

Draft Bylaws for the OC Housing Finance Trust
(subject to approval by the Trust governing board)

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

- 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.

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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.