

Date of Hearing: June 17, 2026

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

SB 799 (Allen) – As Amended June 8, 2026

**SENATE VOTE:** 39-0

**SUBJECT:** Joint powers authorities: South Bay Regional Housing Trust.

**SUMMARY:** Allows the South Bay Regional Housing Trust (SBRHT) to fund housing to assist persons and families of moderate income, allows the board of directors to appoint alternates, and makes additional changes. Specifically, **this bill:**

- 1) Allows SBRHT to fund the planning and construction of housing of all types and tenures for persons and families of moderate income, as defined in specified existing law, using any private resources available to the SBRHT.
- 2) Allows SBRHT to fund the preservation of housing of all types and tenures for the homeless population and persons and families of extremely low, very low, and low income including, but not limited to, permanent supportive housing.
- 3) Authorizes the SBRHT board of directors to appoint and designate alternate members to the board of directors. An alternate member may include any of the following:
  - a) An elected or appointed member of the governing body of the party to the joint powers agreement (JPA).
  - b) An appointed member of an advisory body of the party to the JPA.
  - c) A staff member of the party to the JPA.
  - d) A member of the public who is an expert in homelessness or housing policy.
- 4) Requires all directors and alternates to be subject to the board's adopted conflict of interest code.
- 5) Provides that each alternate that is currently not an elected official shall not participate as a voting member in more than 75% of all meetings in a calendar year.
- 6) Provides flexibility regarding when the SBRHT board of directors elects the chairperson and vice chairperson by adding the option to elect them at the first meeting of the calendar year or fiscal year.
- 7) Requires the JPA to establish the process for appointing a qualified individual to fill a vacancy, instead of requiring the South Bay Cities Council of Governments (SBCCOG) to make such appointments.
- 8) Makes clarifying and technical changes.

- 9) 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 following unique circumstances in the South Bay Cities region of the County of Los Angeles:
- a) California has an affordable housing crisis, which is especially acute in the South Bay Cities region of the County of Los Angeles 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, low-income, and moderate-income populations.

**FISCAL EFFECT:** None.

**COMMENTS:**

- 1) **Author’s Statement.** According to the author, “California has an affordable housing crisis, which is especially acute in the South Bay Cities region of the County of Los Angeles due to the high cost of housing in that area, even in formerly affordable communities. SB 1444 (Allen, 2022) authorized the establishment of the South Bay Regional Housing Trust (SBRHT), a joint powers authority, to fund the planning and construction of affordable housing, receive public and private financing and funds, and authorize and issue bonds.

“As SBRHT is currently in the process of being established, certain needed revisions to the original authorizing statute were identified that would help the trust operate more effectively. SB 799 makes these changes to support SBRHT in its mission to address housing and homelessness in our district.”

- 2) **Background.** The Joint Exercise of Powers Act allows two or more public agencies to use their powers in common if they sign a joint powers 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 Indian tribes, and even other joint powers authorities.

Public agencies can also use the 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.

- 3) **Housing Trusts.** The Legislature recently created three new JPAs for the purpose of funding the development of housing for homeless and low-income individuals and families. AB 448 (Daly) Chapter 336, Statutes of 2018, authorized the creation of the Orange County Housing Finance Trust (OCHFT) as a JPA among the County of Orange and cities located in the county. To date, 23 of the 34 cities in the county are members of the JPA. According to the OCHFT, its members share the goal of creating 2,700 permanent supportive housing and

affordable housing units by June 30, 2025. As of January 2022, OCHFT completed or began construction of 1,676 units, with another 961 awaiting sufficient funding. OCHFT funded these units by leveraging matching grant funds from the state's Local Housing Trust Fund (LHTF) program to issue deferred payment loans to developers.

SB 751 (Rubio) Chapter 670, Statutes of 2019, authorized the creation of the San Gabriel Valley Regional Housing Trust (SGVRHT) as a JPA among some of the cities throughout the San Gabriel Valley. According to the SGVRHT, the Trust received \$1 million in matching grant funds from the LHTF Program for the construction of 71 affordable housing units across two projects in the cities of Claremont and Pomona scheduled for completion in 2022. Additionally, SGVRHT funded a non-congregate emergency shelter pilot program.

AB 687 (Seyarto) Chapter 120, Statutes of 2021, authorized the creation of the Western Riverside County Housing Finance Trust (WRCHFT). So far, the potential WRCHFT member agencies have not signed on to an agreement to create the agency.

SB 20 (Rubio), Chapter 147, Statutes of 2023, allowed local agencies to create regional housing trusts by forming JPAs for the purposes of funding the planning and construction of housing for the homeless and low-income persons.

- 4) **SBRHT.** SB 1444 (Allen), Chapter 672, Statutes of 2022, authorized the County of Los Angeles and any or all of the cities within the jurisdiction of the SBCCOG to enter into a JPA 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 within the South Bay Cities region. Among other provisions, SB 1444:

a) Provided the following regarding the SBRHT board of directors:

- i) Requires the SBCCOG to appoint the board of directors and determine the appropriate number of directors.
- ii) Required the board of directors to include mayors, councilmembers, or County of Los Angeles supervisors that represent either a city that is a party to the JPA or a County of Los Angeles Board of Supervisors district that is located wholly or partially within the territory of the SBCCOG, if the county is a party to the JPA.
- iii) Required two members of the board of directors to be experts in homeless or housing policy.
- iv) Required the board of directors to elect a chairperson and vice chairperson from among its members at the first meeting held in each calendar year.
- v) Required members of the board of directors to serve without compensation.
- vi) Authorized the SBRHT to reimburse directors for pre-approved actual expenses.
- vii) Required the governing Board of the SBCCOG to appoint a qualified individual to fill a vacancy on the board of directors within 60 days of the vacancy.

b) Allowed the SBRHT to do any of the following:

- i) Fund the planning and construction of housing of all types and tenures for the homeless populations and persons and families of extremely low, very low, and low income including, but not limited to, permanent supportive housing.
  - ii) Receive public and private financing and funds.
  - iii) Authorize and issue bonds, certificates of participation, or any other debt instrument repayable from funds and financing received and pledged by the South Bay RHT.
- c) Required the South Bay RHT to incorporate into its JPA annual financial reporting and auditing requirements that maximize transparency and public information related to the receipt and use of funds by the agency. States that the annual financial report shall show how the funds have furthered the purposes of the South Bay RHT.

- 5) **Bill Summary.** This bill allows SBRHT to fund the planning and construction of housing of all types and tenures for persons and families of moderate income using any private resources available to the SBRHT. This bill also allows SBRHT to fund the preservation of housing of all types and tenures for the homeless population and persons and families of extremely low, very low, and low income.

This bill authorizes the SBRHT board of directors to appoint and designate alternate members to the board of directors, which may include:

- a) An elected or appointed member of the governing body of the party to the joint powers agreement (JPA).
- b) An appointed member of an advisory body of the party to the JPA.
- c) A staff member of the party to the JPA.
- d) A member of the public who is an expert in homelessness or housing policy.

All directors and alternates shall be subject to the board's adopted conflict of interest code. Each alternate that is currently not an elected official shall not participate as a voting member in more than 75% of all meetings in a calendar year.

This bill provides flexibility regarding when the SBRHT board of directors elects the chairperson and vice chairperson by adding the option to elect them at the first meeting of the calendar year *or* fiscal year. This bill also requires the JPA to establish the process for appointing a qualified individual to fill a board vacancy, instead of requiring the SBCCOG to make such appointments.

This bill is sponsored by SBCCOG.

- 6) **Previous Legislation.** SB 20 (Rubio), Chapter 147, Statutes of 2023, allowed local agencies to create trusts by forming JPAs for the purposes of funding the planning and construction of housing for the homeless and low-income persons.

SB 1444 (Allen), Chapter 672, Statutes of 2022, authorized the County of Los Angeles and specified cities within the county to form the SBRHT.

SB 1177 (Portantino), Chapter 173, Statutes of 2022, authorized the creation of the Burbank-Glendale-Pasadena 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 cities 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.** SBCCOG, sponsor of this bill, states, “The SBCCOG and its member cities explored methods to increase affordable housing development in the South Bay over the last couple of years, one of which was the concept of a regional housing trust. Over the last year, the SBCCOG studied SBRHT formation in greater detail through a REAP 2.0 grant from HCD & SCAG. In November 2025, the SBCCOG Board of Directors formally recommended that its member cities form and join the SBRHT. To date, 11 cities have voted to join the SBRHT which held its inaugural Board meeting on April 30<sup>th</sup> and made its first funding award at its May 21<sup>st</sup> meeting.

“As the formation of the SBRHT was being explored, certain administrative revisions to its formation legislation have been identified that would allow the SBRHT Board to operate more effectively and be more responsive to its own governance needs and to the communities it serves. One of the modifications in SB 799 would allow for member cities to consider appointment of non-elected officials to serve as their alternate member to the SBRHT Board of Directors. Affordable housing financing is a complicated subject that will require a significant time commitment as well as some level of experience or expertise to make informed decisions. The appointment of the alternate – elected or non-elected – would remain the city’s decision and that individual will still be accountable to that city, but this proposed revision allows the city the discretion which is especially important with council term limits and in smaller cities where councilmembers have other full-time jobs. The SBRHT would benefit from having the consistency, experience and expertise on its Board that this modification would allow.

“SB 799 also expands the scope of housing activities the SBRHT may fund in two meaningful ways. First, the bill now expressly adds the SBRHT to fund the preservation of existing housing—not just planning and new construction—for extremely low, very low, and low income households. Preserving existing affordable units is often more cost-effective than building new ones, and this change gives the SBRHT a critical additional tool to protect at-risk housing stock in the South Bay, particularly naturally occurring affordable housing.

“Second, the bill adds authority for the SBRHT to fund the planning and construction of housing for persons and families of moderate income using private resources. This amendment creates a distinct, private-funds-only pathway to serve moderate-income households—a population that is increasingly cost-burdened in the South Bay but often falls above the threshold for traditional affordable housing programs. Together, these provisions significantly strengthen the SBRHT’s ability to address the full spectrum of housing need in the region.”

8) **Arguments in Opposition.** None on file.

9) **Double-Referral.** This bill is double-referred to the Assembly Housing and Community Development Committee.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

South Bay Cities Council of Governments [SPONSOR]

City of Rancho Palos Verdes

City of Redondo Beach

City of Rolling Hills Estates

City of Torrance

**Opposition**

None on file.

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