2020

**SUBJECT:** Authorize the Housing Trust Manager to procure consultant and administrative services and expend general operating costs (not to exceed \$109,450).



Adam B. Eliason, Manager

**RECOMMENDED ACTION:**

AUTHORIZE THE HOUSING TRUST MANAGER TO PROCURE CONSULTANT AND ADMINISTRATIVE SERVICES AND EXPEND GENERAL OPERATING COSTS (NOT TO EXCEED \$109,450) WITHOUT FURTHER BOARD APPROVAL AND IN A FORM APPROVED BY TRUST COUNSEL.

**BACKGROUND:**

The Trust fiscal year 2020-2021 budget was approved by the Board at the May 6, 2020 Board Meeting. In the future, the annual budget approval will include a provision that authorizes the Housing Trust Manager to procure consultant services and expend general operating costs up to the Trust budget amount.

The following general operating costs were previously approved by the Board.

**General Operating Costs**

- |  |         |
|--|---------|
| 1. Board Member Parking Validations                              | \$750   |
| 2. Memberships/Subscriptions/Dues/Website/Email                  | \$2,500 |
| 3. Taxes/ Business Licenses/Fees (state/gov agency)              | \$1,200 |
| 4. Office Supplies/Mailing/Equipment/Software/Copying            | \$8,000 |
| 5. Conference-Registration Fees/Travel Expenses/Business Meeting | \$4,000 |

The cost of insurance for the Trust was not specifically listed in the General Operating Costs. In the future, a separate line item will need to be created. However, for this fiscal year the costs of insurance shall come from item 2 above.

The following consultant costs were previously approved by the Board. The Housing Trust Manager will prepare a scope of work and request bids from a minimum of three qualified companies and select the lowest most responsible bidder. These services will be completed on an as-needed basis and throughout the year.

Consultant Costs

1. Financial Consultant	\$30,000
2. Auditing Consultant	\$15,000
3. Advocacy/Lobbying Services	\$38,000
4. Marketing & Communication Services	\$10,000

Staff recommends approval of this agenda item.

## Agenda Item #3

# State Funding Advocacy Update

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

**MEETING DATE:** July 15, 2020

**SUBJECT:** Receive and file State funding advocacy update from Platinum Advisors.



Adam B. Eliason, Manager

**RECOMMENDED ACTION:**

RECEIVE AND FILE STATE FUNDING ADVOCACY UPDATE FROM PLATINUM ADVISORS.

**BACKGROUND:**

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

**ATTACHMENT:**

Attachment A – Memo from Platinum Advisors - OCHFT State Budget Request Progress



# PLATINUM | ADVISORS

June 26, 2020

To: Adam Eliason  
Orange County Housing Finance Trust

From: Darius Anderson  
Nick Garcia  
Syrus Devers, BB&K

Subject: Update on OCHFT State Budget Request

We look forward to joining your Board of Directors meeting to provide more insight into legislative activity in Sacramento. Until then, we wanted to provide you information on the current Sacramento landscape and efforts we've made on behalf of the Trust to continue the forward protectionary of securing funding for your projects.

COVID-19 continues to rule daily policy making. The pandemic has brought the state to a screeching stop and turned California's budget upside down. Since your last meeting, the state continues to use "rainy day funds" for COVID-19 response including emergency housing, homeless outreach, and personal protective equipment for Californians.

Today, the California State Assembly is expected to pass a state budget agreement that seeks to close a \$54 billion deficit. This comes a mere five months after the Governor projected a \$6 billion surplus in his January budget announcement. This agreement is predicated on an eventual Federal Government infusion to states to assist in the economic recovery from the COVID-19 crisis. It contains drastic cuts to state programming, deferrals of proposed projects, and increases in fees to bridge the enormous budget gap.

Yet, despite the cuts, the outlook for solving the state's chronic housing and homelessness problem is high on the Governor and Legislature's agenda to solve during this historic crisis. That provides the Trust an opportunity to shift some priorities to take advantage of CARES Act funding coming to the state while seeking a \$35 million budget ask to fund needed projects.

Since your last Board of Directors meeting, we have:

- Joined bi-weekly strategy calls with Trust staff and stakeholders to information-share on the quickly changing housing and homelessness funding programs.

- Interfaced with leaders of the Orange County legislative delegation to provide information on Trust activities and priorities.
- Shared with legislators the need for a united Orange County front to secure \$35 million in funding to increase affordable housing in the county while reducing homelessness – a major Newsom Administration priority.
- Briefed Newsom Administration housing staff on Trust efforts and plans to seek development partners for Project Room Key conversions.
- Worked with Budget Staff in both legislative houses to provide information on the Trust state budget request.
- Shared updated Trust budget request letter with Governor’s Office and Legislature.

We continue to work hard to find a successful path to achieve the Trust’s budget request.

- We continue to hold weekly calls with the Trust team to deliver real-time information for our conversations and Zoom meetings with legislators and staff.
- We have spoken with the Governor’s Office on countless occasions to get direction from them on homelessness and housing options.
- We are exploring federal funding options currently coming into the state as well as COVID-19 disaster funds.

As always, we are available for further discussion when needed. If there is anything immediate, please contact Nick Garcia at 916-215-3621.

Thank you!

**Agenda Item #4**  
**Platinum Advisors Contract**

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

**MEETING DATE:** June 15, 2020

**SUBJECT:** Approve contract with Platinum Advisors for advocacy and lobbying efforts through December 31, 2020 (not to exceed \$36,000); and authorize the Housing Trust Manager to execute the agreement.



Adam B. Eliason, Manager

**RECOMMENDED ACTION:**

APPROVE PROPOSAL WITH PLATINUM ADVISORS FOR ADVOCACY AND LOBBYING EFFORTS TO THE ORANGE COUNTY HOUSING FINANCE TRUST IN AN AMOUNT NOT TO EXCEED \$36,000 THROUGH DECEMBER 31, 2020; AND AUTHORIZE THE HOUSING TRUST MANAGER TO EXECUTE THE AGREEMENT.

**BACKGROUND:**

At the January 2020 Trust Board Meeting, Platinum Advisors and BB&K were hired to performed legislative advocacy services in order to pursue funding from the State of California for the development of supportive and affordable housing in Orange County. In accordance with the Joint Powers Agreement, the County of Orange paid the monthly invoices to Platinum Advisors through June 30, 2020.

Staff proposes that the Trust continue to utilize the services of Platinum Advisors, and BB&K as a subconsultant, through December 31, 2020 at a contract amount not to exceed \$36,000. The Trust Board previously approved the 2020-2021 Trust Budget in which a line item for advocacy and lobby services was included and a sufficient amount allocated.

Staff further recommends the following two firms and specific individuals within these firms:

Darius Anderson - CEO of Platinum Advisors. Mr. Anderson is recognized as a California political strategist with a track record of advising high-ranking political and business leaders. Mr. Anderson has a widely diverse background in business development, government affairs,

community relations, charitable activities, and more; plus, he has been the Founder of multiple businesses, including Kenwood Investments and Sonoma Media Investments.

Syrus Devers - is the Director of Governmental Affairs for Best, Best & Krieger (BB&K) — augmenting the firm’s advocacy support service. Working from the firm’s Sacramento office, Devers brings more than 20 years of experience in state government affairs as both legislative staff and a lobbyist.

Prior to joining BB&K, Mr. Devers served as executive director of government affairs for Verizon and lobbied on behalf of the California Medical Association. Mr. Devers can provide both federal and state advocacy services. Mr. Devers was hired by ACC-OC and led the effort for the successful passage of AB 448 that created the Trust. Mr. Devers will work to ensure that the Trust is heard by lawmakers. Whether it be before state or federal legislative bodies or regulatory agencies, the firm’s public agency and private company clients will be fully supported by a team of BB&K attorneys and advocates.

**SCOPE OF SERVICES FOR STATE LEGISLATIVE ADVOCACY:**

The list of services related to legislative advocacy from both firms is extensive. In this case, the Trust is specifically focused on exploring possible alternatives, whether legislatively with a bill or a general fund budget line item, for additional Trust funding for the development of supportive and affordable housing in Orange County.

Specific work assignments and tasks related to this effort to obtain State funding will be mutually agreed in advance. For example the scope of work will include, but is not limited to, participation in the development of legislative strategies to obtain state funding for the Trust; engagement of legislators and key stakeholders at the state and local level; representation of the Trust’s position in Sacramento; monitoring and identifying opportunities for state funding; and other tasks as required to achieve success of the legislative strategy, including but not limited to travel, setting meetings, drafting correspondence, making presentations and providing updates.

Trust Staff will provide an update report at each Board Meeting related to this effort.

Staff recommends approval of this agenda item.

ATTACHMENT:           Exhibit 4.1 – Update on OCHFT State Budget Request  
                                  Exhibit 4.2 – Platinum Advisors Agreement

# PLATINUM | ADVISORS

June 26, 2020

To: Adam Eliason  
Orange County Housing Finance Trust

From: Darius Anderson  
Nick Garcia  
Syrus Devers, BB&K

Subject: Update on OCHFT State Budget Request

Since your last Board of Directors meeting, the State of California continues to grapple with the worldwide COVID-19 pandemic. The Legislature returned to work and recently has been holding hearings and moving legislation.

Our initial work was focused on a one-time state budget ask of \$35 million to bridge a shortfall in the Trust being able to provide funding for affordable housing units. Assembly member Tom Daly worked to gather support from the Orange County legislative delegation with our assistance. Then COVID-19 upended all efforts for what would be a regular state budget request.

On June 15, the Legislature passed a “place holder budget” of sorts that differed from the Governor’s proposed budget by shifting funding trigger dates, restoring cuts, and increasing fees. This was done by the constitutional deadline without an agreement between the two branches of government on a final deal that must be in place by July 1. Currently the Governor’s Office and the Legislature are engaged in discussions on a final spending plan that will be passed.

All indications point to the Legislature returning to the state budget in August to finish a more detailed spending plan that would include further cuts, shifting of programs, or revenue increases if the Federal Government doesn’t help states with economic recovery. They will also further appropriate CARES ACT dollars that the administration will use to support housing and homelessness programs. This provides the Trust a unique opportunity to seek Orange County-specific dollars.

We propose:

- Meeting with the Orange County legislative delegation following the implementation of the State Budget on July 1. The meetings will be video conference briefings of how the

Trust will help identify projects and get needed investment into the community.

- Updating the Trust funding request letter and recirculating it to the Governor's Office, Department of Housing and Community Development, and the Legislature.
- Work with Budget Committee staff to understand the process the Legislature will use to deal with budget trailer bills that implement programs.
- Identifying other Trusts and work together on ensuring CARES ACT funding is used quickly by the administration.
- Host a staff briefing for Budget Committee staff on Trust projects and hurdles.

We have enjoyed working with the Trust to increase your efforts, visibility, and effectiveness in Sacramento. We welcome the opportunity to continue our work to help the Trust secure vital state resources for affordable housing projects in Orange County. We propose a new contract starting July 1, 2020 and expiring December 31, 2020. As you know, we work on a monthly retainer and the fee will be \$6,000 per month.

We look forward to continuing our partnership and are available for further discussion when needed. If there is anything immediate, please contact Nick Garcia at 916-215-3621.

Thank you!

**CONTRACT BETWEEN  
THE ORANGE COUNTY HOUSING TRUST  
AND  
PLATINUM ADVISORS  
FOR  
LEGISLATIVE ADVOCACY SERVICES**

This "Contract" is made and entered into as of the date fully executed by and between the Orange Trust Housing Finance Trust, a California public agency formed pursuant to California Government Code section 6500 *et. seq.* with a place of business at 1501 E Street, Andrew Place, Santa Ana, CA 92705; hereinafter referred to as "Trust", and Platinum Advisors with a place of business at 1215 K Street, Suite 1150, Sacramento CA 95814; hereinafter referred to as "Contractor", with Trust and Contractor, sometimes individually referred to as "Party" or collectively referred to as "Parties".

**ATTACHMENTS**

This Contract is comprised of this document and the following Attachments, which are incorporated herein by this reference:

Attachment A- Scope of Work

Attachment B- Compensation / Payment

Attachment C – Contractor Proposal

**ARTICLES**

**I. TERMS AND CONDITIONS**

1. **Scope of Contract:** This Contract, including Attachments A (Scope of Work), B (Compensation/Payment), and C (Vendor Proposal) (collectively, "Attachments"), specify the contractual terms and conditions by which Contractor shall provide the services described in the Contract and Attachments (collectively, "Legislative Advocacy Services"). Contractor represents, warrants, and covenants that it shall perform the services described in the Contract and Attachments.
2. **Term of Contract:** This Contract shall commence upon approval by the Trust and execution of all necessary signatures, and shall be effective until December 31, 2020, unless otherwise terminated by Trust in accordance with the terms of Section I. – Termination.
3. **Adjustments – Scope of Work:** No adjustments made to the Scope of Work will be authorized without prior written approval of the Trust assigned Deputy Purchasing Agent.
4. **Breach of Contract:** The failure of the Contractor to comply with any of the provisions, covenants or conditions of this Contract shall be a material breach of this Contract. In such event the Trust may, and in addition to any other remedies available at law, in equity, or otherwise specified in this Contract:
  - a) Terminate the Contract immediately, pursuant to Section K herein;
  - b) Afford the Contractor written notice of the breach and ten (10) calendar days or such shorter time that may be specified in this Contract within which to cure the breach;



- c) Discontinue payment to the Contactor for and during the period in which the Contractor is in breach; and
  - d) Offset against any monies billed by the Contractor but yet unpaid by the Trust those monies disallowed pursuant to the above.
5. **Civil Rights:** Contractor attests that services provided shall be in accordance with the provisions of Title VI and Title VII of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975 as amended; Title II of the Americans with Disabilities Act of 1990, and other applicable State and federal laws and regulations prohibiting discrimination on the basis of race, color, national origin, ethnic group identification, age, religion, marital status, sex or disability.
  6. **Conflict of Interest – Contractor’s Personnel:** The Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with the best interests of the Trust. This obligation shall apply to the Contractor; the Contractor’s employees, agents, and subcontractors associated with accomplishing work and services hereunder. The Contractor’s efforts shall include, but not be limited to establishing precautions to prevent its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to influence or appear to influence Trust staff or elected officers from acting in the best interests of the Trust.
  7. **Conflict of Interest – Trust Personnel:** Trust policy prohibits its employees from engaging in activities involving a conflict of interest. The Contractor shall not, during the period of this Contract, employ any Trust employee for any purpose.
  8. **Contractor’s Primary Contacts and Key Personnel:** Contractor shall appoint a Primary Contacts to direct the Contractor’s efforts in fulfilling Contractor’s obligations under this Contract: The Primary Contacts for services and for financial matters are listed below:
    - a. Primary contacts at Platinum Advisors, LLC for services will be:
      - i. Darius Anderson           916-443-8891
      - ii. Nick Garcia               916-443-8891
    - b. Primary contact at Platinum Advisors for financial matters will be:
      - i. Karen Miles               916-443-8891
      - kdm@platinumadvisors.com
  9. **Contractor’s Records:** The Contractor shall keep true and accurate accounts, records, books and data which shall correctly reflect the business transacted by the Contractor in accordance with generally accepted accounting principles. These records shall be stored in Orange County for a period of three (3) years after final payment is received from the Trust. Storage of records in another county will require written approval from the Trust Housing Manager.
  10. **Subcontractor:** No performance of this Contract or any portion thereof may be subcontracted by the Contractor without the express written consent of the Trust. Any attempt by the Contractor to subcontract any performance of this Contract without the express written consent of the Trust shall be invalid and shall constitute a breach of this Contract.

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

by a subcontractor must meet the approval of the Trust. Contractor agrees that any subcontractor shall disclose and seek informed consent for any conflict of interest as required under law and/or rule under the California Rules of Professional Conduct, including but not limited to Rule 1.7, as applicable. Contractor and Subcontractor further represent and warrants that they do not have a conflict of interest under Rule 1.7 of the California Rules of Professional Conduct.

11. **Conditions Affecting Work:** The Contractor shall be responsible for taking all steps reasonably necessary to ascertain the nature and location of the work to be performed under this Contract and to know the general conditions which can affect the work or the cost thereof. Any failure by the Contractor to do so will not relieve Contractor from responsibility for successfully performing the work without additional cost to the Trust. The Trust assumes no responsibility for any understanding or representations concerning the nature, location(s) or general conditions made by any of its officers or agents prior to the execution of this Contract, unless such understanding or representations by the Trust are expressly stated in the Contract.
12. **Data – Title To:** All materials, documents, data or information obtained from the Trust data files or any Trust medium furnished to the Contractor in the performance of this Contract will at all times remain the property of the Trust. Such data or information may not be used or copied for direct or indirect use by the Contractor after completion or termination of this Contract without the express written consent of the Trust. All materials, documents, data or information, including copies, must be returned to the Trust at the end of this Contract.
13. **Disputes – Contract:**
  - A. The parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute concerning a question of fact arising under the terms of this Contract is not disposed of in a reasonable period of time by the Contractor's Project Manager and the Trust's Housing Manager, such matter shall be brought to the attention of the Trust Board of Directors for final consideration.
14. **Gratuities:** The Contractor warrants that no gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the Trust with a view toward securing the Contract or securing favorable treatment with respect to any determinations concerning the performance of the Contract. For breach or violation of this warranty, the Trust shall have the right to terminate the Contract, either in whole or in part, and any loss or damage sustained by the Trust in procuring on the open market any goods or services which the Contractor agreed to supply shall be borne and paid for by the Contractor. The rights and remedies of the Trust provided in the clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.
15. **Notices:** Any and all notices, requests demands and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing with a copy provided to the assigned Deputy Purchasing Agent (DPA), except through the course of the parties' project managers' routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt or no greater than four (4) calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate party at the address stated herein or such other address as the parties hereto may designate by written notice from time to time in the manner aforesaid.



Contractor: Platinum Advisors  
 1215 K Street, Suite 1150  
 Sacramento CA 95814  
 Contact: Darius Anderson  
 Phone: 916-443-8891  
 Email: dwa@platinumadvisors.com

Trust: OC Community Resources/  
 Housing & Community Development  
 1501 E St Andrew Place  
 Santa Ana CA 92705  
 Contact: Adam Eliason  
 Phone: 909-706-7193  
 Email: aeliason@ochft.org

16. **Ownership of Documents:** The Trust has permanent ownership of all directly connected and derivative materials produced under this Contract by the Contractor. All documents, reports and other incidental or derivative work or materials furnished hereunder shall become and remain the sole property of the Trust and may be used by the Trust as it may require without additional cost to the Trust. None of the documents, reports and other incidental or derivative work or furnished materials shall be used by the Contractor without the express written consent of the Trust.
17. **Termination – Orderly:** After receipt of a termination notice from the Trust the Contractor may submit to the Trust a termination claim, if applicable. Such claim shall be submitted promptly, but in no event later than 60 days from the effective date of the termination, unless one or more extensions in writing are granted by the Trust upon written request of the Contractor. Upon termination Trust agrees to pay the Contractor for all services performed prior to termination which meet the requirements of the Contract, provided, however, that such compensation combined with previously paid compensation shall not exceed the total compensation set forth in the Contract. Upon termination or other expiration of this Contract, each party shall promptly return to the other party all papers, materials, and other properties of the other held by each for purposes of performance of the Contract.
18. **Usage:** No guarantee is given by the Trust to the Contractor regarding usage of this Contract. Usage figures, if provided, are approximations. The Contractor agrees to supply services and/or commodities requested, as needed by the Trust, at rates/prices listed in the Contract, regardless of quantity requested.
19. **Lobbying:** As applicable, on the best information and belief, Contractor certifies no federal appropriated funds have been paid or will be paid by, or on behalf of, the Contractor to any person influencing or attempting to influence an officer or employee of Congress; or an employee of a member of Congress in connection with the awarding of any federal contract, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative contract.
20. **News/Information Release:** The Contractor agrees that it will not issue any news releases in connection with either the award of this Contract or any subsequent amendment of or effort under this Contract without first obtaining review and written approval of said news releases from the Trust through the Trust’s Housing Manager.

21. **Waivers – Contract:** The failure of the Trust in any one or more instances to insist upon strict performance of any of the terms of this Contract or to exercise any option contained herein shall not be construed as a waiver or relinquishment to any extent of the right to assert or rely upon any such terms or option on any future occasion.
22. **Debarment:** Contractor shall certify that neither Contractor nor its principles are presently debarred, proposed for debarment, declared ineligible or voluntarily excluded from participation in the transaction by any Federal department or agency. Where Contractor as the recipient of federal funds, is unable to certify to any of the statements in the certification, Contractor must include an explanation with their bid. Debarment, pending debarment, declared ineligibility or voluntary exclusion from participation by any Federal department or agency may result in the bid being deemed non-responsible.
23. **Errors and Omissions:** All reports, files and other documents prepared and submitted by Contractor shall be complete and shall be carefully checked by the professional(s) identified by Contractor as Contractor Project Manager and key personnel attached hereto, prior to submission to the Trust. Contractor agrees that Trust review is discretionary, and Contractor shall not assume that the Trust will discover errors and/or omissions. If the Trust discovers any errors or omissions prior to approving Contractor's reports, files and other written documents, the reports, files or documents will be returned to Contractor for correction. Should the Trust or others discover errors or omissions in the reports, files or other written documents submitted by Contractor after Trust approval thereof, Trust approval of Contractor's reports, files or documents shall not be used as a defense by Contractor in any action between the Trust and Contractor, and the reports, files or documents will be returned to Contractor for correction without payment of additional compensation.
24. **Follow-On Work - Services Contract:** No person, firm, subsidiary or subcontractor of a firm that has been awarded a consulting services contract or a contract which includes a consulting component may be awarded a Contract for the performance of services, the purchase of goods or supplies, or the provision of any other related action which arises from or can reasonably be deemed an end-product of work performed under the initial consulting to consulting-related Contract.
25. **Precedence:** The Contract documents consist of this Contract and the Attachments. In the event of a conflict between or among the Contract documents, the order of precedence shall be the provisions of the main body of this Contract, i.e., those provisions set forth in the recitals and articles of this Contract, and then Attachment A (Scope of Work), then Attachment B (Compensation/Payment), and finally Attachment C (Vendor Proposal).

## II. GENERAL TERMS AND CONDITIONS

- A. **Governing Law and Venue:** This Contract has been negotiated and executed in the state of California and shall be governed by and construed under the laws of the state of California. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for adjudication to another county.



- B. **Entire Contract:** This Contract contains the entire Contract between the parties with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on Trust unless authorized by Trust in writing. Electronic acceptance of any additional terms, conditions or supplemental Contracts by any Trust employee or agent, including but not limited to installers of software, shall not be valid or binding on Trust unless accepted in writing by Trust's Purchasing Agent or designee.
- C. **Amendments:** No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by the parties; no oral understanding or agreement not incorporated herein shall be binding on either of the parties; and no exceptions, alternatives, substitutes or revisions are valid or binding on Trust unless authorized by Trust in writing.
- D. **Taxes:** Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax. Out-of-state Contractors shall indicate California Board of Equalization permit number and sales permit number on invoices, if California sales tax is added and collectable. If no permit numbers are shown, sales tax will be deducted from payment. The Auditor-Controller will then pay use tax directly to the State of California in lieu of payment of sales tax to the Contractor.
- E. **Acceptance Payment:** Unless otherwise agreed to in writing by Trust, 1) acceptance shall not be deemed complete unless in writing and until all the services have actually been received, inspected, and tested to the satisfaction of Trust, and 2) payment shall be made in arrears after satisfactory acceptance.
- F. **Assignment:** The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the parties. Furthermore, neither the performance of this Contract nor any portion thereof may be assigned by Contractor without the express written consent of Trust. Any attempt by Contractor to assign the performance or any portion thereof of this Contract without the express written consent of Trust shall be invalid and shall constitute a breach of this Contract.
- G. **Non-Discrimination:** In the performance of this Contract, Contractor agrees that it will comply with the requirements of Section 1735 of the California Labor Code and not engage nor permit any subcontractors to engage in discrimination in employment of persons because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons. Contractor acknowledges that a violation of this provision shall subject Contractor to penalties pursuant to Section 1741 of the California Labor Code.
- H. **Termination:** In addition to any other remedies or rights it may have by law, Trust has the right to immediately terminate this Contract without penalty for cause or after 30 days' written notice without cause, unless otherwise specified. Cause shall be defined as any material breach of contract, any misrepresentation or fraud on the part of the Contractor. Exercise by Trust of its right to terminate the Contract shall relieve Trust of all further obligation.
- I. **Consent to Breach Not Waiver:** No term or provision of this Contract shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

- J. **Independent Contractor:** Contractor shall be considered an independent contractor and neither Contractor, its employees, nor anyone working under Contractor shall be considered an agent or an employee of Trust. Neither Contractor, its employees nor anyone working under Contractor shall qualify for workers' compensation or other fringe benefits of any kind through Trust.
- K. **Performance Warranty:** Contractor shall warrant all work under this Contract, taking necessary steps and precautions to perform the work to Trust's satisfaction. Contractor shall be responsible for the professional quality, technical assurance, timely completion and coordination of all documentation and other goods/services furnished by the Contractor under this Contract. Contractor shall perform all work diligently, carefully, and in a good and workmanlike manner; shall furnish all necessary labor, supervision, machinery, equipment, materials, and supplies, shall at its sole expense obtain and maintain all permits and licenses required by public authorities, including those of Trust required in its governmental capacity, in connection with performance of the work. If permitted to subcontract, Contractor shall be fully responsible for all work performed by subcontractors.
- L. **Insurance Requirements:** Prior to the provision of services under this Contract, the Contractor agrees to purchase all required insurance at Contractor's expense, including all endorsements required herein, necessary to satisfy the Trust that the insurance provisions of this Contract have been complied with. Contractor agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with the Trust during the entire term of this Contract. In addition, all subcontractors performing work on behalf of Contractor pursuant to this Contract shall obtain insurance subject to the same terms and conditions as set forth herein for Contractor. Contractor shall ensure that all subcontractors performing work on behalf of Contractor pursuant to this Contract shall be covered under Contractor's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Contractor. Contractor shall not allow subcontractors to work if subcontractors have less than the level of coverage required by Trust from Contractor under this Contract. It is the obligation of Contractor to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Contractor through the entirety of this Contract for inspection by Trust representative(s) at any reasonable time.

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

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

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



the Trust may terminate this Contract.

**Qualified Insurer**

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

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

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

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 per occurrence
Workers Compensation	Statutory
Employers Liability Insurance	\$1,000,000 per occurrence

**Required Coverage Forms**

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

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

**Required Endorsements**

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

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

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

All insurance policies required by this Contract shall waive all rights of subrogation against the Orange County Trust Housing Finance Trust and its Board of Directors, Directors, and officers, employees, and agents when acting within the scope of their appointment or employment.

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

Y. **Expenditure Limit:** The Contractor shall notify the Trust or Housing Manager in writing when the expenditures against the Contract reach 75 percent of the dollar limit on the Contract. The Trust

will not be responsible for any expenditure overruns and will not pay for work exceeding the dollar limit on the Contract unless a change order to cover those costs has been issued.

- Signature Pages Follow -



**SIGNATURE PAGE**

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

**PLATINUM ADVISORS**

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

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

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

Darius Anderson	CEO/President
<hr/> <i>Print Name</i>	<hr/> <i>Title</i>
<i>Darius Anderson</i>	
<hr/> Darius Anderson (Jul 8, 2020 18:40 PDT)	
<hr/> <i>Signature</i>	<hr/> <i>Date</i>

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

<hr/> <i>Print Name</i>	<hr/> <i>Title</i>
<hr/> <i>Signature</i>	<hr/> <i>Date</i>

- Signature Page Follows -



**ATTACHMENT A**  
**SCOPE OF WORK**

**SCOPE OF WORK:**

The consultant scope of work will include, but is not limited to the following services, as mutually agreed in advance:

- Develop and lead a strategic executive and legislative outreach plan to obtain state funding for the Trust
- Engage legislators, the Governor and other key stakeholders at the state and local level to garner support and secure funding
- Arrange meetings with potential coalition partners and interface with their legislative representatives
- Provide introductions to key regulatory contacts and tracking of issues related to securing funding for the Trust
- Coordinate key legislative meetings with legislators who have influence on funding the Trust
- Represent, promote and advocate the Trust's position in Sacramento
- Provide a monthly report and lead weekly calls providing updates on policy and political happenings in Sacramento as it relates to obtaining funding for the Trust
- Direct advocacy efforts, monitor progress, and revise strategy as parameters change
- Track potential project constraints and iteratively adjust strategic efforts
- Monitor and identify complementary opportunities and initiatives for state funding and adjust strategy as needed
- Other tasks as required to achieve success of the legislative strategy, including but not limited to travel, in-person briefings with Board of Directors and staff, scheduling meetings, drafting correspondence, making presentations, facilitating Sacramento advocacy trips for Trust members and staff, and providing written and verbal updates.
- Meeting with the Orange County legislative delegation following the implementation of the State Budget on July 1. The meetings will be video conference briefings of how the Trust will help identify projects and get needed investment into the community.
- Updating the Trust funding request letter and recirculating it to the Governor's Office, Department of Housing and Community Development, and the Legislature.
- Work with Budget Committee staff to understand the process the Legislature will use to deal with budget trailer bills that implement programs.
- Identifying other Trusts and work together on ensuring CARES ACT funding is used quickly by the administration.
- Host a staff briefing for Budget Committee staff on Trust projects and hurdles.



**ATTACHMENT B**  
**COMPENSATION/PAYMENT**

**I. Compensation:**

This is a usage Contract between Trust and Contractor to provide Legislative Advocacy Services, as needed and as set forth in the Contract and Attachments.

Contractor agrees to accept the specified compensation as set forth in this Contract as full remuneration for performing all services and furnishing all staffing, labor, vehicles, equipment, tools, materials, overhead, and travel, and for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services, for risks connected with the services, and for performance by the Contractor of all its duties and obligations hereunder.

**PRICING:** Monthly fee of **\$6,000.00/month**, fee is to be billed monthly for services performed by Contractor. Total contract amount shall not exceed \$36,000.00 (thirty-six thousand Dollars). **The Trust shall have no obligation to pay any sum in excess of \$36,000 unless authorized by an amendment in accordance with Articles C and N of the Contract.**

- II. Price Increase/Decrease:** No price increases will be permitted during the term of the Contract. The Trust requires documented proof of cost increases on Contracts prior to any price adjustment. A minimum of 30-days advance notice in writing is required to secure such adjustment. No retroactive price adjustments will be considered. All price decreases will automatically be extended to the Trust. The Trust may enforce, negotiate, or cancel escalating price Contracts or take any other action it deems appropriate, as it sees fit. The net dollar amount of profit will remain firm during the period of the Contract. Adjustments increasing the Contractor's profit will not be allowed.
- III. Contractor's Expense:** Included in the compensation set forth in this Contract are all expenses of any kind that might be incurred by Contractor or arise from the Contract. The Contractor will be responsible for all costs related to photo copying, telephone communications, and fax communications while on Trust sites during the performance of work and services under this Contract. The Trust will not provide free parking for any service in the Trust Civic Center.
- IV. Payment Terms – Invoices:** Invoices are to be submitted to the department address listed in section VI below, unless otherwise directed in this Contract. Contractor shall reference the Contract number on invoice. Payment will be net 30 days after receipt of an invoice for the services described in Attachment A - Scope of Work in a format acceptable to the Trust and verified and approved by the agency/department and subject to routine processing requirements. Contractor may submit an invoice to Trust up to thirty (30) calendar days in advance of Contractor providing, unless otherwise provided in this Contract.

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

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

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

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

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

**Billing Address:** All invoices shall be billed to:

OC Community Resources  
Attn: Accounts Payable  
601 N Ross Street, 6<sup>th</sup> Floor  
Santa Ana, CA 92706

**VII. Payment (Electronic Funds Transfer (EFT)):**

The Trust offers contractors the option of receiving payment directly to their bank account via an Electronic Fund Transfer (EFT) process in lieu of a check payment. Payment made via EFT will also receive an Electronic Remittance Advice with the payment details via e-mail. An e-mail address will need to be provided to the Trust via an EFT Authorization Form. To request a form, please contact the Housing Manager. Upon completion of the form, please mail, fax or email to the address or phone listed on the form.



## ATTACHMENT C

# PLATINUM | ADVISORS

Legislative, regulatory and political advocacy are complex issues that require well-thought plans to achieve your desired objectives. At Platinum Advisors we understand that one size *does not* fit all and will work with you to develop a comprehensive strategy that helps you win. Here we've detailed the foundation of a strategy to address your objectives.

## Strategy Overview

Our goal is straightforward: develop and implement a strategy that will extend identify funding options, including possible legislation, to help the Orange County Trust Housing Finance Trust receive state support for supportive and affordable housing in the county. Our team will work as a trusted partner to enhance your efforts to position the Trust as the thought-leader and policy experts on this project. We will use our years of experience to increase the likelihood that your goals drive this issue and the potential legislation extension we need. Specifically, we envision:

- **Providing Access to the Governor's Administration**

Members of our team have worked with Governor Newsom's office providing legislative, regulatory and political guidance on some of the state's most pressing issues. This experience provides our clients critical insight to the governor and key members of his administration. Our approach will be to meet with key staff to assess the Administration's position about using the State Budget to accomplish the Trust's funding goals. We will share your views to help shape theirs and – more importantly – understand the Governor's position on this needed funding. At the same time, we will work with the Governor's legislative team to prepare for a standalone bill if necessary, to reach our funding goals.

- **Engaging the State Legislature**

Platinum Advisors will engage members of the State Legislature to educate them on the Trust and your ambitious goals to help alleviate the housing crisis in Trust. This effort will include your board and staff coming to Sacramento to meet one-on-one with legislators to educate leaders on your issue and the benefits of the projects that the Trust has embarked on to build housing units in the Trust. This Legislature is a lot different than those in the recent past in terms of longevity and members who understand the long-term impact of housing investment like the Trust is making.

- **Interacting with Stakeholders**

There are multiple interest groups and individual companies interested in the policy issues surrounding housing affordability, access, need in the Legislature. We envision meeting with key stakeholders who can engage in your issues and help amplify the "need for funding message." We will identify these partners and help to connect the Trust with them so we can build a coalition that would support our budget or stand-alone legislative efforts.

Here is a work plan that we believe will quickly position the Trust and allow us to positively guide the needed legislative change through this budget process:

Registering Platinum Advisors as your official lobbyist with California's Secretary of State triggers reporting obligations on work done on your behalf. We recommend this as the best option to position Trust as the leader of this effort. Should we register as your lobbyist, we will:

- Develop a strategic executive and legislative outreach plan to accomplish your immediate goals.
- Arrange meetings with potential coalition partners and interface with their legislative representatives.
- Coordinate key legislative meetings with legislators who have influence on your issues.
- Provide introductions to key regulatory contacts and tracking of issues facing your industry before administrative agencies and departments.

Agenda Item #5  
Trust Strategic Plan

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

**MEETING DATE:** July 15, 2020

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



Adam B. Eliason, Manager

**RECOMMENDED ACTION:**

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

**BACKGROUND:**

Strategic planning involves stepping back from the day-to-day operations and articulating where the organization is headed, including setting short- and long-term goals, time specific objectives, and tasks for achieving them. A strategic plan also determines the organization's strengths, weaknesses, opportunities and threats. The plan includes clearly defined goals and objectives. The future direction of the Trust will be guided by the strategic plan.

At the January 15, 2020 the Trust Board approved a general outline for the 2020-2025 Trust Strategic Plan. Staff proceeded to interview those listed in the outline and others who were considered stakeholders or strategic partners to the Trust and the mutual effort to end homelessness in Orange County.

The interviews informed the stakeholders that the Trust is planning for its future and provided an opportunity for engagement and involvement in the process. Overall, the interviews provided valuable feedback, challenges, trends, suggestions, and perceptions regarding the topic of homelessness in Orange County. This effort tends to generate better outcomes and a greater sense of ownership to the plan and direction the Trust is heading. A summary of each of those interviews is included in Chapter 2 of the Strategic Plan and some of the goals and objectives are a direct result of those interviews.

The Funding Strategy Ad Hoc Committee met and discussed components of the Strategic Plan and provided valuable feedback to Staff that has since been incorporated into the Strategic Plan.

### **MISSION AND VISION STATEMENT:**

In a Strategic Plan it is important to mention both the Mission and Vision Statement of any organization. It is also important to note the difference between the two. A Mission Statement defines the entity's business, its objectives and its approach to reach those objectives. A Vision Statement describes the desired future position of the entity.

The existing Mission Statement of OCHFT is fine and meets the definition.

*"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."*

However, the existing Vision Statement lacks the ultimate future position of OCHFT or when it will get there.

Existing OCHFT Vision Statement

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

Proposed OCHFT Vision Statement

*"The vision of the OCHFT is to identify and secure funding that will contribute to the construction of 2,700 permanent supportive housing units by 2025."*

### **CONCLUSION:**

The Strategic Plan includes the following chapters:

Chapter 1 – History and Trust Formation

Chapter 2 – Strategic Partner Interviews

Chapter 3 – Charitable Contributions to Support Trust Projects

Chapter 4 – Trust Staff and Support

Chapter 5 – Implementation Plan

Staff will revisit the Strategic Plan in May of each year. This assessment will ensure the strategy remains focused, effective and relevant to the current events and efforts regarding homelessness in Orange County. Feedback from the assessment will allow goals to be updated and examine whether any changes have an impact on upcoming budget and note significant items to include in the Annual Report.

ATTACHMENTS: Exhibit 5.1 – 2020-2025 OCHFT Strategic Plan

Orange | Housing  
County | Finance  
Trust

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**STRATEGIC PLAN**

July 1, 2020 to June 30, 2025

Adopted July 15, 2020

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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 that includes 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-2104 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 supportive housing units and an additional 2,700 affordable units before June 2025.

The Orange County Housing Finance Trust (OCHFT) was established to become a new funding source in the region to address this need. 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 housing for homeless and low-income individuals and families*”

*“ The vision of the OCHFT is to identify and secure funding that will contribute to the construction of 2,700 permanent supportive housing units by 2025.”*

The Trust’s Strategic Plan covers the period from July 1, 2020 through June 30, 2025. It identifies six 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

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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> “Homelessness in Orange County: The Costs to Our Community” by OC United Way, Jamboree Housing and UCI.

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:

**Strategic Component 1: Aggressive Fundraising Strategy**

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

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

1. Deploy Trust co-lending, short-term pre-development loan funds that also generate Trust administrative dollars.
2. Create Trust “Notice of Funding Availability” (NOFA) loan documents.
3. Review and fund 1st year NOFA projects ready to close.
4. Update and issue Trust 2nd year NOFA.
5. Review, award and provide commitment letters to 2nd year NOFA recipients.
6. Deploy additional funding obtained from other various sources.
7. Contribute to the creation of 373 supportive housing by June 30, 2021.

**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.
2. Prepare and submit annual report to the Trust Board and Trust Members.
3. Develop loan compliance monitoring checklist and procedures in accordance with Trust loan documents.
4. Prepare annual Trust strategic plan review and update.

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

1. Submit annual report to the Trust Members and Non-Member cities.
2. Solicit non-member cities to join the Trust using Trust members, Trust Board, and developers.
3. Promote the Trust through the OCHFT 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**

1. Establish roles and responsibilities for County staff supporting the Trust and as-needed services.
2. Hire part-time contract-based administrative assistant when necessary and appropriate.
3. Engage 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).

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## **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 OCHFT 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.

Initial members of the Trust Board are listed below:

1. Chair John Mark Jennings, City of Laguna Niguel
2. Vice Chair Andrew Do, County of Orange Supervisor – 1<sup>st</sup> District
3. Board Member David Penaloza, City of Santa
4. Board Member Doug Chaffee, County of Orange Supervisor – 4<sup>th</sup> District
5. Board Member Shari Freidenrich, County of Orange Treasurer-Tax Collector
6. Board Member Don Barnes, County of Orange Sheriff-Coroner
7. Board Member Stephen Faessel, City of Anaheim
8. Board Member Ed Sachs, City of Mission Viejo
9. Board Member Jamey Federico, City of Dana Point

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 funding from both the County and the member cities, in proportion to their population size.

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.

### **Mission and Vision Statement**

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

*“The mission of the OCHFT is to strengthen communities in Orange County by financing the development of 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 OCHFT Board adopted the following vision statement:

*“The vision of the OCHFT is to identify and secure funding that will contribute to the construction of 2,700 permanent supportive 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 sample map on following page) . 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

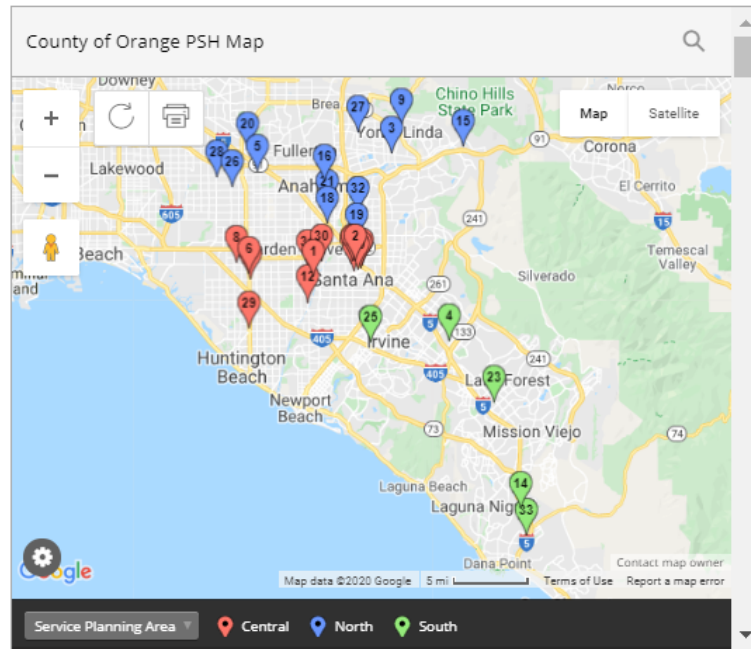
The Orange County Housing Finance Trust, County, and Cities share a common goal of creating 2,700 permanent supportive housing units by June 30, 2025. This page tracks the progress of that goal since June 2018 and reports the details related to each project.

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	53%	964	46%
North	374	36%	806	38%
South	107	10%	327	16%
<b>Grand Total</b>	<b>1,030</b>	<b>100%</b>	<b>2,097</b>	<b>100%</b>

PROJECT STATUS	PSH-UNITS	TOTAL UNITS
Complete	99	200
In progress of funding	607	1,263
Under Construction	324	634
<b>Grand Total</b>	<b>1,030</b>	<b>2,097</b>



[View County of Orange PSH Map in a full screen map](#)

## 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               | \$4,500,000         |
| 2. County General Funds            | \$1,000,000         |
| 3. State General Funds             | \$950,000           |
| 4. State Local Housing Trust Funds | \$5,000,000         |
| <b>TOTAL</b>                       | <b>\$11,450,000</b> |

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.

### **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, 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.

Each interview is summarized below.

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

Dr. George Tita, Professor of Criminology, Law and Society and Urban Planning and Public Policy, Doug Colby, Senior Director of Development, George Searcy, COO, Jamboree

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 crime and affordable housing affect home prices.

In addition, UCI's "Livable Cities Lab" tracks trends on the intersection of crime, homelessness and affordable housing.

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 the Trust's efforts and help build the case for the Trust locally as well as for Trust-funded projects.*

### **Orange County United Way**

Sue Parks, Pres. & CEO, Michelle Murphy, Director, Public Affairs, Becks Heyhoe, Director, United to End Homelessness, Brenyale Toomer-Byas, Sr. Director Economic Opportunity

The vision of Orange County United Way is to have a community where every person receives a quality education, is financially stable, is healthy and thriving, and has a place to call home. Through their ten-year FACE 2024 communitywide action plan, established in 2014, various programs are implemented that reduce the number of homeless individuals and families through education, advocacy, and housing. The two initiatives that support the OCHFT's goals are:

#### **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 Continuum of Care Board.

Following are the programs that are part of this initiative:

- WelcomeHomeOC: This unique county-wide landlord incentive program helps homeless individuals with rental vouchers to secure housing in private market apartments, including specific campaigns to end Veterans 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 about the issue, 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.
- 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.

#### 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. 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 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 families create step-by-step personal finance plans to tackle their specific needs. With the help of one-on-one financial coaching, goal-setting plans are created in three key areas to:
  - Increase income via job training and placement, free tax prep/tax credits, and access to public assistance programs.
  - Manage credit by managing debt, creating sustainable household budgets and improving credit scores.
  - Build assets through savings and asset planning to help families reach goals like buying a home or paying for college.
- UpSkill OC: Builds a job pipeline that assesses and matches the needs of employers for middle-skill occupations in healthcare and information technology (IT). UpSkill OC targets 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.

*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 Trust are mostly the same as the ACC-OC cities.
- ACC-OC former Executive Director was very involved in the creation of the OCHFT.
- ACC-OC wants to continue to be informed on Trust goals and accomplishments. The Trust is invited to participate in ACC-OC activities (i.e. lunch-to-learn, May-June conference, etc.).
- ACC-OC organizes 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 Campbell, Executive Director, NeighborWorks of Orange County and Executive Director of OCHT, 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. Currently has \$6 million available. \$3 million has been committed from Disney's contribution for gap financing for a project in the City of Anaheim.
- OCHT may want to eventually become a CDFI and use the spread on loan interest to fund permanent staff.

- 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 (SA) has been operating in Orange County for 127 years. 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 SA's major project. SA is both the developer and the operator of the 6.9-acre site. This project already includes 100 emergency shelter beds.
- 50 Section 8 vouchers from the Anaheim Housing Authority are dedicated to the project.
- The project already includes 325 emergency shelter beds.
- Eventually the facility will expand to 600 units, including both shelter and permanent supportive housing units, as well as offices for service providers and project administration.
- Studies show that only 8% of homeless eventually self-resolve, hence the need for continuing supportive services.
- "Net Zero" homeless (where all homeless people are eventually off the streets and in some type of shelter) is their goal.
- 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.). See UCI study reference above.
- There is a need for SA 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.
- 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.

*Strategic Plan Implications: The Salvation Army can be an essential partner for the Trust. SA has already responded to the Trust's first NOFA and received a \$2.5 million award of funds. The Trust might also support the creation of other similar SA projects in the future.*

## **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.

- Andrew Do is the Chair of the Commission.
- Dan Young and Andrew Do were instrumental in getting AB 448 approved, which enabled the creation of a Joint Powers Authority which established the OCHFT.
- 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 might be willing to make a substantial contribution and/or legacy gift to the Trust. For this to happen, the Trust would need to either have 501c3 status or have a formal relationship with a local charity/foundation which would serve as its fiscal agent for contributions.
- Dan is exploring a second location for a BeWell OC clinic in Orange County (see BeWell OC interview below).

*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.*

## **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 percent (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 OCHFT 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 thus reduce the amount required by Trust Members. Josh has submitted to the Trust a concept paper explaining how this would work (see appendix).

*Strategic Plan Implications: Another potential financing partner for Trust projects, like the CDFI Clearinghouse (see above). 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.*

### **Continuum of Care (CofC)**

Judson Brown, Housing Manager, City of Santa Ana

Judson is chair of the CofC Housing Committee and previous chair of the Continuum of Care Board.

- Developers have difficulty finding and securing sites and putting capital stacks together. The Trust should do everything possible to secure sites and additional capital to develop more units.
- The Silicon Valley Housing Trust is buying land. 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.
- The Trust, as a quasi-government organization, can be more of a neutral party and help with fundraising, coordination and placement of funds.
- The efforts by United to End Homelessness (United Way), The Commission to End Homelessness, and the Continuum of Care need to be coordinated and perhaps even merged in the future. The Trust should help do this.
- It would also be in everyone's best interest to bring the Orange County Housing Trust (private sector initiative) and the OCHFT together. The Trust should lead this merger to gain access to private sector funds.
- 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 OCHFT locally, and due to its regional aspect and its neutral position politically, there is support for the Trust to play a key leadership and coordinating role for all the various players in the 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 staff support is lacking at State HCD. Meanwhile, the State of California is anxious for some “wins,” and the Trust’s regional approach could be highly effective.

- Large bond issuances are needed to get more money for supportive housing programs, like they have done in Santa Clara County (\$980 million), Alameda County: (\$500 million), and San Diego County (\$900 million).
- Perhaps a real estate transfer tax would create more local funds for homeless interventions.
- 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, EVP. and Alexa Washburn, Senior VP

National CORE is a major nonprofit developer in southern California (formerly known as SoCal Housing). 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.

- The Trust, working with County staff, should operate as the coordinator of funding for affordable and supportive housing and assist in project applications, perhaps through creating a common application for various funding sources.
- The Trust can actively raise money for projects.
- 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, the Trust might not need to create its own 501c3 (and potentially be viewed as competing with the OCHT and other local nonprofits) but may be able to raise funds through an arrangement with an existing

foundation serving as its fiscal agent, like the Orange County Community Foundation or Community Ventures of Orange County (see Chapter 4).

*Strategic Plan Implications: National CORE supports the same coordinating role for the Trust as others do and suggests that the Trust create a common application process for public funds and for soliciting corporate money. Using an existing 501c3 as a fiscal agent would be efficient, less expensive, and avoid any appearance of competing with the OCHT.*

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

Marshall Moncrief, ED

Mind OC is the nonprofit which is helping to set up three “Be Well” clinics in Orange County, one each in north, central and south county. It is a community collaborative structure seeking “collective impact” through which many of the various service providers participate through one facility, treating mental health problems, psychiatric emergencies and substance abuse disorder (SUD). The clinics will provide the “middle ground” needed for homeless individuals and families to transition from living on the street to being stable enough to be housed in permanent supportive housing.

- The Be Well OC clinic and the Trust can be the “little Switzerland” neutral entities that can be effective in coordinating delivery of services in their respective areas.
- The first clinic, in north county, will open in December 2020 in the City of Orange.
- The completion of the second clinic (central county) is planned to follow two years later.
- By contract with the cities, the Be Well OC Clinics must be in-patient, not out-patient clinics.
- Treatments can be either 7, 30, 60 and 90 days, depending on the client’s needs.
- The challenge for the Be Well OC clinic is what happens at the end of the treatment plan. The opportunity for the Trust is to coordinate closely with the supportive housing developers and service providers to prioritize post-treatment individuals and families to appropriate placement services.
- Remaining Prop 1 funds and MHSA funds can be designated for supportive housing services.

*Strategic Plan Implications: Mind OC and its Be Well 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 has 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, 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 Be Well 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**

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 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.
- One project in development is the Della Rosa project, which consists of 50 apartments, with 25 studios designated as supportive housing units serving chronically homeless individuals, and 25 one- and two-bedroom units set aside for households earning 50 percent or less of the area median income. Affirmed Housing is the Developer and American Family Housing is the lead service provider. The project is currently under construction and is anticipated to be completed in October 2020.
- 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.

- A close relationship with OCHCA is critical. OCHCA will need to know about potential Trust projects starting in the early stages and suggests that a system be created to continually share information with OCHCA, OCCR and other stakeholders.
- OCHCA’s “Expression of Interest” form might be included in this process.

*Strategic Plan Implications: For the Trust to function effectively, it will need to develop a close working relationship with OCHCA. An information-sharing process will need to be developed, and this same system might 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 approx. \$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. TFSCG and Sunrise Banks are committed to support other communities looking to leverage the program.*

### **Clearinghouse CDFI**

Kristy Ollendorff, Chief Credit Officer

The Orange County Clearinghouse CDFI (Community Development Financing Institution) consists of 60 banks and other lenders who have come together to form a CDFI for the purpose of bringing capital to low-income and underserved communities. The Clearinghouse CDFI funds

affordable and supportive housing projects as well as other community projects in Southern California and has recently expanded its lending to other states.

- The Clearinghouse/CDFI can provide long-term stable financing for supportive housing projects, at 5% to 6%, 25 years (based on Federal bond money) or 4.5% if the project meets very-low income tenant thresholds for 10 years and agree to report tenant mix and qualifications of those tenants.
- Banks get double CRA credit when they invest through CDFIs
- The Clearinghouse/CDFI funds could be blended with other lower cost money to reduce the rate to the borrower.
- Construction financing.
- Real need in the market now is for predevelopment and acquisition funds.

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

### Chapter 3: Charitable Contributions to Support Trust Projects

Strategic Partner interviews have 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, it will be necessary for the Trust to either create its own 501c3 charity, with a separate Board, and assume all associated administrative/accounting and reporting requirements for the IRS, or to use an existing 501c3 local foundation organization as a pass-through to fund these 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 \$20,000. 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. Unless additional funding can be found, there is 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 is recommended 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 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.

## Chapter 4: Trust Staff and Support

The Trust has 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, 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 2020-2021 is shown below:

<b>Orange County</b>   Housing Finance Trust <b>FY 2020-21 Estimated Annual Expenses</b>	
DESCRIPTION	CONTRACT STAFF
<b>GENERAL OPERATING COSTS</b>	
<i>Board Member Parking Validations</i>	\$750
<i>Memberships/Subscriptions/Dues/Website/Email</i>	\$2,500
<i>Taxes/ Business Licenses/Fees (state/gov agency)</i>	\$1,200
<i>Office Supplies/Mailing/Equipment/Software/Copying</i>	\$8,000
<i>Conference-Registration Fees/Travel Expenses/Business Meeting</i>	\$4,000
<b>TOTAL GENERAL OPERATING COSTS</b>	<b>\$16,450</b>
<b>CONSULTANT COSTS</b>	
<i>Executive Director &amp; Executive Assistant</i>	\$175,000
<i>County Counsel</i>	\$42,969
<i>County Clerk of the Board</i>	\$7,200
<i>County Sheriff (Board Meeting Audio/Video)</i>	\$1,803
<i>County Treasurer</i>	\$20,300
<i>Auditor Controller</i>	\$5,693
<i>County Community Resources (including accounting/invoices)</i>	\$87,585
<i>Financial Consultant (NOFA application underwriting)</i>	\$30,000
<i>Auditing Consultant</i>	\$15,000
<i>Advocacy/Lobbying Services</i>	\$38,000
<i>Marketing &amp; Communication Services</i>	\$10,000
<b>TOTAL CONSULTANT CONTRACTS</b>	<b>\$433,550</b>
<b>ESTIMATED ANNUAL EXPENSES</b>	<b>\$450,000</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 Trust staff functions are identified and funded in the Trust approved budget.

1. Trust Manager (contract)
2. Administrative Assistant (contract)
3. Trust Counsel (MOU with County)
4. Clerk of the Trust (MOU with County)
5. Audio/Video Staff (MOU with County)
6. Treasurer (MOU with County)
7. Auditor-Controller (MOU with County)
8. Development Services (MOU with County)
9. Financial Consultant (contract)
10. Auditing Consultant (contract)
11. Advocacy/Lobbying (contract)
12. Marketing & Communication Services (contract)



## **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 “...*identify and secure funding that will contribute to the construction of 2,700 permanent supportive 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.

The five strategic components are presented below along with years 1, 3 and 5 identified tasks. An annual review of the strategic components and corresponding tasks will take place in May of each year.

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

#### YEAR ONE

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

#### 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 OCHFT mission

3. Work in conjunction with lobbyists to seek additional State funding beyond the LHTF grant program
4. Apply for LHTF grant program dollars (2nd & 3rd Years)
5. 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 OCHFT mission
3. Work in conjunction with lobbyists to seek additional State funding beyond the LHTF grant program
4. Apply for LHTF grant program dollars (4th & 5th Years)
5. Seek philanthropic donations.

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

#### YEAR ONE

1. Deploy Trust co-lending short-term pre-development loan funds that also generate Trust administrative dollars
2. Create Trust "Notice of Funding Availability" (NOFA) loan documents
3. Review and fund 1st year NOFA projects ready to close
4. Update and issue Trust 2nd year NOFA
5. Review, award and provide commitment letters to 2nd year NOFA recipients
6. Deploy additional funding obtained from other various sources
7. Contribute to the creation of 373 supportive housing by June 30, 2021.

#### YEAR THREE

1. Deploy Trust co-lending short-term pre-development loan funds that also creates 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 the various sources
6. Contribute to the creation of 1,620 supportive housing by June 30, 2023

#### YEAR FIVE

1. Deploy Trust co-lending short-term pre-development loan funds that also creates Trust administrative dollars
2. Review and fund various NOFA projects ready to close
3. Update and issue Trust 5th year NOFA
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 2,700 supportive housing by June 30, 2025

**Strategic Component 3: Perform Accountability and Compliance Monitoring**YEAR ONE

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. Develop loan compliance monitoring checklist and procedures in accordance with Trust loan 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 compliance monitoring checklist in accord with Trust loan 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 compliance monitoring checklist in accord with Trust loan documents
4. Prepare annual Trust strategic plan review and update

**Strategic Component 4: Retain and Increase Trust City Membership**YEAR ONE

1. Submit annual report to the Trust Members and Non-Member cities
2. Solicit non-member cities to join the Trust using Trust members, Trust Board, and developers
3. Promote the Trust through the OCHFT 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 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 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 ONE

1. Establish roles and responsibilities for County staff supporting the Trust and as-needed services
2. Hire part-time contract-based administrative assistant when necessary and appropriate
3. Engage 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. 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. 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. 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)

## 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 the County and the member cities through 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) 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 the course of 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>



**OCHFT Project Mapping Link**

<https://ochft.org/developments>

**SWOT Analysis**

<p style="text-align: center;"><u><b>STRENGTHS</b></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><b>WEAKNESSES</b></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><b>OPPORTUNITIES</b></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><b>THREATS</b></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)

Agenda Item #6  
Local Housing Trust Fund  
Program

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

**MEETING DATE:** July 15, 2020

**SUBJECT:** 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 the 2020 Orange County Housing Finance Trust - Notice of Funding Availability Projects listed as Attachment 6.1 for project funding.



Adam B. Eliason, Manager

**RECOMMENDED ACTION:**

**CONDUCT PUBLIC HEARING:**

1. 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
2. APPROVE THE 2020 ORANGE COUNTY HOUSING FINANCE TRUST - NOTICE OF FUNDING AVAILABILITY PROJECTS LISTED AS ATTACHMENT 6.1 FOR PROJECT FUNDING.

**BACKGROUND:**

The Board approved the first recommended action at its May 6, 2020 Board Meeting. One of the Trust project funding sources mentioned in that Staff Report comes from the State of California Housing & Community Development (HCD) through their Local Housing Trust Fund Program (LHTF). The final guidelines for the LHTF Program (Program Guidelines) were published at the end of April. Staff later learned about a minor requirement that was added to the final version of the Program Guidelines that was not in previous draft versions.

Section 108 of the Program Guidelines requires that the Trust hold a public hearing to discuss and describe the criteria used to select projects to be funded and describe the details related to the projects that will be funded. In addition, HCD issued a resolution template that also must be approved by the Board. If adopted, the attached resolution would authorize the Housing Manager to apply for the LHTF Program and execute the LHTF Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the LHTF Award to the Trust, as the State may deem appropriate

While the May 6, 2020 Staff Report covered the required topics, the Program Guidelines requires a public notice to be posted at least 10 days prior to the meeting. Unfortunately, the May 6<sup>th</sup> Board Meeting notice had only posted for 5-days on the Trust website at the public notice location at the County offices.

This agenda item reiterates the May 6<sup>th</sup> agenda item relating the NOFA projects but only to the project funding recommendations from the previous Staff Report in order to fully conform to the Program Guidelines. In addition, Staff published the required public notice in a newspaper of general circulation and posted the notice on the Trust website on June 26, 2020 thereby meeting the Program Guidelines' 10-day noticing requirement.

## **PROJECT FUNDING RECOMMENDATIONS**

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

1. **MHSA:** Any applications that requested Trust MHSA funding are recommended because the Trust has \$4.5 million in MHSA specific funding and there were only \$3,215,000 in Trust MHSA funding requests.
2. **SPA:** The NOFA specified that funding would be initially available equally among the three County Service Planning Areas (SPA). Only one qualified project was submitted in the South SPA. Therefore, according to the approved NOFA guidelines, the remaining funds are available to the North and Central SPA's at the complete discretion of the Board.
3. **START DATE:** The NOFA stated under Section 3.06 – Threshold Requirements/Financial Commitments, that projects must have all financing committed within 18 months of the Trust's award letter or risk losing their project funding. The Trust reserves the right to extend this time limit at its sole discretion. The Review Panel is using the Construction Start Date as the means to determine full financing commitment. Some of the projects have dates past the 18-month period. The Trust MHSA funded projects are an exception because that funding source did not commit the total amount available. Therefore, applications with a start date longer than 18 months were less a priority than those that could start sooner.

4. **SCORING:** The NOFA specified that applications will be competitively scored and ranked against other projects located within the same County Service Planning Area (SPA). The NOFA further stated that scoring serves as a basis to compare applications but ultimately the decision to award funds is based upon the Trust Board approval. Projects were evaluated based upon the NOFA scoring points in several categories such as project readiness, experience, and proximity to community amenities such as grocery stores, medical care, community centers, public parks/libraries, and transit.

The seven (7) recommended projects (See Attachment A) have a total of 466 affordable units of which 43 are Trust affordable units and 40 are Trust MHSA units. All the Trust funded units have a household area median income between 25% and 30%. The total Trust funded units equal 83.

Non-MHSA Projects that were not recommended for funding had various reasons for denial.

1. Orange Corporate Yard: This application had the latest Start Date and least amount of points in North SPA
2. Villa St Joseph: Withdrew their application because it was only for MHSA funds and they have already received the maximum funding limit from the County MHSA NOFA and were not interested in adding more MHSA units.
3. WISEPlace: Has a Start Date beyond the 18-month limit even though it scored at the top for the Central SPA.
4. Huntington Beach Senior: Has a Start Date beyond the 18-month limit even though it scored higher than FX Residences.
5. Westview House: Has a Start Date beyond the 18-month limit and had the lowest score of Non-MHSA projects in Central SPA.
6. Cartwright Family Apartments: Withdrew their application because it was only for MHSA funds and they have already received the maximum funding limit from the County MHSA NOFA and were not interested in adding more MHSA units.

In the end the Trust 2020 NOFA had 13 applications and a funding request that was almost double the amount available. The Trust looks forward to issuing another NOFA for at least \$10 million in early 2021 and hopes denied applications will apply for funding again.

Staff recommends approval of this agenda item.

**ATTACHMENTS:** Attachment 6.1 – OCHFT - 2020 NOFA Recommended Projects for Funding  
Attachment 6.2 – Resolution of the Board of Directors of the Orange County Housing Finance Trust authorizing the Trust to apply to and comply with the LHTF Program.

Orange County Housing Finance Trust - 2020 NOFA Recommended Projects for Funding

Project Name	Applicant Name	Project City	Total Project Units	TRUST FUNDED UNITS		SOURCE OF MATCHING FUNDS			LHTF	TOTAL
				Affordable Units	MHSA Units	County General Fund \$	State General Fund \$	County MHSA \$		
Center of Hope Phase 1	Salvation Army	Anaheim	100	0	16			\$1,250,000	\$1,250,000	\$2,500,000
Airport Inn Apartments	Jamboree Housing Corporation	Buena Park	58	16	0	\$395,000	\$400,000		\$629,640	\$1,424,640
Orchard View Senior Gardens	National Community Renaissance of CA	Buena Park	66	0	5			\$409,450	\$409,450	\$818,900
Santa Angelina Senior Community	National Community Renaissance of CA	Placentia	65	0	5			\$409,450	\$409,450	\$818,900
North Harbor Village	Jamboree Housing Corporation	Santa Ana	90	0	14			\$1,146,460	\$1,146,460	\$2,292,920
FX Residences	HomeAid Orange County, Inc.	Santa Ana	17	16	0		\$550,000		\$550,000	\$1,100,000
Mountain View	National Community Renaissance of CA	Lake Forest	71	11	0	\$605,000			\$605,000	\$1,210,000
			467	43	40	\$1,000,000	\$950,000	\$3,215,360	\$5,000,000	\$10,165,360

RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE ORANGE COUNTY HOUSING FINANCE TRUST  
July 15, 2020

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

WHEREAS, the State of California (the “State”), Department of Housing and Community Development (“Department”) issued a Notice of Funding Availability (“NOFA”) dated 04/30/2020 under the LHTF Program;

WHEREAS, the Department is authorized to provide up to \$57 million under the Local Housing Trust Fund (“LHTF”) Program from the Veterans and Affordable Housing Bond Act of 2018 (Proposition 1) (as described in Health and Safety Code section 50842.2 et seq. (Chapter 365, Statutes of 2017 (SB 3)) (“Program”);

WHEREAS, the Department may approve funding allocations for the LHTF Program, subject to the terms and conditions of H&S Code Section 50842.2, the LHTF Program Guidelines, NOFA, Program requirements, the Standard Agreement and other related contracts between the Department and LHTF award recipients;

WHEREAS, Applicant is an eligible Local or Regional Housing Trust Fund applying to the Program to administer one or more eligible activities using Program Funds.

NOW, THEREFORE, BE IT RESOLVED that

1. That the Applicant is hereby authorized to act as the trustee in connection with the Department's funds to Eligible Projects pursuant to the above described NOFA in an amount not to exceed \$5,000,000 (the "LHTF Award").
2. If Applicant receives an award of LHTF funds from the Department pursuant to the above referenced LHTF NOFA, it represents and certifies that it will use all such funds on Eligible Projects in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including, without limitation, all rules and laws regarding the LHTF Program, as well as any and all contracts Applicant may have with the Department (“Eligible Project”).
3. Applicant hereby agrees to match on a dollar for dollar basis the LHTF Award pursuant to Guidelines Section 104. Applicant hereby agrees to utilize matching finds on a dollar-for-dollar basis for the same Eligible Project for which Program Funds are used, as required by HSC Section 50843.5(c).
4. Pursuant to Attachment A and the Applicant’s certification in this resolution, the LHTF funds will be expended only for Eligible Projects and consistent with all program requirements.



5. Applicant shall be subject to the terms and conditions as specified in the Standard Agreement, H&S Section 50842.2 and LHTF Program Guidelines.
6. Adam Eliason, Housing Manager is authorized to execute the LHTF Program Application, the LHTF Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the LHTF Award to Applicant, as the Department may deem appropriate.

## Attachment A

Seven projects in five different cities will create a total of 467 affordable and permanent supportive housing units. Funding from the Local Housing Trust Fund (LHTF) Program will be used for construction and permanent loan financing. LHTF funds will be restricted with covenants to assist 43 affordable units for individuals and families and 40 units for individuals and families that qualify for Mental Health Service Act funding. All 83 units will be restricted to individuals and families earning 30% of the area median income and below.

Project Name	Applicant Name	Project City	Total Project Units	TRUST FUNDED UNITS		SOURCE OF MATCHING FUNDS			LHTF	TOTAL
				Affordable Units	MHSA Units	County General Fund \$	State General Fund \$	County MHSA \$		
Center of Hope Phase 1	Salvation Army	Anaheim	100	0	16			\$1,250,000	\$1,250,000	\$2,500,000
Airport Inn Apartments	Jamboree Housing Corporation	Buena Park	58	16	0	\$395,000	\$400,000		\$629,640	\$1,424,640
Orchard View Senior Gardens	National Community Renaissance of CA	Buena Park	66	0	5			\$409,450	\$409,450	\$818,900
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North Harbor Village	Jamboree Housing Corporation	Santa Ana	90	0	14			\$1,146,460	\$1,146,460	\$2,292,920
FX Residences	HomeAid Orange County, Inc.	Santa Ana	17	16	0		\$550,000		\$550,000	\$1,100,000
Mountain View	National Community Renaissance of CA	Lake Forest	71	11	0	\$605,000			\$605,000	\$1,210,000
			467	43	40	\$1,000,000	\$950,000	\$3,215,360	\$5,000,000	\$10,165,360

PASSED AND ADOPTED at a regular meeting of the Orange County Housing Finance Trust this 15 day of July 2020 by the following vote:

AYES:\_\_\_ ABSTENTIONS:\_\_\_ NOES:\_\_\_ABSENT: \_\_\_

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Chair, Orange County Housing Finance Trust

CERTIFICATE OF THE ATTESTING OFFICER

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

ATTEST:

Signature of Attesting Officer  
***Robin Stieler, Clerk of the Trust***

Agenda Item #7  
Election of Officers

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

**MEETING DATE:** July 15, 2020

**SUBJECT:** Election of Officers for Fiscal Year 2020/2021



Adam B. Eliason, Manager

**RECOMMENDED ACTION:**

ELECTION OF OFFICERS FOR FISCAL YEAR 2020/2021

**BACKGROUND:**

Per Section 5(e)(6) of the Joint Power Agreement, the Board of Directors shall select a Chairperson and Vice-Chairperson at the first meeting held in each fiscal year. The OCHFT Fiscal Year is from July 1<sup>st</sup> to June 30<sup>th</sup>. Therefore, this election will be for the 2020-2021 Fiscal Year.

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