

Date of Hearing: August 20, 2018

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT
Cecilia Aguiar-Curry, Chair
AB 448 (Daly and Quirk-Silva) – As Amended June 28, 2018

SUBJECT: Joint powers authorities: Orange County Housing Finance Trust.

SUMMARY: Allows Orange County and any city in Orange County to create the Orange County Housing Finance Trust.

The Senate amendments delete the Assembly version of this bill, and instead:

- 1) Allow Orange County and any city in Orange County to create the Orange County Housing Finance Trust (Trust) to:
 - a) 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, including permanent supportive housing;
 - b) Receive public and private financing or funds; and,
 - c) Authorize and issue bonds, certificates of participation, or other debt instruments repayable from public and private financing and funds it receives.
- 2) Provide that the Trust will be governed by a board of directors consisting of elected officials representing Orange County or representative cities that are parties to the agreement.
- 3) Require the Trust to incorporate into its joint powers agreement (JPA) annual financial reporting and auditing requirements that maximize transparency and public information as to the receipt of the Trust's use of funds. The report must show how the funds have furthered the Trust's purposes.
- 4) Direct the Trust to comply with the regulatory guidelines of each specific state funding source received.
- 5) Make legislative findings and declarations supporting its purposes, and justifying the need for special legislation that applies solely to Orange County.

EXISTING LAW:

- 1) Enacts the Joint Exercise of Powers Act, which allows two or more public agencies to use their powers in common if they sign a JPA.
- 2) Allows agencies that include federal agencies, state departments, counties, cities, special districts, school districts, federally recognized Indian tribes, and even other joint powers authorities to enter into JPAs.
- 3) Permits public agencies to 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.

AS PASSED BY THE ASSEMBLY, this bill required a local agency to provide notice of a new parcel tax to non-resident property owners, pursuant to existing law, within thirty days of the certification of the election approving the new parcel tax.

FISCAL EFFECT: None

COMMENTS:

- 1) **Bill Summary.** This bill allows Orange County and any city in that County to create, through a JPA, the Orange County Housing Finance Trust. The purpose of the Trust is to 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, including permanent supportive housing. The Trust can also receive public and private financing or funds and authorize and issue bonds, certificates of participation, or other debt instruments, as specified. The board of directors of the Trust will consist of elected officials representing Orange County or representative cities that are parties to the agreement.

This bill is sponsored by the Association of California Cities – Orange County.

- 2) **Author's Statement.** According to the author, "This bill establishes the Orange County Housing Finance Trust, a public-private effort to reduce homelessness through the development of permanent supportive housing. In late May, the Orange County Grand Jury released a report based on a study of homelessness in the region. Entitled "Where There's a Will, There's a Way," the report highlights the effectiveness of permanent supportive housing in ending homelessness for individuals and families.

"In addition, a recent UC Irvine study found that Orange County government and cities, plus non-governmental organizations, could save \$42 million a year on healthcare and law enforcement, among other expenses, by moving those homeless from the streets into permanent supportive housing. Currently, the County has a total of 2,546 units of permanent supportive housing, all of which are at full capacity. In order to ensure that sufficient numbers of permanent supportive housing units are built, the Orange County government and the 34 cities need a single purpose joint powers authority that will serve as a convener of all stakeholders and collaborators. The Trust will serve as a vehicle for accomplishing this objective, by acting as a financing and funding entity for the development of such housing."

- 3) **Arguments in Support.** Supporters argue that the collaborative approach contained in the bill will ensure that local agencies are working together toward pragmatic solutions.
- 4) **Arguments in Opposition.** None on file.
- 5) **Substantially Amended.** This bill was gutted-and-amended in the Senate, and its contents have not been heard by an Assembly committee this legislative session.

REGISTERED SUPPORT / OPPOSITION:

Support

Association of California Cities-Orange County [SPONSOR]
California Building Industry Association
Children's Cause Orange County
Cities of Buena Park, Costa Mesa, Fullerton, and Tustin
Community Action Partnership of Orange County
Families Forward
Gay and Lesbian Community Services Center of Orange County
Housing is a Human Right-OC
Junior League of Orange County
Kaiser Permanente
Mercy House Living Centers
Orange County Business Council
Orange County Communities Organized for Responsible Development
Orange County Board of Supervisors
Orange County Food Access Coalition
Orange County Realtors
Orange County United Way
Pathways of Hope
People for Housing Orange County
UNITE-HERE
United to End Homelessness
Women For: Orange County

Opposition

None on file

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