



SOUTH BAY CITIES
COUNCIL OF GOVERNMENTS

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April 28, 2022

To: South Bay Mayors & Council Members

Re: South Bay Regional Housing Trust Legislation update

Dear South Bay Mayor and Council Members:

The SBCCOG Board of Directors held a special meeting on April 11th to discuss the potential creation of a South Bay Regional Housing Trust which would provide loans to facilitate the construction of affordable housing in participating cities. **With this letter, we are asking you to support proposed formation legislation (attached) in concept as well as to support a state budget request for seed funding. Further, the legislators would like an indication – without a commitment – of whether your city would be interested in being a charter member of the regional housing trust should it be created.**

The requests for support are a result of the Board's action at the special meeting, where the SBCCOG Board approved a motion to move forward in the following ways:

- Support requesting legislation to form a South Bay Regional Housing Trust
- Support requesting seed funding from the state budget
- Direct Board Members to return to their respective city councils to find out if their city is interested in being a charter member of a regional housing trust should it be created
- Form a subcommittee of the Board to work on bylaws and Joint Powers Authority (JPA) documents
- Follow-up:
 - Cities will submit letters to the SBCCOG as soon as possible informing of their city's intention to participate
 - Board Member & Hermosa Beach Councilmember Stacey Armato will present to city councils as requested to answer questions and explain the trust in further detail

Following the Board's direction, we, along with SBCCOG staff, met with staff from Senator Ben Allen's and Assembly Member Al Muratsuchi's offices to discuss housing trust formation legislation and a budget request. Both offices indicated their support for the concept; their intention to identify legislative avenues that could be pursued to create a South Bay Regional Housing Trust; and explore funding opportunities in the state budget.

LOCAL GOVERNMENTS IN ACTION

Carson El Segundo Gardena Hawthorne Hermosa Beach Inglewood Lawndale Lomita
Manhattan Beach Palos Verdes Estates Rancho Palos Verdes Redondo Beach Rolling Hills
Rolling Hills Estates Torrance Los Angeles District #15 Los Angeles County

Although legislation has not yet been introduced, we are asking your city to support the proposed legislation in concept, as well as support seed funding from the state budget. Attached is a draft of what the legislation might look like when introduced. It was modeled after other housing trust formation bills which have previously been approved by the Legislature. When legislation has been introduced and has a bill number, we will ask you for formal support of the bill. At this time, we are not asking for your commitment to join a regional housing trust, but would like to know if you think your city will become a charter member of the trust if it is created.

Other subregions in Los Angeles County have already created or are in the process of creating regional housing trusts and received state earmarks. We feel that this is a good time for the South Bay to take advantage of the support in Sacramento to request funding specifically for cities in our subregion to begin addressing their affordable housing needs.

Should you have any questions, please feel free to contact SBCCOG Senior Project Manager, David Leger at DavidL@southbaycities.org or (310) 371-7222. **Please email letters of support to David by May 25th, 2022.**

Sincerely,



Drew Boyles
Chair, SBCCOG Board of Directors
Mayor, City of El Segundo



Stacey Armato
SBCCOG Legislative Committee Chair
Council Member, City of Hermosa Beach

Attachment: Draft legislation

CC: City Manager and Community Development Director

Senate Bill No. XXX

CHAPTER 670

An act to add Section 6539.6 to the Government Code, relating to joint powers.

SB XXX, (Senator). Joint powers authorities: South Bay Regional Housing Trust.

The Joint Exercise of Powers Act authorizes 2 or more public agencies, by agreement, to form a joint powers authority to exercise any power common to the contracting parties, as specified. Existing law authorizes the agreement to set forth the manner by which the joint powers authority will be governed. That act specifically authorizes the creation of the Orange County Housing Finance Trust, a joint powers authority, for the purposes of funding housing specifically assisting the homeless population and persons and families of extremely low, very low, and low income within the County of Orange, as specified.

This bill would similarly authorize the creation of the South Bay Regional Housing Trust, a joint powers authority, by the County of Los Angeles and any or all of the cities within the jurisdiction of the South Bay Cities Council of Governments, with the stated purpose of funding housing to assist the homeless population and persons and families of extremely low, very low, and low income within the South Bay. The bill would authorize the South Bay Regional Housing Trust to fund the planning and construction of housing, receive public and private financing and funds, and authorize and issue bonds. The bill would require that the joint powers agreement establishing the South Bay Regional Housing Trust incorporate specified annual financial reporting and auditing requirements.

This bill would make legislative findings and declarations as to the necessity of a special statute for the South Bay Cities region of Los Angeles County.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares the following:

(a) California has an affordable housing crisis, which is especially acute in the South Bay Cities region of Los Angeles County due to the high cost of housing in that area, even in formerly affordable communities.

(b) The establishment of the South Bay Regional Housing Trust to receive available public and private funds could help finance affordable housing projects for homeless and low-income populations.

SEC. 2. Section 6539.6 is added to the Government Code, to read:

6539.6. (a) (1) Notwithstanding any other law, the County of Los Angeles and any or all of the cities within the jurisdiction of the South Bay Cities Council of Governments may enter into a joint powers agreement pursuant to this chapter to create and operate a joint powers agency to fund housing to assist the homeless population and persons and families of extremely low, very low, and low income, as defined in Section 50093 of the Health and Safety Code, within the South Bay Cities region.

(2) The joint powers agency created pursuant to this section shall be known as the South Bay Regional Housing Trust, and shall be created and operate in accordance with this section.

(b) (1) The South Bay Regional Housing Trust shall be governed by a board of directors, consisting of an appropriate number of directors to be determined by the governing board of the South Bay Cities Council of Governments.

(2) (A) The board of directors shall be appointed by the governing board of the South Bay Cities Council of Governments and shall include Mayors, Council Members, or County of Los Angeles Supervisors that represent either of the following:

(i) A city that is a party to the joint powers agreement.

(ii) A County of Los Angeles board of supervisor district that is located wholly or partially within the territory of the South Bay Cities Council of Governments, if the county is a party to the joint powers agreement.

(B) Two members of the board of directors shall be experts in homeless or housing policy.

(3) The board of directors shall elect a chairperson and a vice chairperson from among its members at the first meeting held in each calendar year.

(4) (A) Members of the board of directors shall serve without compensation.

(B) Members of the board of directors may be reimbursed for actual expenses subject to the approval of the governing board of the South Bay Regional Sustainable Housing Trust. Actual expenses shall be approved before they are incurred.

(5) If a vacancy occurs on the board of directors, the governing board of the South Bay Cities Council of Governments shall appoint a qualified individual to fill the vacancy within 60 days of the vacancy.

(c) Notwithstanding any other law, the South Bay Regional Housing Trust may do any of the following:

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

(2) Receive public and private financing and funds.

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

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

(e) The South Bay Regional Housing Trust shall comply with the regulatory guidelines of each specific state funding source received.

SEC. 3. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances, described in Section 1 of this act, in the South Bay Cities region of Los Angeles County.