

Date of Hearing: April 17, 2024

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

AB 2593 (McCarty) – As Amended March 18, 2024

SUBJECT: Joint Exercise of Powers Act: Sacramento County Partnership on Homelessness.

SUMMARY: Specifies that qualified local agencies may enter into a joint powers agreement (agreement) to assist the homeless population within Sacramento County. Specifically, **this bill:**

- 1) Defines “qualified local agency” as a city or county that has jurisdiction within geographical borders of the County of Sacramento and that has a population of at least 50,000, as determined by the most recent federal decennial census or a subsequent census between United States Decennial censuses that is validated by the Demographic Research Unit of the Department of Finance.
- 2) Authorizes any qualified local agency to enter into an agreement with any other qualified local agencies pursuant to the Joint Exercise of Powers Act (JPA Law) to create and operate a joint powers agency (JPA) to assist the homeless population, to coordinate homelessness response, and to develop and manage a comprehensive strategic plan to address homelessness within the County of Sacramento.
- 3) Requires the JPA created pursuant to this bill to be known as the Sacramento County Partnership on Homelessness (SCPH), and to be created and operate pursuant to this bill.
- 4) Specifies that the SCPH shall be governed by a board of directors and that the agreement shall set forth the composition and membership requirements of the board of directors.
- 5) Allows the voting procedures of the SCPH’s board of directors to be determined by taking into consideration the population of each qualified local agency that is a member of the partnership.
- 6) Requires an executive director to serve as the partnership’s chief executive officer and as secretary of the board of directors, but shall not have voting rights. Actual expenses shall be approved before they are incurred.
- 7) Specifies that the SCPH shall comply with the regulatory guidelines of each specific state funding source received.
- 8) 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 facing the County of Sacramento with regard to the homelessness crisis.

EXISTING LAW:

Enacts JPA Law, which allows two or more public agencies to use their powers in common if they sign an agreement. (Government Code (GC) (6500-6539.9).

FISCAL EFFECT: None.

COMMENTS:

- 1) **Bill Summary.** This bill authorizes qualified local agencies in Sacramento County to enter into an agreement with any other qualified local agency in Sacramento County to create a JPA to assist the homeless population to coordinate homelessness response, and to develop and manage a comprehensive strategic plan to address homelessness. This bill requires the name of the JPA to be the SCPH and places specified requirements on the SCPH. This bill is sponsored by the author.
- 2) **Author’s Statement.** According to the author, “Homelessness is an issue that we must tackle together. I appreciate the innovative city-county efforts to tackle homelessness, but we need a more robust local collaboration if we are going to solve this problem. This partnership will help us make a tangible difference in the lives of homeless individuals, and restore the well-being and vitality of Sacramento County communities.”
- 3) **Joint Powers Agencies.** JPA Law allows two or more public agencies to use their powers in common if they sign an agreement. Sometimes an agreement creates a new, separate public entity called a joint powers agency or joint powers authority. Entities that can exercise joint powers include federal agencies, state departments, counties, cities, special districts, school districts, federally recognized tribal governments, and even other joint powers authorities.

Public agencies can also use JPA Law and the related Marks-Roos Local Bond Pooling Act to form bond pools to finance public works, working capital, insurance needs, and other public benefit projects. JPAs can issue one large Marks-Roos Act bond and then loan the capital to local agencies, thus creating a “bond pool.” Bond pooling saves money on interest rates and finance charges. It also lets smaller local agencies enter the bond market. Because JPAs are entities separate from its members, and so are not bound by the same limitations on debt issuance, voters need not approve bonds JPAs issue.

- 4) **Housing Trusts.** The Legislature recently authorized the creation of five new JPAs for funding the development of housing for homeless and low-income individuals and families. The statutorily authorized agencies include the following:
 - a) The Orange County Housing Finance Trust (2018).
 - b) The San Gabriel Valley Regional Housing Trust (2019)
 - c) The Western Riverside County Housing Finance Trust (2021).
 - d) The Burbank-Glendale-Pasadena Regional Housing Trust (2022).
 - e) The South Bay Regional Housing Trust (2022).

The authorizing statutes creating each of these trusts include standards and operating conditions substantially similar to the standards and conditions that would apply to trusts formed under the authority proposed in this bill. SB 20 (Rubio), Chapter 147, Statutes of 2023 generally authorized any two or more local agencies to enter into an agreement to

create a regional housing trust to fund housing for people experiencing homelessness and persons and families of extremely low-, very low-, and low-income within their jurisdictions.

- 5) **Homelessness in California and Sacramento.** In its December 2023 Annual Homelessness Assessment Report to Congress, the U.S. Department of Housing and Urban Development (HUD) estimated that California estimated that 181,399 people are experiencing homelessness in the State, and California accounts for 28% of all people experiencing homelessness in the United States. HUD reported in 2023 that Sacramento County's point-in-time (PIT) count was 9,281 homeless persons.

On December 6th, 2022, the City of Sacramento and Sacramento County entered into the Homeless Services Partnership Agreement, an agreement to provide services and programs to the unhoused population within the City of Sacramento. According to the partnership's 6-month update, City and County leadership finalized collaboration protocols in March, and several interagency workgroups have been meeting regularly.

Sacramento Steps Forward (SSF) is the lead agency for the Sacramento Continuum of Care and a non-profit organization formed to facilitate the provision of homeless services and housing in the Sacramento Region. According to a December 2023 report from SSF, "The Partnership Agreement between the City of Sacramento and the County of Sacramento has been highlighted by the City and County, as well as other partners, as a step in the right direction to better align the efforts of these jurisdictions to more effectively meet the needs of people experiencing homelessness. The City/County Partnership Agreement formalizes City and County coordination and outlines the role of each partner to invest in and coordinate strategies and programs to prevent and end homelessness. It was noted by many that the scope of the Partnership Agreement is limited (the primary focus is behavioral health and emergency services) and would be a more effective coordination tool if the scope were expanded to include all roles and responsibilities of the City and County in preventing and addressing homelessness."

The 2022-2023 Sacramento County Grand Jury (SCGJ) conducted a report into the strategies, programs, and working relationships between the county and the seven incorporated cities (Citrus Heights, Elk Grove, Folsom, Galt, Isleton, Rancho Cordova, and Sacramento). One of the recommendations by the SCGJ was that the County and the seven incorporated cities should implement a JPA to address homelessness by December 1, 2023. The Grand Jury noted that, "The SCGJ studied other California counties that successfully coordinated efforts to address the homeless issue. They have formed JPAs through legislation to develop housing trusts. All of these JPAs use a governing board comprised of elected officials from each jurisdiction. This is a critical model of successful JPAs. These efforts reflect the best practices and solutions to homelessness as demonstrated by reductions in the PIT counts."

- 6) **Previous Legislation.** SB 1177 (Portantino) Chapter 173, Statutes of 2022, authorized the creation of the Burbank-Glendale-Pasadena Regional Housing Trust.

SB 1444 (Allen) Chapter 672, Statutes of 2022, authorized the creation of the South Bay Regional Housing Trust.

AB 687 (Seyarto) Chapter 120, Statutes of 2021, authorized the creation of the Western Riverside County Housing Finance Trust.

SB 751 (Rubio) Chapter 670, Statutes of 2019, authorized local agencies within the San Gabriel Valley Council of Governments to enter into a JPA to fund housing.

AB 448 (Daly) Chapter 336, Statutes of 2018, authorized the creation of the Orange County Housing Finance Trust as a JPA in the County of Orange.

- 7) **Arguments in Support.** According to the Sacramento Regional Coalition to End Homelessness, “To move forward, we must work together, learn from the mistakes and successes of others, and be strategic while utilizing an economy of scale to maximize the impact of our tax dollars. Lately, there have been multiple calls for more regional partnership on this issue, including to establish a coordinated system for homeless services in our region. It is a model that has shown promise elsewhere.

“That is why we are supportive of AB 2593, which would establish a Joint Powers Authority known as the ‘Sacramento County Partnership on Homelessness’. It is imperative that our leaders and a range of stakeholders, including people with lived experience of homelessness, meet regularly in a transparent manner, set concrete strategies with clear goals and objectives, share resources, and most importantly, follow a regional strategic plan to address homelessness. Such a plan has already been developed by Sacramento’s Continuum of Care provider, Sacramento Steps Forward, but needs the accountability that a Joint Powers Authority would provide.”

- 8) **Arguments in Opposition.** None on file.
- 9) **Double-Referral.** This bill is double-referred to the Assembly Committee on Housing and Community Development.

REGISTERED SUPPORT / OPPOSITION:

Support

Hope Cooperative
 Sacramento City Vice Mayor Caity Maple, District 5
 Sacramento Regional Coalition to End Homelessness

Opposition

None on file

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