REQUEST FOR COUNCIL ACTION

CITY COUNCIL MEETING DATE:
JUNE 4, 2019

TITLE:
ADOPT RESOLUTION TO JOIN THE ORANGE COUNTY HOUSING FINANCE TRUST AND APPROVE JOINT POWERS AGREEMENT (NOT TO EXCEED $25,000 ANNUALLY)
{STRATEGIC PLAN NO. 5, 3C}

CITY MANAGER

RECOMMENDED ACTION

1. Adopt a resolution authorizing the City’s participation in the Orange County Housing Finance Trust, and an annual contribution amount for administrative cost not to exceed $25,000 starting in Fiscal Year 2020-21 with future adjustments pursuant to the Consumer Price Index, subject to non-substantive changes approved by the City Manager and City Attorney.

2. Authorize the City Manager and the Clerk of the Council to execute the Joint Powers Agreement which implements the Orange County Housing Finance Trust, subject to non-substantive changes approved by the City Manager and City Attorney.

DISCUSSION

The Orange County Housing Finance Trust (OCHFT) is a Joint Powers Authority (JPA) that shares – among city members and the County of Orange – the ability to secure and allocate funding for affordable housing projects and programs, more specifically as it relates to housing that addresses persons formerly homeless.

The Trust emphasizes funding for “supportive housing,” which is housing for persons that may require additional on-site or other local services to remain in housing. These services may include social services, mental health services, health care, counseling, and life and budget planning.

Specifically, as the Orange County region’s housing prices have risen and the quantity of units have not kept up with demand, Orange County’s cities have seen an increase in persons experiencing homelessness. The Orange County Housing Finance Trust was meant to increase funding available to a portion of the housing solutions to address homelessness – the part at the end of the housing continuum, where a homeless person has been stabilized enough to live in
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his or her own apartment (or with others) but requires some onsite services to do so ("supportive housing").

Please see Exhibits 2, 4 and 5 for more detailed background about homelessness in Orange County, AB 448, supportive housing, how housing projects are funded, and the Orange County Housing Finance Trust. The areas delineated by Service Planning Areas (SPAs) are shown in Exhibit 5.

If adopted by the City Council, the resolution (Exhibit 1) will allow the City to participate in the Orange County Housing Finance Trust. That means that the City would agree to share the power of providing for funding for housing, especially supportive housing, with other members of the Joint Powers Agreement. Recent actions by the voters and at the State level to provide more funding for housing has led to several billions of dollars becoming available for eligible efforts and projects.

The Trust is envisioned to provide a stronger voice for the Orange County region to secure the region’s share of State funds and other funds (including private grants) to help create longer-term housing for persons formerly homeless. Public funds include Proposition 1 funds, SB 2 funds, Community Development Block Grant funds, and more. As initially envisioned, supportive housing developers would go hand-in-hand with a supportive City to the Trust’s governing board to apply for a portion of the Trust’s funds to complete their project and to fill part of a funding gap. The Trust is not envisioned to build projects itself, to own projects, to manage projects, or to place projects in cities which did not apply for them. The Trust also cannot require member cities to take a share of any allocation of supportive housing units, nor to come to the table with funds to allocate. The Trust governing board would determine whether a project application is worthy of funding from the Trust.

The Joint Powers Agreement (JPA) sets forth the powers, generally to fund affordable and supportive housing projects, which the member cities and County would share. It sets forth the Governing Board as follows:

- Four representatives from the County of Orange, all elected officials (including two members of the Board of Supervisors) and placed on the Trust Governing Board by the Orange County Board of Supervisors.
- Five representatives from cities, as follows:
  - One City Councilmember for the city member with the greatest population in the North Service Planning Area (see Exhibit 5 for the SPA map).
  - One City Councilmember for the city member with the greatest population in the Central SPA, (City of Santa Ana).
  - One City Councilmember for the city member with the greatest population in the South SPA.
  - Two City Councilmember who are each selected from member cities, which are not already represented on the Board of Directors (note: in the Trust’s proposed bylaws, these two city representatives are reserved as follows: one for a medium-sized city [60,000 to 95,000] and one for a small city [up to 60,000 in population]).
  - An ex officio advisory board to the Governing Board is envisioned, including
representation from city managers, housing authorities, the County CEO, law enforcement, and the public.

The selection of the city representatives shall be made by the City Selection Committee. Cities who are members of the Trust are eligible to be members of the Board. Any Orange County city is eligible to be a member of the Trust.

In addition to the above regarding the Governing Board, the JPA document expresses that (among other things):

- The Trust can have staff level assistance, but such assistance shall come from contractors;
- Members of the Trust can leave at any time;
- Members of the Trust cannot have, as a condition of membership, a requirement to provide any number of housing units;
- The Trust shall have an annual report to maximize transparency; and
- The Trust cannot issue debt. If at a later date the Trust governing board wishes to pursue debt, a recirculation and amendment of the JPA document is required.

The governing board reflects a compromise between the County and the city officials that negotiated this early iteration of the Trust. The County argued that it was entitled to near equal representation on the Board, given that the County provides such a significant percentage of funding. The city officials argued that cities are the likely sites for the new housing, and therefore cities should have more seats. The negotiators discussed the overall size of the Governing Board — talking about seven, nine, eleven, and even thirteen members. In the end, the nine-member Board (with a 5-4 City-County split) was agreed to.

The nine member Board means that many cities who are Trust members will not have a seat on the Governing Board. All parties are intended to have a seat at the table in terms of discussions, debates, and project by project reviews.

**Draft Bylaws.** From November to December 2018, a Working Group of Orange County local elected officials and staff worked to develop draft bylaws (along with Vision and Mission Statements) that the Trust Board would consider adopting. These are included as Exhibit 3. The draft bylaws, among other things, set forth more specificity as to the Governing Board (in terms of population), meeting requirements, a conflict of interest section, and more.

The Working Group included Supervisors Andrew Do and Shawn Nelson, city elected representatives Jennifer Fitzgerald (Fullerton), Wendy Bucknum (Mission Viejo), Barbara Delgiezle (Huntington Beach), Fred Whitaker (Orange), and city management representatives Kristine Ridge (Santa Ana), Lori Ann Farrell (Huntington Beach), Laurie Murray (La Palma), and retired city managers Allan Roeder and Dave Kiff. County representatives included CEO Frank Kim, Director of Care Coordination Susan Price, and Orange County Housing Authority Executive Director Julia Bidwell.

Draft bylaws may differ slightly from the language in the JPA (especially in regards to the
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definitions of city size) if the JPA Governing Board decides to adjust the population numbers shown with some specificity in the Draft Bylaws. Changing the bylaws is simpler than changing the JPA document, as the latter requires a full recirculation and new approvals by every Trust member agency.

What are the advantages and disadvantages of joining the Trust? Supporters would argue that Trust member cities can participate in the region’s solutions to homelessness, without any commitment of units or allocations of that city’s funding for Trust projects (though there may be a commitment to help support any staff costs for the Trust after the start-up year). Participating in the Trust helps a city without an active housing function participate (voluntarily) in providing more funding for housing in their communities and region — without necessarily having to compete against more qualified or experienced applicants.

Opponents of the Trust argue that the participation in any JPA comes with additional staff time commitment and possibly the additional commitment of elected officials, and that some cities will feel more comfortable seeking funding for housing projects on their own, using their own expertise. Further, in the event that Trust administrative costs are not covered by grant and other funds (as is the intent and goal), members of the JPA may be asked to cover all or a portion of administrative costs on a pro-rata basis.

In regards to this pro-rata basis after Year 1, the highest cost estimate of contributions by the City is $24,306. In order to ensure that the City’s contribution would never exceed this amount, the Resolution states that the our City’s contribution towards staffing for the Trust must be less than or equal to $25,000 annually (adjusted by CPI). If this amount was ever to be higher, staff would need to return to City Council to amend the Resolution. Please see Exhibit 4 for more detailed information on this pro-rata share.

In addition, the Resolution encourages the Trust Governing Board to use every effort to minimize and offset the Trust’s administrative costs, including by using contracted staff, partnerships with other like-minded entities for an office site or other administration functions, and by actively seeking bond or other non-General Fund sources to offset these administrative costs; and the Resolution directs City staff to report back to the Council within one year with a determination of whether the Trust has appropriately minimized its administrative costs in the manner suggested by this Resolution.

Isn’t there another Orange County Housing Trust? Yes. The Orange County Housing Trust (OCHT) is an existing but older Trust that was recently re-energized by the Orange County Business Council (OCBC). The OCHT is governed by private sector individuals, and primarily intended to receive private donations. The OC Housing Finance Trust, alternatively, is oriented towards public dollars but can accept private donations, too.

Because AB 448 directed that all governing board members of the OC Housing Finance Trust be elected officials, some in the private sector saw that as a downside, and wanted to focus on their own Trust vehicle. OCBC representatives have said that the two trusts will and should work together closely to fund projects.
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If the City joins the JPA and the Trust, what are the next steps?  The County of Orange has taken the first step to become a member of the Trust by Board action on March 12, 2019. As additional cities join, the City Selection Committee will appoint the City representatives to the Trust’s governing board.

As of May 20, 2019, the following cities have joined the Trust:

<table>
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<tr>
<th>Garden Grove</th>
<th>Orange</th>
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<tr>
<td>Costa Mesa</td>
<td>Buena Park</td>
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<tr>
<td>Newport Beach</td>
<td>Mission Viejo</td>
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<tr>
<td>Tustin</td>
<td>Laguna Niguel</td>
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<tr>
<td>Fountain Valley</td>
<td>Anaheim</td>
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<tr>
<td>Fullerton</td>
<td>San Juan Capistrano</td>
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</table>

Once the Governing Board is named, an initial meeting of the Governing Board – to which any Trust member is invited, as will members of the public – to direct the start of operations. The County of Orange has pledged that County staff will assist in staffing the Trust for the first year of the Trust’s operations.

Our city, if it joins, would participate in the initial meeting(s) where staffing, budget, and State bond and other funding approaches would be developed. It is envisioned that the first applications for project funding may come before the Trust in the Fall of 2019.

In conclusion, staff recommends that the City Council adopt the attached resolution authorizing the Mayor to execute the Joint Powers Agreement, and therefore becoming a member of the Orange County Housing Finance Trust.

STRATEGIC PLAN ALIGNMENT

Approval of this item supports the City’s efforts to meet Goal # 5 - Community Health, Livability, Engagement & Sustainability, Objective # 3 (Facilitate diverse housing opportunities and support efforts to preserve and improve the livability of Santa Ana neighborhoods), Strategy C (Provide that Santa Ana residents, employees, artists and veterans receive priority for affordable housing created under the City’s Housing Opportunity Ordinance or with City funding to the extent allowed under state law).

FISCAL IMPACT

There is no fiscal impact associated with this item in the current FY 2018-19. There will also be no budgetary impact in FY 2019-20, the first full year of the Trust operations, as the County of Orange will provide funds for the Trust’s staffing costs during the first year. The Trust Board may eventually ask for City pro-rata support of any administrative activities should the State, County, or other funds not appropriately cover these expenses.
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Administrative costs for Santa Ana in FY 2020-21 are not expected to exceed $25,000, and the costs would be proposed in the FY 2020-21 annual budget, subject to City Council’s approval and adoption of the budget.

Additionally, as the Trust becomes operational, there is a likelihood that City-supported affordable housing projects could receive funding from the Trust. Those funds, if any, will be awarded directly to the project developers from the Trust.

APPROVED AS TO FUNDS AND ACCOUNTS:

Steven A. Mendoza  
Executive Director  
Community Development Agency

Kathryn Downs  
Executive Director  
Finance and Management Services Agency

Exhibits:
1. Resolution Relating to Participation in the Orange County Housing Finance Trust and its implementing Joint Powers Agreement (JPA)
2. Text of AB 448 (Daly, 2018)
3. Draft Bylaws to be considered by the Trust Governing Board
4. More information about homelessness, housing, and the Housing Finance Trust
5. Service Planning Areas Map
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF SANTA ANA
RELATING TO THE JOINT EXERCISE OF POWERS
FOR AND MEMBERSHIP IN
THE ORANGE COUNTY HOUSING FINANCE TRUST

Whereas, homelessness in the Orange County region has increased over time to at least 4,500 people as of the 2017 Point in Time Count; and

Whereas, homelessness locally is a result of various causes that can include a lack of affordable and supportive housing units, the high cost of workforce housing, a shortage of jobs that result in wages that pay for local rents, mental illness and substance use, the high cost of land and housing development, and more; and

Whereas, as homelessness increases, it causes crises that can be humanitarian, financial and from a community safety perspective, as Orange County residents and others without adequate shelter reside in and on communities’ public facilities, including streets, parks, sidewalks, transit centers, riverbeds and storm channels, restrooms, libraries, and more; and

Whereas, the costs of homelessness on our community resources and facilities are estimated in a 2017 study (based on 2014-15 dollars) done by United Way of Orange County and the University of California, Irvine, to be in the range of $300 million per year, and likely growing; and

Whereas, families, children, the aged, our veterans, and persons with mental illness and other disabilities are all subject to homelessness depending on their individual circumstances, and all are worthy of our community’s respect and care; and

Whereas, the provision of adequate housing for persons formerly homeless can include a range of housing types, from emergency and bridge shelters to transitional housing to rapid rehousing to supportive housing to affordable housing; and

Whereas, in Orange County, there appears to be a shortfall of beds and units in each housing category, making the goal of ending homelessness in our region extremely difficult to attain without adding more housing units; and

Whereas, the concept of adding to the supply of supportive housing – supportive housing meaning where a person who may have formerly been homeless is able to secure and maintain his or her housing provided that services are provided to the individual to help them stay successfully in housing – is deemed to be beneficial to solving especially the needs of the chronically homeless; and

Whereas, in 2018, Orange County leaders worked to develop and secure legislation that created a joint powers mechanism that would share the power of securing funding for various types of housing that can address our homelessness crisis, with a focus on developing more supportive housing units; and
Whereas, this legislation (AB 448) allowed for the creation of the Orange County Housing Finance Trust (Trust), a Trust established to secure both public and private dollars and to ensure that Orange County as a region attains its share of State resources approved by California residents and the California Legislature to address housing and homelessness via the provision of more housing units, especially supportive housing; and

Whereas, to join the Trust, cities in Orange County and the County of Orange may execute a Joint Powers Agreement that makes them a member of the Trust and describes the roles and responsibilities of the Trust, as well as its Governance structure; and

Whereas, the City of Santa Ana desires to join the Orange County Housing Trust by authorizing the Mayor of Santa Ana to execute the Joint Powers Agreement that is attached hereto as an exhibit; now, therefore be it

RESOLVED by the City Council of the City of Santa Ana that it hereby authorizes the City's membership in the Orange County Housing Finance Trust, as described by the attached Joint Powers Agreement (Exhibit 1); and be it also

RESOLVED by the City Council of the City of Santa Ana that it hereby encourages the Trust Governing Board to use every effort to minimize and offset the Trust's administrative costs, including by using contracted staff, partnerships with other like-minded entities for an office site or other administration functions, and by actively seeking bond or other non-General Fund sources to offset these administrative costs; and be it also

RESOLVED by the City Council of the City of Santa Ana that our city's contribution towards staffing for the Trust must be less than or equal to $25,000 annually (adjusted by CPI); and be it also

RESOLVED by the City Council of the City of Santa Ana that it hereby directs City staff to report back to the Council within one year with a determination of whether the Trust has appropriately minimized its administrative costs in the manner suggested by this Resolution; and be it also

RESOLVED by the City Council of the City of Santa Ana that it authorizes the Mayor of Santa Ana to execute the Joint Powers Agreement on the City's behalf.
ADOPTED this ___ day of __________________, 2019.

Miguel A. Pulido
Mayor

APPROVED AS TO FORM:
Sonia R. Carvalho, City Attorney

Ryan O. Hodge
Assistant City Attorney

AYES:  Councilmembers: ____________________________

NOES:  Councilmembers: ____________________________

ABSTAIN: Councilmembers: ____________________________

NOT PRESENT: Councilmembers: ____________________________
CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, Norma Mitre, Acting Clerk of the Council, do hereby attest to and certify the attached Ordinance No. NS-XXXX to be the original ordinance adopted by the City Council of the City of Santa Ana on ________________, 2019.

Date: ________________

Clerk of the Council
City of Santa Ana
JOINT EXERCISE OF POWERS AGREEMENT

THIS JOINT EXERCISE OF POWERS AGREEMENT (the “Agreement”) is made this ___ day of __________, 2019 (the “Effective Date”), by and between the following public entities (collectively, the “Parties”): City of Santa Ana, and ____ (collectively, the “Cities”) and the COUNTY OF ORANGE (the “County”).

RECITALS

A. The Parties are responsible for the health and safety of the residents within their geographic boundaries.

B. Each Party has the individual power to implement affordable housing projects and programs generated within its jurisdictional boundaries, as well as to create and issue development agreements for such activities.

C. The parties find it in their mutual economic interest to address work force housing, affordable housing, and supportive housing issues on a regional level.

D. A countywide adequate supply of housing will provide social and economic benefits to residents and taxpayers of the parties.

E. The Parties desire to act in the public interest to lessen the burden of government by reducing the need for each party to act individually, and to provide charitable support for affordable housing in Orange County.

F. California Government Code section 6500 et seq. (“Joint Exercise of Powers Act” or “Act”) permits two or more public agencies to create joint powers authorities for the purposes cited herein, and permits the agencies to exercise jointly any power that the public agencies could exercise separately, and further grants certain additional powers to such joint powers authorities.

G. California Government Code section 6539.5 authorizes the County of Orange and any of the cities within the County of Orange to create a joint powers agency known as the Orange County Housing Finance Trust (“OCHFT”), which may do any of the following: (1) fund the planning and construction of housing of all types and tenures for the homeless population and persons and families of extremely low, very low, and low income, as defined in Section 50093 of the Health and Safety Code, including, but not limited to, permanent supportive housing; and (2) receive public and private financing and funds.

H. California Government Code section 6539.5 also authorizes the parties to a joint powers agreement, which is executed pursuant to its provisions, to grant OCHFT the power to authorize and issue bonds, certificates of participation, or any other debt instrument repayable from funds and financing received and pledged by OCHFT. However, at this point in time, it is the consensus of the Parties to the Agreement not to grant OCHFT the power to authorize and issue bonds or other debt instruments. This Agreement may be amended in the future to grant OCHFT the power to issue bonds or other debt instruments.
I. Local land-use decisions remain solely with each party. Nothing in this Agreement deprives any party of its sovereign powers with respect to land-use or transfers such powers to the joint powers authority.

NOW, THEREFORE, in consideration of the mutual promises set forth below, the parties agree as follows:

Section 1. Creation and Purpose.

(a) Creation of OCHFT. Pursuant to the Joint Exercise of Powers Act, including Section 6539.5 of the Government Code, there is hereby created a public entity to be known as the “Orange County Housing Finance Trust.” OCHFT shall be a public entity separate and apart from the Parties, and shall administer this Agreement.

(b) Purpose. This Agreement is made pursuant to the Joint Powers Act for the purpose of creating OCFHT as a public entity separate from the Parties to: (i) exercise Common Powers with respect to providing funding for the planning and construction of housing of all types and tenures for the homeless population and persons and families of extremely low, very low, and low income, as defined in Section 50093 of the Health and Safety Code, including, but not limited to, permanent supportive housing; and (ii) receive public and private financing and funds. The purpose of this Agreement shall be accomplished and common powers exercised in the manner set forth in the Agreement. Nothing contained in this Agreement shall preclude the Parties from establishing, maintaining or providing social programs or services to its residents as it deems proper and necessary.

Section 2. Term and Termination.

(a) Term. This Agreement shall become effective, and OCHFT shall come into existence, on the Effective Date, and this Agreement shall thereafter continue in full force and effect until terminated pursuant to subdivision (b) of this section.

(b) Termination. This Agreement may be terminated by agreement of the Parties. Upon termination of this Agreement, OCHFT shall be dissolved and, after payment or provision for payment of all liabilities, the assets of OCHFT shall be distributed to the Parties in proportion to the contributions of each Party to OCHFT and the amounts paid by each Party in connection with OCHFT's activities.

Section 3. Powers and Duties of OCHFT.

(a) General Powers. OCHFT shall have all the powers common to the Parties to this Agreement necessary or convenient, specified or implied, to accomplish the purpose of this Agreement as set forth in Section 1, subject to the restrictions set forth in Section 3, subdivision (c) below. Said powers shall be exercised in the manner provided in the Joint Exercise of Powers Act and, except as expressly set forth herein, subject only to such restrictions upon the manner of exercising such powers as are imposed upon the Parties in the exercise of similar powers.

(b) Specific Powers. Without limiting the generality of the powers conferred in subdivision (a) of this Section 3, OCHFT is hereby authorized, in its own name, to do all of the acts necessary or convenient to the accomplishment of the
purposes of this Agreement and the full exercise of the powers conferred in subdivision (a) of this Section 3, including but not limited to the following:

(1) to make and enter into contracts;

(2) to contract for staff assistance;

(3) to sue and be sued in its own name;

(4) to apply for, accept, receive and disburse grants, loans and other aids from any agency of the United States of America or of the State of California;

(5) to invest any money in the treasury pursuant to Section 6505.5 of the Joint Powers Act that is not required for the immediate necessities of OCHFT, as OCHFT determines is advisable, in the same manner and upon the same conditions as local agencies, pursuant to Section 53601 of the California Government Code;

(6) to apply for letters of credit or other forms of financial guarantees in order to enter into agreements in connection therewith;

(7) to carry out all the provisions of this Agreement;

(8) to purchase obligations of any Party;

(9) to engage the services of private consultants to render professional and technical assistance and advice in carrying out the purposes of this Agreement;

(10) to employ and compensate counsel including bond counsel, financial consultants, and other advisers determined appropriate by OCHFT in the accomplishment of the purposes of this Agreement;

(11) to contract for engineering, construction, architectural, accounting, environmental, land use, or other services determined necessary or convenient by OCHFT in connection with the accomplishment of the purposes of this Agreement;

(12) for the purposes of enforcing affordable housing covenants or holding security interests for loans, to take title to, and transfer, sell by installment sale or otherwise, lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and other interests in real or personal property which OCHFT determines are necessary or convenient in connection with the accomplishment of the purposes of this Agreement;

(13) for the purposes of renting space for OCHFT to operate, to lease to, and to lease from, a Party or any other person or entity lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and other interests in real or personal property which OCHFT determines are necessary or convenient in connection with the accomplishment of the purposes of this Agreement;

(14) to solicit charitable contributions from private sources;
(15) to propose amendments to this Agreement, including amendments that would allow OCHFT to authorize and issue bonds, certificates of participation, or any other debt instrument repayable from funds and financing received and pledged by OCHFT; and

(16) to exercise any and all other powers as may be provided for OCHFT in the Joint Powers Act or any other applicable law.

(c) Limitation on Powers. Neither this Agreement nor section 6539.5 of the Government Code authorize OCHFT do any of 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 this Agreement to dedicate or assign funding for any OCHFT obligations or programs;

(6) approve a housing project or program that is not supported by the governing body of the jurisdiction (a City or the County) in which the project is proposed to be sited; or

(7) require the Parties to this Agreement to accept or provide any number of housing units as a prerequisite to joining or remaining a member of OCHFT.

Section 4. Members

The members of OCHFT shall be the parties to this Agreement who have not withdrawn from OCHFT, and such other parties as may join OCHFT after execution of this Agreement. New members may join on the terms and conditions set forth in Section 10 hereof. Only the County of Orange and cities within the County of Orange may be a party to this Agreement and a member of OCHFT.

Section 5. Board of Directors

(a) Selection of Directors. OCHFT shall be governed by a Board of Directors consisting of nine Directors selected as follows:

(1) Two members of the Board of Supervisors of the County of Orange selected by the Board of Supervisors.

(2) Two countywide elected officials selected from the following six Orange County elected officials: Assessor, Auditor-Controller, Clerk-Recorder, District Attorney-Public Administrator, Sheriff-Coroner, and the Treasurer Tax-Collector by the Board of Supervisors of the County of Orange.
(3) One city council member for the city member with the greatest population in the North Region Service Planning Area as depicted in Exhibit A.

(4) One city council member for the city member with the greatest population in the Central Region Service Planning Area as depicted in Exhibit A.

(5) One city council member for the city member with the greatest population in the South Region Service Planning Area as depicted in Exhibit A.

(6) Two city council members who are each selected from member cities, which are not already represented on the Board of Directors. The selection of these Directors shall be made by a City Selection Committee from votes cast on a one-city-one-vote basis by representatives of the city members that are not already represented pursuant to Section 5, subdivisions (a)(3), (a)(4) and (a)(5).

(b) Board Powers. Subject to the limitations of this Agreement and the laws of the State of California, the powers of OCHFT shall be vested in and exercised by and its property controlled and its affairs conducted by the Board of Directors.

(c) Advisory Board. In accordance with OCHFT's bylaws, the Board of Directors may convene an ex officio advisory board that may include a public member, city managers or assistant city managers, the County Executive Officer, a representative from law enforcement, and a representative from a housing authority.

(d) Compensation. Members of the Board shall serve without compensation but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a Director. Any obligation to pay expenses pursuant to this paragraph shall be a charge against any unencumbered funds of OCHFT available for the purpose.

(e) Meetings of the Board of Directors.

(1) Call, Notice and Conduct of Meetings. All meetings of the Board of Directors, including without limitation, regular, adjourned regular, special meetings and adjourned special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act.

(2) Regular Meetings. Regular meetings of the Board of Directors shall be held at such dates and times as the Board may fix by resolution from time to time. If any day so fixed for a regular meeting shall fall upon a legal holiday, then such regular meeting shall be held on the next succeeding business day at the same hour. No notice of any regular meeting of the Board of Directors need be given to the individual Directors.

(3) Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the Chairperson of the Board or by a majority of the Directors.

(4) Quorum. A majority of the seated members of the Board of Directors shall constitute a quorum at any meeting of the Board except that less than a quorum may adjourn a meeting to another time and place. Every act or
decision done or made by a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors.

(5) Minutes. The Board of Directors shall keep minutes of all regular, adjourned regular, and special meetings, and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director and to the Parties.

(6) Officers. The Board of Directors shall elect a chairperson and a vice chairperson from among its members at the first meeting held in each fiscal year. In the event that the chairperson or vice chairperson so elected ceases to be a Director, the resulting vacancy shall be filled at the next regular meeting of the Board of Directors held after such vacancy occurs or at a special meeting called for that purpose. In the absence or inability of the chairperson to act, the vice chairperson shall act as chairperson. The chairperson, or in the chairperson’s absence, the vice chairperson, shall preside at and conduct all Board of Director’s meetings.

(7) Rules and Regulations. The Board of Directors may adopt, from time to time, by resolution, such rules, regulations and bylaws for the conduct of its meetings and affairs as the Board determines is necessary or convenient.

Section 6. Additional Officers and Employees

(a) Officers and Contract Staff.

(1) OCHFT may contract with a Party to this Agreement for officers and staff pursuant to Section 6, subdivision (d), or retain independent contractors, agents, or volunteers as the Board of Directors may deem necessary to carry out any of OCHFT’s powers, upon such terms and conditions as the Board may require, including the retaining of professional and technical assistance, provided that adequate funds are available in OCHFT’s budget and are appropriated by OCHFT therefore.

(2) None of the officers, agents or staff, if any, directly contracted by OCHFT shall be deemed, by reason of their roles or duties or contracted status, to be employed by the Parties.

(b) Treasurer and Auditor/Controller. Pursuant to Government Code Sections 6505.5 and 6505.8, the Board of Directors shall appoint an officer or employee of OCHFT, an officer or employee of a public agency that is a Party to this Agreement or a certified public accountant to hold the offices of treasurer and auditor for OCHFT. Such person or persons shall possess the powers of and shall perform the treasurer and auditor functions for OCHFT required by Sections 6505, 6505.5 and 6505.6 of the Government Code, including any subsequent amendments thereto. Pursuant to Government Code Section 6505.1, the auditor and treasurer shall have charge of certain property of OCHFT. The treasurer and auditor shall assure that there shall be strict accountability of all funds and reporting of all receipts and disbursements of OCHFT. The treasurer and auditor of OCHFT shall be required to file an official bond with the Board of Directors in an amount, which shall be established by the Board. Should the existing bond or bonds of any such officer be extended to cover the obligations provided herein, said bond shall be the
official bond required herein. The premiums on any such bonds attributable to the coverage required herein shall be an appropriate expense of OCHFT.

(c) **Attorney.** The Board of Directors shall have the power to appoint one or more legal advisors to OCHFT who shall perform such duties as may be prescribed by the Board. The County Counsel of the County shall be OCHFT's counsel unless and until the Board of Directors appoints other counsel to serve such function.

(d) **Administrative Services and Reimbursement of Costs.**

(1) The Board of Directors may contract with a Party to this Agreement to provide necessary administrative services to OCHFT, including the services described in Section 6, subdivisions (a), (b) and (c). The amount charged by the Party to provide such services to OCHFT shall be fixed by agreement between the Board of Directors and the governing board of the Party providing such services. In the absence of an agreement on costs, the Party providing services to OCHFT under this Section 6 may charge OCHFT the amounts necessary to recover the direct and indirect costs of such services.

(2) If OCHFT contracts with a Party to this Agreement to provide OCHFT with administrative services through persons who are employees and officers of the Party, then any retirement liabilities associated with that Party's employees and officers shall not constitute a liability of OCHFT or any other Party to this Agreement. This Section 6, subdivision (d)(2), shall not preclude a Party providing administrative services to OCHFT pursuant to a contract with OCHFT from accounting for such salary and benefit costs when negotiating the rates that the Party will charge OCHFT for providing such services.

**Section 7. Financial Provisions**

(a) **Fiscal Year.** The Fiscal Year of OCHFT shall, unless and until changed by the Board of Directors, commence on the 1st day of July of each year and shall end on the 30th day of June of the next succeeding year except that the initial Fiscal Year of OCHFT shall commence on the effective date of this Agreement and end on the immediately following 30th day of June.

(b) **Budget.**

(1) **General Budget.** Within one hundred and twenty days (120) after the first meeting of the Board of Directors, a general budget for the first fiscal year shall be adopted by the vote of a majority of all of the Directors. The budget shall distinguish between administrative costs (i.e., the cost of operating OCHFT) and Program costs (i.e., the financing of the programs funded or sponsored by OCHFT). Thereafter, at or prior to the last meeting of the Board of Directors for each fiscal year, a general budget shall be adopted for the ensuing fiscal year or years by a vote of at least a majority of all of the Directors of the Board.

(2) **Expenditures for the Approved Budget.** The payment of all OCHFT obligations is limited to the amount of appropriations allowed in OCHFT's approved budget, except as it may be revised with the approval of a majority of all of the Directors of the Board.
(c) Contributions by the Parties.

(1) Administrative Cost Contributions. The County shall be responsible for OCHFT's administrative costs for one year following the creation of OCHFT. After this initial year, and in consideration of the mutual promises contained herein, the Parties agree that they shall make annual contributions towards the budgeted administrative costs of OCHFT in accordance with a cost allocation formula to be approved by the Board of Directors. By unanimous vote, the Board of Directors may waive a parties' contribution toward OCHFT's administrative costs. A Party's contribution to OCHFT's administrative costs shall be in the form of money, unless the Board approves another form of contribution such as services, personal property or use of real or personal property, or other in-kind contributions. The acceptance and valuation of any such non-monetary contributions shall be as determined by the Board.

(2) Program Cost Contributions. The particular programs and program budget, funded, sponsored or operated by OCHFT, as well as the level of, and mechanisms for, the involvement of OCHFT and each Party, in such programs and program budget, shall be determined and approved by the Board of Directors. A Party's individual contribution, involvement and role in any particular program or the budgeted program costs shall be as may be mutually agreed between the Party and OCHFT.

(d) Accounts and Reports.

(1) Books and Records. There shall be strict accountability of all OCHFT funds and accounts and report of all OCHFT receipts and disbursements. Without limiting the generality of the foregoing, OCHFT shall establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of OCHFT shall be open to inspection at all reasonable times by each Party and its duly authorized representatives.

(2) Annual Audit. The person appointed by the Board of Directors to perform the auditor function for OCHFT shall cause an annual independent audit of the accounts and records of OCHFT and records to be made by a certified public accountant or firm of certified public accountants in accordance with Government Code section 6505. Such audits shall be delivered to each Party and shall be made available to the public.

(3) Annual Financial Report. Pursuant to section 6539.5 of the Government Code, OCHFT shall publish an Annual Financial Report that shall describe the funds received by OCHFT and the use of such funds by OCHFT. The Annual Financial Report shall describe how the funds received by OCHFT have furthered the purpose of OCHFT.

(e) Funds. Subject to the applicable provisions of any instrument or agreement which OCHFT may enter into, which may provide for a trustee or other fiscal agent to receive, have custody of and disburse OCHFT funds, the person appointed by the Board of Directors to perform the treasurer function for OCHFT shall receive, have the custody of and disburse OCHFT funds as nearly as possible in accordance with generally accepted accounting practices, shall make the disbursements required by this Agreement or to carry out any of the provisions or purposes of this Agreement.
Section 8. Amendments and Additional Parties.

(a) This Agreement may not be amended or modified except by a vote of two-thirds of all of the Parties through formal action approving such an amendment by the Parties' respective governing bodies.

(b) No addition to, or alteration of, the terms of this Agreement, whether by written or oral understanding of the parties, their officers, employees or agents, shall be valid or effective unless made in the form of a written amendment which is formally adopted and executed by the Parties in the same manner as this Agreement.

Section 9. Non-Liability for Obligations of OCHFT.

The debts, liabilities and obligations of OCHFT shall not be the debts, liabilities and obligations of any of the Parties or personal debts, liabilities and obligations of the Directors, officers or employees of OCHFT; provided that a Party may, by an agreement separate from this Agreement, contract for, or assume responsibility for, specific debts, liabilities, or obligations of OCHFT.

Section 10. Admission and Withdrawal of Parties.

(a) Admission of New Parties. It is recognized that additional parties other than the original parties, may wish to join OCHFT. The County of Orange and any Orange County city may become a party to OCHFT upon such terms and conditions as established by the Board of Directors. An Orange County city shall become a party to OCHFT by the adoption by the city council of this Agreement and the execution of a written addendum thereto agreeing to the terms of this Agreement and agreeing to any additional terms and conditions that may be established by the Board of Directors.

(b) Withdrawal from OCHFT. Parties may withdraw from OCHFT at any time upon their governing board's adoption of a resolution that so states the party's intent to leave OCHFT. The withdrawal of any party, either voluntary or involuntary, unless otherwise provided by the Board of Directors, shall be conditioned as follows:

1. In the case of a voluntary withdrawal, written notice shall be given to OCHFT six months prior to the effective date of withdrawal; and

2. Unless otherwise provided by a unanimous vote of the Board of Directors, withdrawal shall result in the forfeiture of that party's rights and claims relating to distribution of property and funds upon termination of OCHFT as set forth in Section 2 above.

Section 11. Notices.

Notices required or permitted hereunder shall be sufficiently given if made in writing and delivered either personally or by registered or certified mail, postage prepaid, to the persons and entities listed herein at the following addresses, or to such other address as may be designated to OCHFT for formal notice:

55C-20
(a) County of Orange:

Santa Ana, California 11

(b) Community Development Agency of the City of Santa Ana

Housing Manager

20 Civic Center Plaza (M-26)
P.O. Box 1988
Santa Ana, California 92702

With a copy to:

Office of the City Attorney

City of Santa Ana

20 Civic Center Plaza, 7th Floor (M-29)
Santa Ana, California 92702

Section 12. Miscellaneous.

(a) Section Headings. The section headings herein are for convenience only and are not to be construed as modifying or governing or in any manner affecting the scope, meaning or intent of the provisions or language of this Agreement.

(b) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Agreement.

(c) Laws Governing. This Agreement is made in the State of California under the Constitution and laws of such State and shall be construed and enforced in accordance with the laws of California.

(d) Severability. Should any part, term, portion or provision of this Agreement, or the application thereof to any person or circumstance, be held to be
illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, it shall be deemed severable, and the remainder of this Agreement or the application thereof to other persons or circumstances shall continue to constitute the agreement the Parties intended to enter into in the first instance.

(e) Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors of the respective Parties hereto. No party may assign any right or obligation hereunder without the written consent of a majority of the other Parties.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed and attested by their duly authorized officers as of the date first above written.

COUNTY OF ORANGE, a political subdivision of the State of California

Dated: ____________________________

By: _______________________________
Chairman of the Board of Supervisors

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD

________________________
Clerk of the Board of Supervisors
County of Orange, California

NOTICE TO COUNTY OF ORANGE TO BE GIVEN TO:

FRANK KIM
COUNTY EXECUTIVE OFFICER
10 Civic Center Plaza
SANTA ANA, CA 92702-4062

APPROVED AS TO FORM:
LEON PAGE
COUNTY COUNSEL

By: _______________________________
Dated: ____________________________

11
ATTEST

Norma Mitre
Acting Clerk of the Council

CITY OF SANTA ANA

Kristine Ridge
City Manager

APPROVED AS TO FORM
Sonia R. Carvalho
City Attorney

Ryan O. Hedge
Assistant City Attorney

RECOMMENDED FOR APPROVAL

Steven A. Mendoza
Executive Director
Community Development Agency
AB 448, Daly. Joint powers authorities: Orange County Housing Finance Trust.

Existing law authorizes 2 or more public agencies, by agreement, to form a joint powers authority to exercise any power common to the contracting parties, as specified. Existing law authorizes the agreement to set forth the manner by which the joint powers authority will be governed.

This bill would authorize the creation of the Orange County Housing Finance Trust, a joint powers authority, for the purposes of funding housing specifically assisting the homeless population and persons and families of extremely low, very low, and low income within the County of Orange, as specified.

This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Orange.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares all of the following:

a) The County of Orange is in the midst of a fluid and worsening homelessness crisis. Since 2013, the county has experienced a 53-percent increase in the unsheltered homeless population, many of whom have sought shelter over the last five years on the Santa Ana riverbed and at the Orange County Civic Center in Santa Ana.

b) There has been a lack of regional focus that continues to stymie the implementation of a long-term solution to homelessness in the County of Orange.

c) The County of Orange and the cities within the county have worked together to develop an approach under the Joint Exercise of Powers Act (Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code) to establish and authorize the use of an Orange County Housing Finance Trust that would not only be responsible for responding to the homelessness crisis with the development of capital projects and the acquisition of necessary funds for those projects, but also for helping the county respond to the low-income and affordable housing crisis that the region is experiencing in tandem with the homelessness crisis.

d) Permanent supportive housing and other services provided to those within that form of housing is a nationally recognized model for ending chronic homelessness, and can assist the County of Orange in its response to the homelessness crisis.

e) Neither the Orange County Housing Finance Trust nor the act authorizing the creation of the Orange County Housing Finance Trust do any of the following:

1. Regulate land use in cities or in the unincorporated area of the County of Orange.
2. Authorize the Orange County Housing Finance Trust to serve as an owner or operator of housing units.
3. Authorize the Orange County Housing Finance Trust to, in any manner, exercise any authority to levy, or advocate or incentivize the levying of, any fee, charge, dedication, reservation, tax assessment, or other exaction related to development projects.
4. Authorize the Orange County Housing Finance Trust to require or incentivize inclusionary zoning requirements. It is the intent of the Legislature that the power to adopt inclusionary zoning ordinances remain with the entities that possess land use and planning authority.
SEC. 2. Section 6539.5 is added to the Government Code, to read: §6539.5.
a) Notwithstanding any other law, the County of Orange and any of the cities within the County of Orange may enter into a joint powers agreement pursuant to this chapter to create and operate a joint powers agency to fund housing to assist the homeless population and persons and families of extremely low, very low, and low income, as defined in Section 50093 of the Health and Safety Code, within the County of Orange.
b) The joint powers agency created pursuant to this section shall be known as the Orange County Housing Finance Trust, and shall be created and operate in accordance with this section.

c) The Orange County Housing Finance Trust shall be governed by a board of directors consisting of elected officials representing the County of Orange and representative cities that are party to the joint powers agreement.

d) Notwithstanding any other law, the Orange County Housing Finance Trust may do any of the following:

1. Fund the planning and construction of housing of all types and tenures for the homeless population and persons and families of extremely low, very low, and low income, as defined in Section 50093 of the Health and Safety Code, including, but not limited to, permanent supportive housing.

2. Receive public and private financing and funds.

3. Authorize and issue bonds, certificates of participation, or any other debt instrument repayable from funds and financing received pursuant to paragraph (2) and pledged by the Orange County Housing Finance Trust.

e) The Orange County Housing Finance Trust shall incorporate into its joint powers agreement annual financial reporting and auditing requirements that shall maximize transparency and public information as to the receipt and use of funds by the agency. The annual financial report shall show how the funds have furthered the purposes of the Orange County Housing Finance Trust.

f) The Orange County Housing Finance Trust shall comply with the regulatory guidelines of each specific state funding source received.

SEC. 3.
The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique challenges faced by the County of Orange and the cities located within the county in addressing the housing needs of extremely low, very low, and low-income households and the homeless within the county.

55C-26
Part 1 – Introduction to the Orange County Housing Finance Trust (OCHFT)

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

The OCHFT was established on _____ by the execution of the Joint Exercise of Powers Agreement (the “Agreement”) by and between the Cities of ______ and ______ (collectively, the “Cities”) and the County of Orange the “County”). These Bylaws were adopted by OCHFT’s Board of Directors and provide for the organization and administration of OCHFT. These By-Laws supplement the Agreement.

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

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

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

1.03 - OCHFT Guiding Principles
The guiding principles of the OCHFT:

• Implement the findings and declarations of AB 448.

• Provide funding based on principles of fiscal responsibility and demonstrated value to the taxpayer and funder.

• Retain local control and the ability for local governments to use OCHFT funding for housing solutions when needed, or to participate within the region as a whole.

• Demonstrate accountability and transparency for members of the JPA and the public.
• Promote public-private partnerships, nonprofit collaborations, and community building to maximize sources of funds public and private, when available, and to efficiently accelerate housing for low, very low and extremely low income individuals and families.

• Provide opportunities to strengthen local partnerships and increase capacity of local cities and agencies engaged in fulfilling housing goals.

• Commit to innovation and best practices in financing, production, and service delivery in supportive housing.

• Serve the region’s needs geographically by (1) extremely low, very low, low income, and supportive housing types and (2) by population.

• Foster collaborative planning to allow for project prioritization and establish a pipeline of projects.

• Provide access to funding to ensure that Orange County receives the maximum benefit for the resources provided.

• Incorporate County’s Coordinated Entry System in conjunction with the cities’ locally-driven protocols to ensure that the developed housing resources has appropriately targeted and prioritized eligible homeless populations for each project.

Part 2 — Bylaws of the OC Housing Finance Trust

ARTICLE I - Name

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

ARTICLE II - Membership and Purpose

Section A: OCHFT Membership

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

Section B: Purposes, Functions and Preclusions

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

• To fund the planning and construction of housing for the homeless population and persons and families of extremely low, very low, and low income, as defined in Section 50093 of the Health and Safety Code, including, but not limited to, housing that includes supportive services;

• To receive public and private financing and funds;

• To authorize and issue bonds, certificates of participation, or any other debt instrument repayable from funds and financing received pursuant to paragraph (2) and pledged by the Orange County Housing Finance Trust;
• To follow annual financial reporting and auditing requirements that maximize transparency and maximize public information as to the receipt and use of funds by the agency. The annual financial report shall show how the funds have furthered the purposes of the Orange County Housing Finance Trust; and

• To comply with the regulatory guidelines of each specific state and federal funding source received.

OCHFT is specifically precluded from:

• Regulating land use in cities or in the unincorporated area of the County of Orange.

• Serving as an owner or operator of housing units.

• Exercising any authority to levy, or advocate or incentivize the levying of, any fee, charge, dedication, reservation, tax assessment, or other exaction related to development projects.

• Requiring or incentivizing inclusionary zoning requirements. The power to adopt inclusionary zoning ordinances remain with the entities that possess land use and planning authority.

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

ARTICLE III — Board of Directors

Section A: OCHFT Board of Directors

All members of the Board of Directors must be from a member of the governing board of a party to the Agreement.

Board of Directors. The nine (9) voting members of the Board of Directors of OCHFT shall be as described below. Each member shall be entitled to one (1) vote on the Board:

a) County Representatives (4):

i. Two members of the Board of Supervisors of the County of Orange, selected by the Board of Supervisors; and

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

b) City Representatives (5):

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

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

iii. One City Council member for the city member with the greatest population in the South Region Service Planning Area as measured in the most recent decennial census.
iv. One City Council member from a city member with a population of between 60,000 persons and 95,000 persons as measured in the most recent decennial census; and
v. One City Council member from a city member with a population of under 60,000 persons as measured in the most recent decennial census.

The selection of Directors described in “iv” and “v” above shall be made by a City Selection Committee from votes cast on a one-city-one-vote basis by representatives of the city members fall within the respective population thresholds described in iv and v.

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

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

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

Advisory Board members need not be elected officials.

Section B: Selection of Advisory Board Members

Appointments to the Advisory Board shall be as follows:

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

Section C: Terms and Vacancies

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

Section D. Board of Director Officers

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

ARTICLE IV – Duties of Officers and Board Members

Section A: Duties of the Chair and Vice-Chair
It shall be the duty of the Chair to preside at the meetings of the OCHFT. In the Chair’s absence, the Vice-Chair shall preside at the meetings of the OCHFT.

Section B: Duties of the Board of Director Members:
- Meet when called by the Chair to plan and coordinate the business and proposed activities of OCHFT;
- Review and consider applications for project funding;
- Review and consider OCHFT’s financial information, including the Annual Financial Report, any related independent audit, and the OCHFT’s annual budget; and
- Serve on subcommittees or task forces when appropriate.

Section C: Formation of Subcommittees
The Board may create subcommittees or task forces to accomplish the goals and purposes of OCHFT.

ARTICLE V – Meetings

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

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

Section C: Quorum
A quorum shall exist when a simple majority of seated members of the Board of Directors are present.

Section D: Voting on Project Funding
The Board shall strive to attain a unanimous decision on all projects which receive funding from OCHFT; however funding for a project is deemed approved following a majority (five [5] “yes” votes or more) vote of the Board of Directors, provided that a quorum was present.
Section E: Voting on Amending OCHFT's Bylaws, Principles, or Procedures
Amendments to OCHFT’s Bylaws, Principles or Procedures shall be considered at a regular meeting, and shall comply with the Ralph M. Brown Act. An amendment to these Bylaws is deemed approved following a majority vote of the Board of Directors.

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

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

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

ARTICLE VI — Financial Review and Oversight

Section A: Annual Financial Report
The Board shall ensure that an Annual Financial Report is prepared, reviewed, adopted and made public annually, to ensure transparency and demonstrate actions that have furthered the purposes of OCHFT.

As a part of the development of the Annual Financial Report, the Board shall engage an independent auditor to complete an independent financial audit of OCHFT’s operations. The audit must be provided to the public, and the auditor must report all findings to the Board in a public meeting.

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

Section C: OCHFT Fiscal Year
The fiscal year of OCHFT shall be from July 1 to June 30 of each year.

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

Section A: Compliance with Policies
Members of the Board of Directors and Advisory Board will conduct the OCHFT business in accordance with the Agreement and the bylaws of OCHFT, including conflict of interest policies.

Section B: Conflicts of Interest
The Board of Directors may not have a conflict of interest as determined by the California Political Reform Act (the “Act”), inclusive of the Levine Act, California Government Code section 81000, et. seq.,
and the regulations promulgated to effectuate the Act. Nor shall the Board of Directors have a conflict of interest under California Government Code section 1090. A conflict of interest is defined as a contract or transaction between the OCHFT and an entity in which a Member of the Board of Directors or Advisory Board, or family members of such member has a financial or other interest or of which the Member is a director, officer, agent, partner, owner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative.

In the event that a member of the Board of Directors or Advisory Board could benefit financially from a project or program that is before the Board of Directors for funding consideration, the member shall recuse himself or herself from participating in any way, including from engaging in any discussion or action relating to the project or program in question.

Members of the Board of Directors and Advisory Board are required to follow OCHFT Bylaws regarding conflict of interest and code of conduct.

Section C: Confidentiality

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

Section D: Gifts or Honoraria

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

Section G: Harassment

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

Section H: Laws and Regulations

OCHFT business will be conducted in a manner that reflects the highest standards and in accordance with all federal, state, and local laws and regulations.
Exhibit 4
Additional information about Homelessness, Supportive Housing, and more

The following section attempts to give additional background on homelessness and housing issues related to the Orange County Housing Finance Trust.

Homelessness Defined. There are different definitions depending on which Federal agency is looking at the issue. For example, the Department of Health and Human Services says this:

A homeless individual is ... “an individual who lacks housing (without regard to whether the individual is a member of a family), including an individual whose primary residence during the night is a supervised public or private facility (e.g., shelters) that provides temporary living accommodations, and an individual who is a resident in transitional housing.”

A homeless person is an individual without permanent housing who may live on the streets; stay in a shelter, mission, single room occupancy facilities, abandoned building or vehicle; or in any other unstable or non-permanent situation.

An individual may be considered to be homeless if that person is “doubled up,” ... where individuals are unable to maintain their housing situation and are forced to stay with a series of friends and/or extended family members. In addition, previously homeless individuals who are to be released from a prison or a hospital may be considered homeless if they do not have a stable housing situation to which they can return. A recognition of the instability of an individual’s living arrangements is critical to the definition of homelessness.

From the US Department of Housing and Urban Development:

Homelessness is where (1) an individual or family lacks a fixed, regular, and adequate nighttime residence, meaning: (i) Has a primary nighttime residence that is a public or private place not meant for human habitation; (ii) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); or (iii) Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

Some persons are chronically homeless, meaning that they have a disabling condition and have been homeless (sheltered or unsheltered) for at least twelve consecutive months OR they have had at least four episodes of homelessness in the past three years with a total duration of at least one year of homelessness.

Local Trends. In Orange County, our data associated with homelessness comes primarily from the biennial “Point in Time Count.” While a recent PIT Count was conducted in late January 2019, data from that count will not be available for a few more months. Past data (table sources below are from 2-1-1 OC’s Final Report on the 2017 PIT Count) shows the following numbers of homeless persons (meaning living in shelters, living on the streets, or living out of vehicles):

55C-35
Table 1: Relationship of County Population to Homeless Population

<table>
<thead>
<tr>
<th></th>
<th>Total Population</th>
<th>Homeless Population</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 Count</td>
<td>3,090,132</td>
<td>4,251</td>
<td>0.14%</td>
</tr>
<tr>
<td>2015 Count</td>
<td>3,145,515</td>
<td>4,452</td>
<td>0.14%</td>
</tr>
<tr>
<td>2017 Count</td>
<td>3,194,024</td>
<td>4,792</td>
<td>0.15%</td>
</tr>
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</table>

And while the homeless population has grown moderately, the growth (again, via the 2017 Count) came from persons outside of any shelter:

As a result, cities and city residents were experiencing greater numbers of visible homeless – on streets and medians, under overpasses, along riverbeds and storm drain channels, and in parks and other facilities.

The 2017 PIT also allowed us to compare trends in homelessness across Southern California. As the below chart shows, the count of homelessness in January 2017 appears to show an increase in Orange County (and in the cities of LA and San Diego) even as it went down elsewhere:

As to the chronically homeless population, it consists of about 19% of all homeless, but increased by about 60% between the 2015 and the 2017 Point in Time counts.
Even in 2017, the county still had 405 homeless veterans among us, including 127 veterans defined as chronically homeless.

### The Costs of Homelessness

Orange County United Way, Jamboree Housing, and UCI conducted a study ("United Way-UCI Study") in 2017 (full study at www.unitedwayoc.org/resources) based on 2014/2015 data that attempted to quantify the per dollar costs of each homeless person — including costs to hospitals, to law enforcement, to other municipal services, to social services providers, to facilities like shelters, and more. Their hypothesis was that it likely cost more to allow people to remain on the streets than to move them into housing.

Key findings of the United Way-UCI Study included that $299 million was spent to address homelessness in Orange County by government and non-governmental agencies for 12 months encompassing 2014/2015. Of this amount:

- $120 million was spent by municipalities
- $77 million was spent by hospitals
- $62 million was spent by the County of Orange
- Non-governmental agencies spent $35 million

The average cost per homeless person for all services is about $45,000 for that year period. Health care and medical services are a key driver here, and if the "most costly" 10% of the population is dropped from the analysis, the mean annual cost per person is $10,000. The Study concluded that "the costs of homelessness are driven upwards by the heaviest service users among those who are chronically street homeless."

### How Housing Affects Costs

The same United Way-UCI Study looked at how providing housing to a formerly homeless person affects the costs of that person's care. The results were:
- If someone were placed in supportive housing (i.e. housing that included some social and health services onsite or nearby), then ambulance transports would be reduced by 78% among this population. The study also noted that “those in supportive housing reported ... 100% fewer arrests, compared to those who are chronically homeless living on the street or in emergency shelters.”
- The average cost of services is 40% lower for the chronically homeless in supportive housing ($51,587/year) when compared to the cost of the chronically homeless on the streets ($85,631/year) even taking into consideration the cost of the housing.
- Looking solely at health service utilization, the estimated average annual cost of homeless who are housed ($26,158) is half the annual cost incurred by those on the street or in emergency shelters ($51,855). This disparity is greater between those in supportive housing ($43,184) and those who are chronically street homeless ($98,199).
- For the chronically homeless who are the most frequent users of services, those 10% of the chronically homeless cost $439,787 per person per year when on the street, but only $55,332 per person per year when in supportive housing.
- If all of Orange County’s chronically homeless were placed in supportive housing, the region would save about $42 million a year.

**About Supportive Housing.** As noted, the concept of supportive housing is intended to provide long-term housing (such as an apartment or shared unit or similar) to a homeless person (typically chronically homeless), as that person is likely unable to remain in housing without some daily (or near daily) assistance in terms of social services, mental health care, or similar. Thus, supportive housing allows individuals and families to remain in their own apartment, but a qualified service provider is onsite or nearby to ensure that the individual or family is taking the steps needed and getting the care they need to remain housed.

Supportive housing is most geared towards those chronically homeless. Persons who are not chronically homeless often can benefit from more typical (and less costly) affordable housing, Section 8 programs (rental assistance), rapid-rehousing (short-term housing to allow someone to quickly get back on their feet after a homeless experience) or transitional housing (medium-term housing that can help a person re-establish their societal footing with a job or job training for 2-24 months).

**Efforts to Promote Supportive Housing in Orange County.** In 2017 and 2018, policy makers around the county started discussing a goal of providing up to 2,700 units of supportive housing across the region. The number was developed in part from data from the 2017 Point in Time Count. While some entities discussed breaking down the entire 2,700 and assigning a population-based share to each community, a more achievable goal may be to use the 2,700-unit number as a stretch target across the region. Not every city will have the desire to site supportive housing or the sites for it.

Judge David O. Carter of the US District Court in Santa Ana also has discussed the 2,700-unit number, seeing it as an important part of the “housing pipeline” — where a real homelessness solution involves transitioning the chronically and other homeless from the streets to emergency or bridge shelters to transitional housing and finally to supportive housing. Without enough units and beds at each step — including supportive housing — the system and solution fails.

In 2018, the Association of California Cities — Orange County worked with local legislators (including Assembly Members Daly and Quirk-Silva and Senators Bates, Moorlach, and Nguyen) to pass AB 448. This bill was intended to allow the cities of Orange County and the County of Orange to work together to
secure additional competitive public and private funds to build supportive housing units, as one large region. AB 448 would allow Orange County to complete alongside the City of Los Angeles or the City of San Diego to secure state bond funds, grants, and private contributions to leverage other local or Federal funds in order to construct supportive housing. AB 448 defined a Joint Powers Agreement (JPA) mechanism for the County and local cities to form the Orange County Housing Finance Trust (OCHFT). AB 448 is shown as Attachment B to this staff report.

How is a Supportive Housing Project Funded? A supportive housing project is funded similar to an affordable housing project. But with the additional costs of on-site or adjacent service provision, a supportive housing project can be even more costly. Basically, the below sources of funds can be accessed to build and operate a project. A developer will typically build financing like filling a cup, starting with the most straightforward funding first:

1. Seeking a lender to provide a mortgage, with the mortgage backed by anticipated rental income. Because the rental income from an affordable project is lower than that of a market-rate project, the mortgage amount is too low to construct a full project on its own.
2. Some owner’s equity. Whereby an initial dollar amount is allocated to the project by a landowner or developer. In a municipality’s case, this can sometimes be providing “free” land for the project.
3. Project-based Section 8 Vouchers. A local housing authority (there are four in Orange County: the County of Orange and the cities of Santa Ana, Anaheim, and Garden Grove) may assign a number of rental assistance vouchers to a specific project. In other words, the Authority will say that 20-25 persons in the future housing project will always have Section 8 housing vouchers and the developer can use those in the developer’s financing. Rental assistance vouchers for veterans (VASH Vouchers) can also be used in this manner, for projects which house veterans.
4. Low Income Housing Tax Credits (LIHTC). This Federal program, begun in 1986 and made permanent in 1993, allows an investor to receive a dollar-for-dollar reduction in their tax obligation in exchange for providing financing to develop affordable rental housing. There is a 9% LIHTC program and a 4% LIHTC program. In California, the State Treasurer’s Office administers the Federal (and some State) Tax credit program.
5. State General Fund or Bond Fund Revenues. California has recently added to its resources available to address affordable and supportive housing, including November 2018’s:
   a. Proposition 1 ($4BN for affordable housing, with $3BN of that for projects and programs and $1BN to improve access to home loans for veterans). Proposition 1 includes a specific amount ($300M) just for qualified housing trusts; and
   b. Proposition 2. Prop 2 clarified that existing “Millionaire’s Tax” money – also referred to as Mental Health Services Act or MHSA funds – can be used to develop housing when the persons housed have mental illnesses.
6. SB 2 Funds (2017’s Documentary Transfer Tax). A newer documentary transfer tax (collected each time a home sells) provides for competitive and per capita city-by-city allocations of housing dollars, provided that the receiving city has a valid housing element. Cities can use these funds for housing for extremely low, very low, low and moderate income households, including capitalizing the funds for providing services at supportive housing sites.
7. Community Development Block Grant (CDBG) Funds. These federal funds come to cities for various projects and programs relating to persons with disabilities or improvements in designated disadvantaged areas.
8. Developer fees paid to a City for affordable housing.
9. City general funds.
10. Private grants and other sources and donations.

Generally, in the above list, affordable housing developers will speak about filling the “funding gap” between a market-rate project and an affordable or supportive housing project. The gap is filled by everything above except item #1.

**Funds That Could be Made Available to the Housing Trust.** The OC Housing Finance Trust is constructed to enable the Trust to secure primarily funds from State Housing Bond vehicles (such as Prop 1), SB 2/Documentary Transfer Tax funds willingly provided by a member city, developer fees willingly provided by a member city (ensuring that the appropriate nexus remains), and private donations.

Cities could also provide general fund allocations to the Trust should they choose. The County of Orange has discussed ensuring that the County’s Proposition 2/MHSA funds (estimated at up to $70M) would be made eligible for Trust-funded projects, but because of funding constraints, the MHSA funds would not literally be placed in the Trust.

#  #  #.
ABOUT THE ORANGE COUNTY HOUSING FINANCE TRUST

Dave Kiff, ACC-OC
Conference Call Materials – April 2019 – Version 4
What is a Housing Trust?

- Housing trusts are:
  - Repositories for funds to construct affordable housing.
  - Established by state, city, or county gov’ts

- The funds for the Trusts come from:
  - Voter-approved bonds (like Prop 1)
  - Private donations (Disney = $5M to The Other Housing Trust)
  - Dedicated, long-term funding streams (SB 2 funds, other housing funds like developer fees, General Funds, other)

- There are >700 city and county housing trust funds across US
About the OC Housing Finance Trust

- Formed via AB 448 (Daly, 2018)
- As adopted, AB 448:
  - Allows the County of Orange and OC Cities to form the OC Housing Finance Trust (OCHFT)
  - Says that the Trust Governing Board must be elected officials
  - Says that the Trust can receive then allocate funds for supportive housing and affordable housing (low- and moderate-income)
  - Says that funds can be grants, loans, bond moneys, city funds, private donations, more.
  - Says that Trust cannot own housing projects.
Joint Powers Agreement

- Adopted by County, Fullerton
- Worked on 2nd (Jan - Feb 2019)
- By: County Counsel, ACC-OC staff, County Counsel, ACC-OC staff, then Comments/edits by City Managers

Three Main Documents

AB 448

- Written & passed in 2018
- Became law 9-11-2018
- Not adopted yet
- Worked on 1st (Nov - Dec 2018)

Proposed Bylaws

- By Working Group: Supervisor Do, Fitzgerald, Bucknum, Delgatze, Whittaker
- Council Members: Farrell, Hill, deMunck, Lazo, Ahmad, Adam, Page, and the Chair of the Housing Commission

- Additional Limits:
  - Can't require members to give project $ or promise to site units
  - Can't site units in location not supported by siting City

- Includes Conflict of Interest rules

- Limits Trust to:
  - Elected officials on Board
  - Cities in OC + the County
  - Funding for housing
  - Can't own projects
  - Can't require inclusionary zoning
  - Can't levy fees

55C-44
Key Distinctions: Bylaws v. JPA

**Proposed Bylaws**
- Not approved yet – must be approved by Governing Board
- Calls out Governance Structure
  - Four County electeds
  - Five City electeds:
    - One (largest city) from each SPA
    - One from med-size city (60K-95K)
    - One from small city (<60K)
  - Advisory body

**Joint Powers Agreement**
- Document is final, unless amended by all parties
- Governing Board does not have population delineation.
  - Why?
    - Populations change over time, and so could delineations.
    - Much easier to amend bylaws than JPA Document due to the latter’s recirculation requirement.
How OC Housing Finance Trust is Formed

1. County agrees to JPA (March 12)
2. Fullerton went next (March 19)
3. More cities join (agreeing to JPÅ)
4. "Enough" (possibly 3) join to hold an initial meeting, name a Board, adopt bylaws
And Once it’s Formed...

1. Trust personnel seek/apply for funds (and get them)
2. Trust issues calls for projects
3. Trust personnel review & recommend
4. Projects brought to Trust Gov Board for vote
5. Projects get funded
Major Issues/Questions

1 – Can Debt be Issued by Trust?
   • No.
   • AB 448 envisioned debt, but JPA written w/out the ability to issue debt.
   • Debt would require recirculation of and new approvals for JPA document, city-by-city

2 – Hiring of Staff
   • Can only hire contractors.
   • County will cover first year costs.
   • County’s goal is to use Prop 1 and other grant funds for portion/all of admin costs.
   • My advice:
     • City Gov Board members should stay close to this (more details on the call)
More about Cost

What could keep costs down:

- *Cities focus on this issue from the start.*
- Seek qualified contract personnel.
- Have a Trust member city “host” the Trust in a City Hall.
  - Or Trust uses WeWork space or similar
- Trust secures Prop 1 funds to not only fund projects, but pay for admin.
  - Good if Prop 1 funds are high and admin costs are low.
  - Bad if the reverse 😞

What’s unknown:

- What will the cost apportionment process be?
- Will qualified contractors do this? At what expense?
- Willingness of all Trust members to think outside the box to house/staff this.
- Amount of Prop 1 funds to offset admin
- How many cities will join (determines what each might contribute)
# Cost Scenarios (estimates) – part 1 of 2

<table>
<thead>
<tr>
<th>Scenarios</th>
<th># of Cities that Join</th>
<th>Higher Cost/Yr ($350,000)</th>
<th>Moderate Cost/Yr ($225,000)</th>
<th>Lower Cost/Yr ($150,000)</th>
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<td>$22,222</td>
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<td><strong>Scenario 2</strong></td>
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<td>County of Orange</td>
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<td>$125,000 Dues per City</td>
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### Cost Scenarios (estimates) – part 2 of 2

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<th>Scenarios</th>
<th># of Cities that Join</th>
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<th>Moderate Cost/Yr ($225,000)</th>
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<td><strong>Scenario 3</strong></td>
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<td>$100K Prop 1 Admin Funding</td>
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<tr>
<td>County of Orange</td>
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<td>15 Cities Join</td>
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<td>No Prop 1 Admin Funding</td>
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<td>$24,306</td>
<td>$6,076</td>
<td>$15,625</td>
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</tbody>
</table>
Major Issues/Questions (cont’d)

3 – Why is the Board the way it is?
- Result of negotiations
- County (4/9ths) argued that it carries with it most of the funding.
- Cities (5/9ths) argued that they’re the sites for most of the housing.
- Must be elected officials (AB 448)
- Not many Trust members will be on Gov Board, but all will be at the table.

4 – Are there now 2 Housing Trusts?
- Yes. 😞
- Private Trust (OCHT):
  - Activated by OCBC
  - Receives private donations
  - Private sector governing Board
- Public Trust (OC HFT)
  - Activated by AB 448
  - Receives public and private funds
  - Public sector governing Board

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Major Issues/Questions (cont’d)

5 – Can my city leave the Trust?
- Generally yes....
  - No debt
  - Contract staff
- JPA document says:
  - Leaving the Trust voluntarily requires six (6) months’ notice via an action by the City Council.

6 – What $$ will the Trust have?
- Most likely:
  - Prop 1 (Nov 2018 bond - $300M just for Housing Trusts statewide)
  - Cities’ SB 2 funds (from willing cities)
  - Private donations
- Probably not:
  - County MHSA Funds, but...
  - County has pledged up to $70M to be made available to Trust projects
Major Issues/Questions (cont’d)

7 – Do I have to be an ACC-OC Member to be in the Trust?
   • No.

8 – Will my city ever get a seat on the Governing Board?
   • Hard to know. Depends on who joins.
   • If you’re not Anaheim, Irvine, or Santa Ana but you’re still large, it’s not likely.
   • Only one slot for med-sized city, only one slot for small city.
   • But all will be at the table and involved in the process 😊
Major Issues/Questions (cont’d)

9 – Does joining the Trust mean I have to come to the table with project money?

- No – JPA specifically precludes requiring any member to promise project/housing funds as a condition for joining (Sec 3(c)(5) of JPA).

10 – Does joining the Trust mean I have to come to the table with promises of units?

- No. JPA specifically precludes requiring any member to promise units as a condition for joining (Sec 3(c)(7) of JPA).
Reasons to Join the Trust
(sort of in order – all just opinions 😊)

- My city wants to see more supportive housing projects built in our community.
- My city isn’t sure what we want yet, but we want to be at the table.
- We’ve got $$ we want to put into the regional solution.
- We want to show others we’re participating.

NOTE: If you think joining the Trust will help with RHNA numbers, you’re probably right if the units are built in your community. If you think the Trust will help you with your RHNA numbers if units your $$ funds are OUTSIDE of your community, that is probably not accurate unless the law changes.
Reasons (I’ve heard) not to join...

- I don’t like JPAs.
- I’m leery of the Trust’s personnel and other costs after Year 1.
- We want to build housing, and we can do this on our own.
- It’s going to take staff and elected official time we don’t have the capacity to give.
- Housing/homelessness not a big issue for us at this time.
Possible New Language to the Resolution

- **RESOLVED** by the City Council of the City of __________ that it hereby encourages the Trust Governing Board to use every effort to minimize and offset the Trust’s administrative costs, including by using contracted staff, partnerships with other like-minded entities for an office site or other administration functions, and by actively seeking bond or other non-General Fund sources to offset these administrative costs; and be it also

- **RESOLVED** by the City Council of the City of __________ that our city’s contribution towards staffing for the Trust must be less than or equal to __________ (adjusted by CPI); and be it also
How can I learn more?

- Read the JPA document and proposed bylaws
- Read AB 448
- Template City Council staff report & resolution prepared by ACC-OC
- Just ask!
  - Dave Kiff, ACC-OC Executive Director
    - dkiff@accoc.org or 949-290-7037
  - Jennifer Fitzgerald, ACC-OC Board President
    - jennifer@curtpringle.com
  - Allan Roeder, retired CM working with OCCMA
    - aroeder2592@gmail.com
### Exhibit 5

**Service Planning Area Information**

<table>
<thead>
<tr>
<th>City</th>
<th>Service Planning Area (SPA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aliso Viejo</td>
<td>SOUTH</td>
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<tr>
<td>Anaheim</td>
<td>NORTH</td>
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<tr>
<td>Brea</td>
<td>NORTH</td>
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<td>Buena Park</td>
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<tr>
<td>Costa Mesa</td>
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<tr>
<td>Cypress</td>
<td>NORTH</td>
</tr>
<tr>
<td>Dana Point</td>
<td>SOUTH</td>
</tr>
<tr>
<td>Fountain Valley</td>
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<tr>
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