

**MEMORANDUM OF UNDERSTANDING
BETWEEN
ORANGE COUNTY COMMUNITY RESOURCES
AND
ORANGE COUNTY HEALTH CARE AGENCY
FOR THE ADMINISTRATION OF WHOLE PERSON CARE FUNDS FOR
CYPRESS HOUSE**

This Memorandum of Understanding (“MOU”) is entered into, effective as of the date last signed, by and between Orange County Community Resources (“OCCR”) and Orange County Health Care Agency (“HCA”). OCCR and HCA may sometimes be referred to hereinafter individually as “Party” and collectively as “Parties.”

RECITALS

A. WHEREAS, Jamboree Housing Corporation is the current owner of that certain property located in the City of Orange, more particularly described in Exhibit A, which is attached hereto and incorporated herein by this reference (“Cypress House”).

B. WHEREAS, the County of Orange (“County”) has provided permanent financial assistance to Jamboree Housing Corporation for the purchase of Cypress House in exchange for certain covenants, including, but not limited to, specific rent and occupancy restrictions.

C. WHEREAS, the Orange County Health Care Agency (“HCA”) has received from the California Department of Health Care Services (“DHCS”) during Fiscal Year 2019-2020 a One-Time Housing Funds for Whole Person Care Pilot Program in the amount of \$3.4 million (“WPC Housing Fund”).

D. WHEREAS, HCA must expend the WPC Housing Fund by no later than June 30, 2025.

E. WHEREAS, HCA intends to spend the WPC Housing Fund for construction and development of transitional housing units for individuals who are diagnosed with serious mental illness, as defined in Welfare & Institution Code (“WIC”) § 5600.3(b), and are homeless or at risk of being homeless (“Target Population”).

F. WHEREAS, OCCR is the department responsible for administering resources dedicated to the creation of affordable housing for certain County residents.

G. WHEREAS, the construction and development of the transitional housing units for the Target Population are eligible expenditures under WIC § 8255 and § 8256.

H. WHEREAS, HCA wishes to make available the WPC Housing Fund in the amount of \$3,413,986.51 to OCCR to provide financial assistance in the form of a grant agreement from the WPC Housing Fund to Jamboree Housing Corporation less 5% administrative cost and as consistent with the terms and conditions set forth in this MOU for Jamboree Housing Corporation to construct and develop a number of transitional housing units for the Target Population.

NOW, THEREFORE, HCA and OCCR agree as follows:

ARTICLES

1. Definitions

1.1 “Agreement” means an agreement between Jamboree Housing Corporation, the primary service provider(s), the property management company (if different from Jamboree Housing Corporation), and OCCR to ensure compliance with the Regulatory Agreement terms and other development regulatory agreements that may impose certain restrictions on the transitional housing units. The property management agent and the primary service provider may be related entities, provided there is a clear separation of staff and a clear delineation of their separate roles, staffing and responsibilities in the Agreement.

1.2 “Certificate of Occupancy” means a certificate, or equivalent, issued by a local building department to the Developer that indicates that the development has met all local code requirements and is ready for occupancy.

1.3 “Developer” means the party selected to construct and develop five transitional housing units for the Target Population at 555 and 555 ½ N. Cypress Avenue, Orange, California. For purposes of this MOU, the developer is Jamboree Housing Corporation.

1.4 “Development” means construction and development of five transitional housing units at 555 and 555 ½ N. Cypress Avenue, Orange, California, fully or partially financed with funds made as consistent with this MOU.

1.5 “Development Proposal” means a proposal by a developer to construct and develop five transitional housing units for the Target Population at 555 and 555 ½ N. Cypress Avenue, Orange. A Development Proposal includes the site location and environmental concerns, the proposed uses of funds needed to build the development, architectural plans, operating expense and vacancy projections, a plan to secure potential operating subsidies in the future, and a 15-year cash flow analysis of the development following issuance of a Certificate of Occupancy.

1.6. “Grant” means the financial assistance from the WPC Housing Fund in the amount not to exceed \$3,413,986.51 (less OCCR’s 5% administrative cost) provided to Jamboree Housing Corporation through the instrumentality of a grant agreement between OCCR and Jamboree Housing Corporation as consistent with the terms and conditions set forth in this MOU for Jamboree Housing Corporation to construct and develop five transitional housing units for the Target Population.

1.7. “Grant Agreement” means that agreement between Jamboree Housing Corporation and OCCR that sets forth the conditions for use of the Grant as consistent with the terms of this MOU.

1.8. “Grantee” means the party, or parties, to whom a grant is made pursuant to this MOU to finance the construction and development of five transitional housing units for the Target Population at 555 and 555 ½ N. Cypress Avenue, Orange, California.

1.9. “Target Population” means a person who is homeless or at risk of being homeless and who has a serious mental illness in accordance with WIC § 5600.3(b), verified by a State Licensed Mental Healthcare Professional.

1.10. “Financial Analysis” means the comparison of the development’s anticipated sources of funds to the anticipated development costs, and an income and expense analysis based operating expenses and debt service. This analysis allows OCCR to determine any subsidy, operating or replacement reserves needed to ensure the financial viability of the development as indicated in the Term Sheet.

1.11. “Homeless or at Risk of Being Homeless” means living on the streets or lacking a fixed and regular night-time residence. This includes living in a shelter, motel or other temporary living situation in which the individual has no tenant rights. “At risk of being homeless” may be due to one of the following situations: (a) transition age youth exiting the child welfare or juvenile justice systems; (b) discharge from crisis and transitional residential settings, a hospital, including acute psychiatric hospitals, psychiatric health facilities, skilled nursing facilities with a certified special treatment program for the mentally disordered, and mental health rehabilitation centers; (c) release from city or county jails, but not a parolee from state prison; (d) temporary placement in a residential care facility upon discharge from (b) or (c) above; and (e) individuals who have been deemed to be at imminent risk of being homeless.

1.12. “Primary Service Provider” means HCA as the entity responsible for overall implementation and delivery of the supportive services to the Target Population.

1.13 “Supportive Service Plan” means a specific supportive services plan for the Development, developed in partnership with HCA, the developer and supportive service provider(s).

2. Purpose

2.1 The purpose of this MOU is to set forth the Parties’ responsibilities with respect to and specify the terms and conditions for the use of the WPC Housing Funds.

3. Term

3.1 The term of this MOU shall commence as of the date last signed and continue until the monitoring obligations found in Section 8.1 are completed but no later than fifteen (15) years from issuance of Certificate of Occupancy.

4. Administrative Cost

4.1 OCCR will be provided general administrative costs associated with the program described in this MOU in amount not to exceed 5% of the WPC Housing Fund.

5. Assignment of Funds

5.1 OCCR may not assign any or all portions of the WPC Housing Fund.

6. Eligible Use of Funds

6.1 WPC Housing Funds may be used (i) to finance capital development for the construction of the Development; and/or (ii) to fund or offset the cost of ongoing operating expenses for the Development.

7. HCA Responsibilities

7.1 HCA will be responsible for all matters relating to tenant selection and supportive services provided to individuals residing in the transitional housing units, including the development, implementation and monitoring of supportive services plans.

7.2 HCA will develop a tenant selection plan for the Development, as consistent with the provisions and requirements of California Welfare and Institution Code sections 8255 and 8256.

7.3 Prior to occupancy of the Development, HCA will provide to OCCR the approved supportive services plan.

8. OCCR Responsibilities.

8.1 OCCR will be responsible for the development of such operations and protocols as may be needed to implement a grant agreement pursuant to this MOU, including development of: (a) agreement or MOU; (b) disbursement of funds and Capitalized Operating Subsidy Reserve withdrawal requirements and approval process; (c) annual reporting requirements; and (d) compliance and monitoring procedures and process.

8.2 OCCR will coordinate the creation of the Agreement, as defined in Section 1.1, above, which shall identify the number, size (number of bedrooms), use or occupancy restrictions of the units and eligible uses of the WPC Housing Fund.

8.3 Following receipt of the required checklist items as per separate grant agreement with the Developer, OCCR will release any approved draws and fund the Development using WPC Housing Fund.

8.4 OCCR will be responsible for all matters related to the handling, investment, and disbursement of WPC Housing Fund.

8.5 OCCR will be responsible for reporting to HCA on matters listed in Section 9, below.

8.6 OCCR will monitor construction of the Development, as necessary.

9. Parties' Responsibilities after Completion of Transaction

The Parties will have the following responsibilities after the completion of the transaction, construction completion and stabilized occupancy.

HCA Responsibilities

9.1 HCA will be responsible for providing mental health supportive services to the tenants residing in the transitional units.

9.2 HCA will ensure that the transitional housing units have an acceptable supportive services plan, and that any modifications to the supportive services plan are appropriate to meet the needs of the tenants.

9.3 HCA will approve any modifications or amendments to the supportive services plan.

9.4 HCA will coordinate with Jamboree Housing Corporation and development property managers to ensure adequate numbers of tenants are referred to the transitional housing units to fill vacancies in a timely manner.

9.5 HCA will coordinate with the parties to the Agreement (as defined in Section 1.1, above) to monitor and to ensure the Agreement requirements are met.

OCCR Responsibilities

9.6 OCCR will provide the asset management services described below:

9.6.1 Review and approval of the following required Developer submittals: (a) disbursement/draw requests; (b) evidence of property and liability insurance; (c) annual occupancy reports evidencing use as transitional housing; and (d) annual audited financial statement showing operating costs for the prior year.

9.7 OCCR will hold, control and approve disbursements of development reserve accounts, as applicable.

9.8 OCCR will perform periodic reviews regarding the adequacy, use, disbursements, and need for additional reserves, and annually provide the results of such reviews to HCA.

9.9 OCCR will perform inspections and prepare physical inspection reports annually or as deemed necessary by OCCR, and provide copies to HCA if requested.

9.10 Subject to an amendment to this agreement, as deemed necessary by OCCR, OCCR may agree to assist HCA with the services described in Article 11.15, below, as well as transactions related to refinancing, restructuring, or other changes to the Agreement, development or borrower. Costs for such services will not exceed the amount necessary to cover OCCR's costs as determined by OCCR and may be paid from the WPC Housing Fund or other funds upon HCA's approval.

10. OCCR Reporting Requirements

10.1 OCCR will keep such books and records of the operation of the WPC Funds and the development(s), pursuant to common accounting principles, practices and state laws.

10.2 Starting in January 2021, OCCR will provide to HCA annual accounting of the WPC Housing Fund to include: (a) the costs associated with the Agreement and development, (b) the amount of funds held by OCCR at the beginning of the reporting term; (c) the amount at the end of the reporting term; and (d) a report on the total amount of committed and uncommitted funds.

11. Return of Funds

13.1 HCA may request the return of any unencumbered WPC Housing Fund by providing sixty (60) days written notice to OCCR.

12. Miscellaneous

12.1 Entirety of Agreement. This MOU supersedes any and all other agreements, oral or in writing, between the Parties hereto with respect to the subject matter hereof and contains all of the covenants and agreements between the Parties with respect thereto.

12.2 Amendments. No amendment or modification of the provisions of this MOU shall be valid unless made in writing and signed by the Parties hereto.

12.3 Survival. The terms, conditions, and warranties contained in the MOU that by their sense and context are intended to survive the performance hereof by the Parties hereunder shall so survive the expiration and termination of the MOU.

12.4 Termination. Upon termination of this MOU OCCR's authority to lend money from the WPC Housing Fund shall cease, and all uncommitted or unencumbered WPC Housing Fund shall be returned to HCA.

12.5 Commingled Interest. Any commingled interest earned in the Fund that holds the WPC Housing Fund will be used for the purpose of providing financial support for the Development.

13. Notice

13.1 Any notice, tender, or delivery to be given hereunder by either Party to the other may be effected by personal delivery, in writing, by facsimile transmission, by e-mail or by mail, postage prepaid, and shall be deemed communicated as of the date of actual receipt. Mailed notices shall be addressed as set forth below, but each Party may change its address by written notice in accordance with this Paragraph.

For OC Community Resources:

Julia Bidwell
Director, Housing & Community Development
1501 E. St. Andrew Place, 1st Floor
Santa Ana, CA 92705
Julia.Bidwell@occr.ocgov.com

For Orange County Health Care Agency:

Jeffrey A. Nagel, Ph.D.
Behavioral Health Director
Orange County Health Care Agency
405 W. 5th Street, 7th Floor
Santa Ana, CA 92701
JNagel@ochca.com

WHEREFORE, the parties hereto have executed this MOU as of the date set forth above, and by their signatures acknowledge their understanding of and agreement to all of its provisions.

Signatures follow on next page

Dated:

Health Care Agency:

By: _____
Dr. Clayton Chau, Director

APPROVED AS TO FORM
COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA

By Massoud Shamel

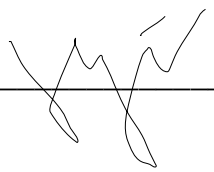
Dated: 3-2-21

Dated:

OC Community Resources:

By: _____
Dylan Wright, Director

APPROVED AS TO FORM
COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA

By  _____

Dated: _____ 09172020