



THIS INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL ON FILE IN THIS OFFICE

ATTEST (DATE: 6/26/19)

ROBIN STIELER  
CLERK OF THE BOARD

BY [Signature] DEPUTY

**ORIGINAL**  
CLERK OF THE BOARD  
ORANGE COUNTY

### JOINT EXERCISE OF POWERS AGREEMENT

THIS JOINT EXERCISE OF POWERS AGREEMENT (the "Agreement") is made this 26th day of March, 2019 (the "Effective Date"), by and between the following public entities (collectively, the "Parties"): \_\_\_\_\_, \_\_\_\_\_, 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.

J. 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 of Directors.

(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:

(a) County of Orange:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Santa Ana, California \_\_\_\_\_

(b) City of \_\_\_\_\_:

**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.

Dated: \_\_\_\_\_

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

By: *Janet A. Burt*  
Chairwoman of the Board of Supervisors

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

*Robin Stueler*



Clerk of the Board of Supervisors  
County of Orange, California

NOTICE TO COUNTY OF ORANGE  
TO BE GIVEN TO:

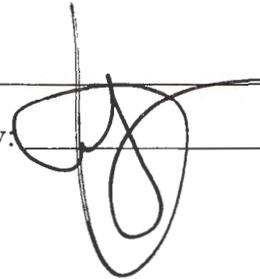
FRANK KIM  
COUNTY EXECUTIVE OFFICER  
10 Civic Center Plaza  
SANTA ANA, CA 92702-4062

APPROVED AS TO FORM:  
LEON PAGE  
COUNTY COUNSEL

By: *[Signature]*  
*Mark Servino, Supervising Deputy*  
Dated: *March 7, 2015*

CITY OF Costa Mesa

Dated: 5-2-19

By:  \_\_\_\_\_, [Mayor]

ATTEST:

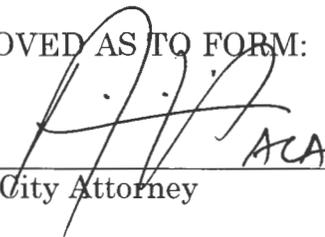
Brenda Green  
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager: \_\_\_\_\_  
City of Costa Mesa  
Street Address: 77 Fair Drive  
Costa Mesa, CA 92626

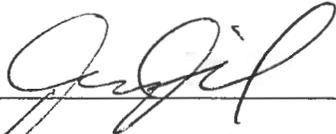
Phone: 714-754-5000  
Fax: \_\_\_\_\_

APPROVED AS TO FORM:

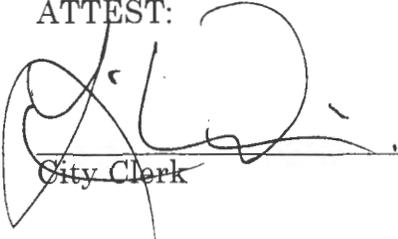
By:  \_\_\_\_\_  
City Attorney

CITY OF FULLERTON

Dated: 5-6-19

  
By: Jesus J. Silva, Mayor

ATTEST:

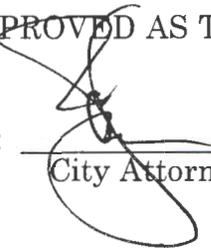
  
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager: Kenneth A. Domer  
City of Fullerton  
Street Address: 303 E. Commonwealth Avenue  
Fullerton, CA 92832

Phone: 714-738-6310  
Fax: 714-738-6758

APPROVED AS TO FORM:

By:   
City Attorney

CITY OF \_\_\_\_\_

Dated: 4-30-19

By: [Signature], [Mayor]

ATTEST:

[Signature]  
City Clerk



NOTICE TO CITY TO BE GIVEN TO:

City Manager: Grace Leung  
City of Newport Beach  
Street Address: 100 Civic Center Dr.  
Newport Beach, CA 92660

Phone: 949/644-3001

Fax: \_\_\_\_\_

APPROVED AS TO FORM:

By: [Signature] Yolanda Summerhill  
for City Attorney

CITY OF GRDEN GROVE

Dated: 4/29/19

Steve Jones  
By: Steve Jones, Mayor

ATTEST:

Alicia Romero  
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager: Scott Stiles  
City of Garden Grove  
11222 Acacia Parkway  
Garden Grove, CA 92840

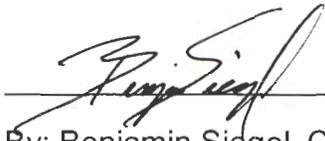
Phone: (714) 741-5100  
Fax: (714) 741-5044

APPROVED AS TO FORM:

By: Jenna K. Brown  
City Attorney

CITY OF SAN JUAN CAPISTRANO

Dated: 5-17-19

  
By: Benjamin Siegel, City Manager

ATTEST:

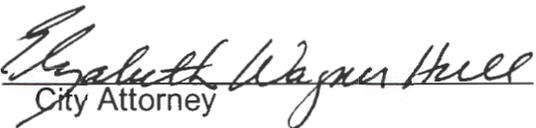
  
City Clerk For

NOTICE TO CITY TO BE GIVEN TO:

City Manager: Benjamin Siegel  
City of San Juan Capistrano  
Street Address: 32400 Paseo Adelanto,  
San Juan Capistrano, CA 92675

Phone: (949) 493-1172  
Fax: (949) 493-1053

APPROVED AS TO FORM:

By:   
City Attorney

**ORANGE COUNTY BOARD OF SUPERVISORS**

**MINUTE ORDER**

**March 12, 2019**

Submitting Agency/Department: OC COMMUNITY RESOURCES

Approve Orange County Housing Finance Trust Joint Powers Authority Agreement; and receive and file draft bylaws to facilitate the establishment of the Orange County Housing Finance Trust to provide and receive funds for housing the homeless population and persons and families of low income under certain conditions- All Districts

**The following is action taken by the Board of Supervisors:**

APPROVED AS RECOMMENDED  OTHER

**Unanimous**  (1) DO: Y (2) STEEL: Y (3) VACANT: (4) CHAFFEE: Y (5) BARTLETT: Y

*Vote Key: Y=Yes; N=No; A=Abstain; X=Excused; B.O.=Board Order*

**Documents accompanying this matter:**

- Resolution(s)
- Ordinances(s)
- Contract(s)

Item No. S22C

Special Notes:

Copies sent to:



I certify that the foregoing is a true and correct copy of the Minute Order adopted by the Board of Supervisors , Orange County, State of California.  
Robin Stieler, Clerk of the Board

By:   
Deputy



**County Executive Office**

5220

**Memorandum**

March 7, 2019

**To:** Clerk of the Board of Supervisors

**From:** Frank Kim, County Executive Officer *McGuire*

**Subject:** Exception to Rule 21

RECEIVED  
MAR-8 AM 11:38

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**The County Executive Office is requesting a Supplemental Agenda Staff Report for the March 12, 2019, Board Hearing.**

**Agency:** OC Community Resources

**Subject:** Orange County Housing Finance Trust Joint Powers Authority Agreement

**Districts:** All Districts

**Reason for supplemental:** This item needs to go to the Board as a supplemental item to advance the progress made from the collaborative efforts of Orange County cities and the County of Orange towards the financing and continued development of supportive and affordable housing. This Agenda Staff Report and attachments were finalized after the filing deadline to the Clerk of the Board.

**Concur:**

Chairwoman Lisa A. Bartlett, Supervisor, Fifth District

**cc:** Board of Supervisors  
County Executive Office  
County Counsel



**SUPPLEMENTAL AGENDA ITEM  
 AGENDA STAFF REPORT**

**MEETING DATE:** 3/12/19  
**LEGAL ENTITY TAKING ACTION:** Board of Supervisors  
**BOARD OF SUPERVISORS DISTRICT(S):** All Districts  
**SUBMITTING AGENCY/DEPARTMENT:** OC Community Resources  
**DEPARTMENT HEAD REVIEW:** [Signature]  
*Department Head Signature*  
**DEPARTMENT CONTACT PERSON(S):** Dylan Wright (714) 480-2788  
 Julia Bidwell (714) 480-2991

**SUBJECT:** Orange County Housing Finance Trust Joint Powers Authority Agreement

<b>CEO CONCUR</b> <u>[Signature]</u> <i>CEO Signature</i>	<b>COUNTY COUNSEL REVIEW</b> <u>Approve</u> <i>Action</i> <u>[Signature]</u> <i>County Counsel Signature</i>	<b>CLERK OF THE BOARD</b> Discussion  3 Votes Board Majority
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**Budgeted:** N/A                      **Current Year Cost:** N/A                      **Annual Cost:** N/A  
**Staffing Impact:** N/A                      **# of Positions:** N/A                      **Sole Source:** N/A  
**Current Fiscal Year Revenue:** N/A  
**Funding Source:** N/A                      **County Audit in last 3 years:** No

**Prior Board Action:** 6/12/2018 #S2A, 6/12/2018 #1

**RECOMMENDED ACTION(S)**

1. Approve the Orange County Housing Finance Trust Joint Powers Authority Agreement and delegate authority to the Chairwoman or her designee to sign and execute the Agreement upon the approval and signature of three cities within the Orange County within 12 months of this Agreement's approval by the Board of Supervisors.
2. Receive and file the draft bylaws, which are subject to formal adoption by the Orange County Housing Finance Trust's Board of Directors following its creation through the execution of the Orange County Housing Finance Trust Joint Powers Agreement by the County and three cities.

**SUMMARY:**

Approving the Orange County Housing Finance Trust Joint Powers Authority Agreement and receiving the draft bylaws will facilitate the establishment of the Orange County Housing Finance Trust to provide and receive funds for housing for the homeless population and persons and families of extremely low, very low and low income within the County of Orange.

## **BACKGROUND INFORMATION:**

On June 12, 2018, the Board of Supervisors (Board) approved the Housing Funding Strategy presented by OC Community Resources in response to the crisis of homelessness and a shortage of supportive and affordable housing in Orange County. The Housing Funding Strategy set a target for the development of 2,700 new supportive housing units within six years and identified the need for 2,700 additional affordable units during the same period. It also concluded that capital funding requirements for the 2,700 supportive housing units was an estimated \$930 million.

Given potential funding sources known at the time, a capital gap of \$353 million was identified, along with an estimated \$350 million funding gap in operating and rental subsidies. Since that time, the County of Orange (County) has identified additional funding sources, such as Proposition 1, Housing for a Healthy California, and Multi-Family Housing Program Supportive Housing, which reduce the estimated capital gap to \$252 million. Efforts are ongoing to identify additional funding sources and other options to close the capital, operating and rental subsidy gaps to meet the goals of the Housing Funding Strategy.

In addition to the Housing Funding Strategy, the Board also approved a Mental Health Services Act (MHSA) Supportive Housing Spending Plan on June 12, 2018, which allocated \$70.5 million in MHSA dollars to supportive housing projects. This amount was in addition to \$25 million already allocated by the Board for such purposes. These MHSA dollars are included in the Housing Funding Strategy.

To date, the Board's leadership and support for housing have resulted in funding applications and/or developer interest in either current housing unit development or potential housing unit development projects; totaling over 1,000 units of supportive and affordable housing.

To further advance progress and collaboration on this front, the Board co-sponsored Assembly Bill 448 (AB 448), which was spearheaded by the Association of California Cities-Orange County and signed into law by the Governor on September 11, 2018. AB 448 added California Government Code section 6539.5 authorizing the County of Orange, and any of the cities within Orange County, to create a joint powers authority, to be known as the Orange County Housing Finance Trust (OCHFT). Per AB 448, the OCHFT "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."

Following the passage of AB 448, Supervisor Do, then Chairman of the Board, First District, worked with representatives from the Association of California Cities – Orange County to form a collaborative working group, comprised of elected officials and staff from both the County and cities to establish the initial framework for the OCHFT. The OCHFT working group created a statement of shared values and principles; established a guiding vision and mission; and developed a proposed governance structure and draft bylaws to be used as the foundation for the development of a Joint Powers Authority Agreement (Agreement) for the OCHFT.

The Agreement creates the OCHFT pursuant to AB 448 as a separate public entity that would, for participating parties: (1) exercise any power common to the participating parties 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 (2) receive

public and private financing and funds. This Agreement allows OCHFT to consider the issuance of debt in the future through amendments to the Agreement.

The Agreement also preserves certain powers for the participating parties. The Agreement does not authorize OCHFT to 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 the OCHFT.

The Agreement establishes a governing board comprised of two members of the Board of Supervisors, two county-wide elected officials and five city council members.

**FINANCIAL IMPACT:**

N/A

**STAFFING IMPACT:**

N/A

**ATTACHMENT(S):**

- Attachment A - Orange County Housing Finance Trust Joint Powers Authority Agreement
- Attachment B – Orange County Housing Finance Trust Joint Powers Authority Bylaws
- Attachment C – Assembly Bill 448
- Attachment D - Section 50093 of the Health and Safety Code



# CITY OF COSTA MESA

CALIFORNIA 92628-1200

P O BOX 1200

FROM THE OFFICE OF THE CITY CLERK

May 3, 2019

Frank Kim  
County Executive Officer  
County of Orange  
333 West Santa Ana Boulevard, 3<sup>rd</sup> Floor  
Santa Ana, CA 92701

Dear Mr. Kim:

RE: Joint Exercise of Powers Agreement

Please find enclosed one (1) original of the Joint Exercise of Powers Agreement with the County of Orange. Once it is fully executed, please return one (1) copy to the City Clerk's office at the address listed below:

Brenda Green, City Clerk  
City of Costa Mesa  
P.O. Box 1200  
Costa Mesa, CA 92628-1200

Sincerely,

Marian B. Traylor  
Deputy City Clerk

Enclosure (1)



# CITY OF COSTA MESA

77 Fair Drive | P.O. Box 1200, Costa Mesa | California 92628-1200  
Phone 714.754.5285 | Fax 714.754.5330 | [www.costamesaca.gov](http://www.costamesaca.gov) | [Katrina.Foley@costamesaca.gov](mailto:Katrina.Foley@costamesaca.gov)

*From the Office of the Mayor Katrina Foley*

May 2, 2019

Mr. Frank Kim  
County Executive Officer  
County of Orange  
333 West Santa Ana Boulevard, 3rd Floor  
Santa Ana, CA 92701

RE: The City of Costa Mesa's Participation in the Orange County Housing Finance Trust

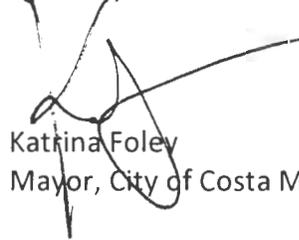
Dear Mr. Kim:

On April 16, 2019, the Costa Mesa City Council voted in favor of the City joining the Orange County Housing Finance Trust (OCHFT) (resolution attached). However, the City's participation is contingent upon the Trust Governing Board redefining the population qualifiers for its two "at large" city representatives to the following: one for a medium-sized city (greater than 60,000 in population) and one for a small city (up to 60,000 in population). This change would provide any member city with an opportunity to serve on the Board; an issue of equity important to the City Council. In addition, the City's monetary contribution to the Trust must be less than or equal \$10,000 per year, adjusted for CPI.

The City of Costa Mesa is excited to participate in the Trust and looks forward to the many important housing projects it will fund. Please let me know what I can do to ensure the proposed by-law amendment comes to fruition.

Thank you for your kind consideration of this matter.

Sincerely,



Katrina Foley  
Mayor, City of Costa Mesa

Attachment: Resolution No. 19-18

**RESOLUTION NO. 19-18**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, RELATING TO THE JOINT EXERCISE OF POWERS FOR, AND MEMBERSHIP IN, THE ORANGE COUNTY HOUSING FINANCE TRUST**

THE CITY COUNCIL OF CITY OF COSTA MESA DOES HEREBY RESOLVE AS FOLLOWS:

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 successfully stay 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 Costa Mesa desires to join the Orange County Housing Trust by authorizing the Mayor of Costa Mesa to execute the Joint Powers Agreement that is attached hereto as an exhibit;

NOW THEREFORE, THE COSTA MESA CITY COUNCIL RESOLVES AS FOLLOWS:

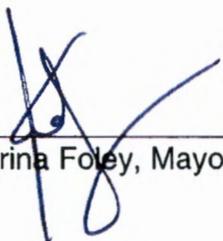
1. The project is found to be exempt from the provisions of the California Quality Act (CEQA) under Section 15061(b)(3) for General Rule, as this action will not have any significant effect on the environment;
2. The City Council of the City of Costa Mesa hereby authorizes the City's membership in the Orange County Housing Finance Trust, as described by the attached Joint Powers Agreement (Attachment 1) and contingent on the following:
  - a. To allow the opportunity for any member city to participate in the Trust Governing Board, the Board shall redefine the population qualifiers for its two "at large" city representatives to the following: One for a medium-sized city (greater than 60,000 in population) and one for a small city (up to 60,000 in population).
  - b. The City of Costa Mesa's contribution towards staffing for the Trust must be less than or equal to *\$10,000/year* (adjusted by CPI); and

3. The City Council of the City of Costa Mesa hereby authorizes the mayor to execute the Joint Power's Agreement on the City's behalf; and
4. The City Council of the City of Costa Mesa 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

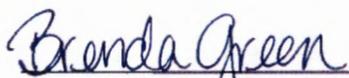
BE IT FURTHER RESOLVED that the CEQA determination for this project reflects the independent judgment of the City Council of the City of Costa Mesa.

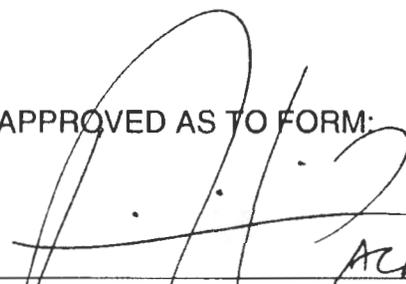
BE IT FURTHER RESOLVED that if any section, division, sentence, clause, phrase or portion of this resolution, or the documents in the record in support of this resolution, are for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions.

**PASSED AND ADOPTED** this 16<sup>th</sup> of April, 2019.

  
\_\_\_\_\_  
Katrina Foley, Mayor

ATTEST:

  
\_\_\_\_\_  
Brenda Green, City Clerk

APPROVED AS TO FORM:  
  
\_\_\_\_\_  
Kimberly Hall Barlow, City Attorney

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) ss  
CITY OF COSTA MESA )

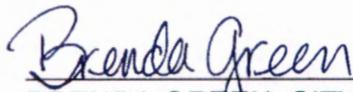
I, BRENDA GREEN, City Clerk of the City of Costa Mesa, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. 19-18 and was duly passed and adopted by the City Council of the City of Costa Mesa at a regular meeting held on the 16th day of April, 2019, by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS: CHAVEZ, GENIS, REYNOLDS, MANSOOR,  
MARR, STEPHENS, FOLEY

NOES: COUNCIL MEMBERS: NONE

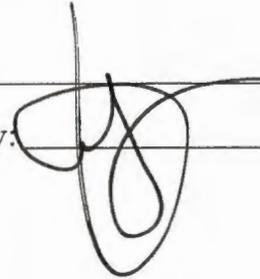
ABSENT: COUNCIL MEMBERS: NONE

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Costa Mesa this 17th day of April, 2019.

  
\_\_\_\_\_  
BRENDA GREEN, CITY CLERK

CITY OF Costa Mesa

Dated: 5-2-19

By:  \_\_\_\_\_, [Mayor]

ATTEST:

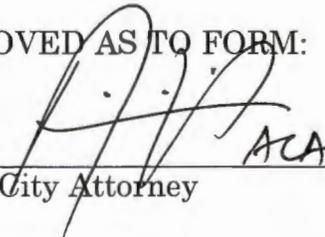
Brenda Green  
City Clerk

NOTICE TO CITY TO BE GIVEN TO:

City Manager: \_\_\_\_\_  
City of Costa Mesa  
Street Address: 77 Fair Drive  
Costa Mesa, CA 92626

Phone: 714-754-5000  
Fax: \_\_\_\_\_

APPROVED AS TO FORM:

By:  \_\_\_\_\_  
City Attorney