



Administrative Report

N.1., File # 26-0205

Meeting Date: 3/10/2026

To: MAYOR AND CITY COUNCIL
From: JANE CHUNG, ASSISTANT TO THE CITY MANAGER

TITLE

DISCUSSION AND POSSIBLE ACTION REGARDING JOINING THE SOUTH BAY REGIONAL HOUSING TRUST AND SELECTING A CITY REPRESENTATIVE TO SERVE ON THE SOUTH BAY REGIONAL HOUSING TRUST BOARD OF DIRECTORS

EXECUTIVE SUMMARY

On February 3, 2026, the City Council directed staff to return to the City Council with the Joint Powers Agreement (JPA) after other member agencies decided whether to join the South Bay Regional Housing Trust (SBRHT). As of March 4, 2026, at least three South Bay cities have executed the Agreement to participate in the SBHRT, and five additional cities have approved joining and are in the process of signing the JPA.

BACKGROUND

In September 2024, the Southern California Association of Governments (SCAG) awarded the South Bay Cities Council of Governments (SBCCOG) approximately \$570,000 in Regional Early Action Planning Grants 2.0 (REAP 2.0) funding. REAP 2.0 is a state initiative designed to accelerate progress toward housing and climate goals by supporting stronger coordination among state, regional, and local partners. Using these funds, the SBCCOG has conducted a feasibility analysis for the potential formation of a SBRHT, which would operate as an independent joint powers authority to support affordable housing projects endorsed by participating member agencies.

The JPA establishes the SBRHT as a separate public entity formed by participating SBCCOG members to collaboratively fund and support affordable, workforce, and supportive housing. The SBRHT is authorized under California Government Code §6539.9 and becomes effective once four member agencies approve the Agreement.

The purpose of the SBRHT is to receive and leverage public and private funding to plan and construct housing of all types and tenures for individuals and families with Extremely Low, Very Low, and Low incomes, support the development of permanent supportive housing and other affordable housing types, and coordinate regional housing efforts without limiting any member agency's land use authority.

The SBRHT's authority is subject to specific limitations and does not exercise the following powers:

- Regulate land use, zoning, or development approvals within any member jurisdiction
- Levy or advocate for impact fees, taxes, or other exactions

- Require inclusionary zoning
- Compel cities to dedicate funding to Trust programs
- Approve or fund projects not supported by the host jurisdiction's governing body
- Require cities to accept or produce a specific number of housing units
- Affect a city's independent authority to implement its own affordable housing programs

The SBHRT governance structure will include a Board of Directors, composed of one elected official from each member agency and two housing or homelessness policy experts appointed by the SBCCOG City Managers Committee. Directors serve two year terms with no term limits.

The SBRHT may enter into contracts, hire staff, and engage consultants; apply for and administer grants, loans, and other funding; issue bonds or other debt instruments that do not create financial obligations for member agencies unless individually approved; and acquire, hold, or dispose of property for affordable housing purposes. Administrative services may be provided either by a member agency or by the SBCCOG. While the SBHRT establishes program funding levels and participation mechanisms, member agencies may be required to pay administrative fees. The SBRHT must also maintain annual budgets, undergo annual independent audits, and prepare an Annual Financial Report detailing the use of funds and program outcomes.

Member agencies may withdraw from the SBRHT by adopting a City Council resolution, paying any outstanding administrative fees, and providing written notice to the Trust at least 90 days prior to the start of the fiscal year. The JPA may be terminated by a majority vote of the member agencies, and it includes a sunset provision under which the Agreement automatically expires if no funding source is secured to cover administrative costs by December 31, 2026.

SBCCOG staff, legal counsel, and Senator Ben Allen's office are exploring amendments to the enabling legislation for the SBRHT (SB 1444) to address issues identified during the feasibility process. Proposed revisions include removing SBCCOG from determining the size and composition of the SBRHT Board, allowing the Board flexibility in selecting its leadership, expanding eligibility to include moderate income housing, and permitting member agencies to appoint non-elected alternates. Once draft legislation is prepared, SBCCOG will seek support letters from South Bay cities. The SBCCOG Board has indicated that member agencies may adopt the currently proposed Housing Trust JPA and consider future amendments if SB 1444 is revised.

Following the City's February 3, 2026 meeting, additional South Bay cities have expressed interest in joining the SBRHT. As of March 4, 2026, at least three cities have formally signed the Agreement to participate in the SBRHT (Hawthorne, Inglewood, and Lomita), and five additional cities have approved joining and are pending submission of a signed agreement (Lawndale, El Segundo, Manhattan Beach, Rancho Palos Verdes, and Torrance). The SBCCOG has given member agencies until March 30, 2026, to submit a signed agreement and designate their SBRHT Board representative in time for the first convening of the SBRHT Board on April 23, 2026, which coincides with the April SBCCOG Board meeting.

The SBCCOG circulated a revised version of the Agreement to all member agencies on February 9, 2026, which is the version attached to this report. Several concerns raised by the City Attorney's Office in the February 3, 2026 administrative report remain unresolved in this version of the Agreement. However, given that eight (8) South Bay cities have approved the Agreement, in this

form, it is not subject to change.

Should the City Council choose to join the SBRHT, staff recommends approval of the Agreement and the selection of a representative to serve on the Board of Directors.

COORDINATION

The City Manager's Office prepared this report. The City Attorney's Office approved the South Bay Regional Housing Trust Joint Powers Agreement as to form, but noted concerns with some provisions of the Agreement as part of the February 9 staff report.

FISCAL IMPACT

There is no immediate fiscal impact associated with the City's participation in the South Bay Regional Housing Trust. Membership dues could be required in the future depending on Trust activities and SBRHT Board of Directors policy direction.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Agmt - South Bay Regional Trust Joint Powers Agreement