

Date of Hearing: June 8, 2022

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Cecilia Aguiar-Curry, Chair

SB 1177 (Portantino) – As Amended April 4, 2022

SENATE VOTE: 33-0

SUBJECT: Joint powers authorities: Cities of Burbank, Glendale, and Pasadena.

SUMMARY: Authorizes the cities of Burbank, Glendale, and Pasadena to form a Regional Housing Trust. Specifically, **this bill:**

- 1) Allows the Cities of Burbank, Glendale, and Pasadena to enter into a joint powers agreement (JPA) pursuant to this bill 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, low income, and moderate income within their jurisdiction.
- 2) Entitles the joint powers agency the Burbank-Glendale-Pasadena Regional Housing Trust (RHT).
- 3) Provides the following regarding the Burbank-Glendale Pasadena RHT board of directors:
 - a) Requires the board of directors to consist of a minimum of three directors who are elected officials representing the cities involved in the JPA.
 - b) Requires the board of directors to consist of members equally appointed by each of the three representative cities.
 - c) Specifies that the board of directors elect a chairperson and vice chairperson from among its members at the first meeting held in each calendar year.
 - d) Provides that the members of the board of directors serve without compensation.
 - e) Authorizes the Burbank-Glendale-Pasadena RHT to reimburse directors for pre-approved actual expenses.
 - f) Requires a member of the board of directors to serve a term of two years.
 - g) States that if a vacancy occurs on the board of directors, an individual shall fill the vacancy as outlined in the JPA, and provides that an appointment to fill a vacancy shall be effective only for the remainder of the term of the office that became vacated.
- 4) Allows the Burbank-Glendale-Pasadena RHT to do any of the following:
 - a) Fund the planning, acquisition, and construction of housing of all types and tenures for the homeless population and persons and families of extremely low, very low, low and moderate income, including but not limited to permanent supportive housing.
 - b) Receive public and private financing and funds.

- c) Authorize and issue bonds, certificates of participation, or any other debt instrument repayable from funds and financing received and pledged by the Burbank-Glendale-Pasadena RHT.
- 5) Requires the Burbank-Glendale-Pasadena 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 use of funds furthers the purposes of the Burbank-Glendale-Pasadena RHT.
- 6) Specifies that the Burbank-Glendale-Pasadena RHT must comply with the regulatory guidelines associated with each specific state funding source it receives.
- 7) Makes findings and declarations regarding the need for this bill, including the necessity for a special statute because of the unique circumstances regarding homelessness, low-income populations, and the need for affordable housing in the Arroyo Verdugo areas of Burbank, Glendale, and Pasadena.

EXISTING LAW:

- 1) Enacts the Joint Exercise of Powers Act (JPA law), which allows two or more public agencies to use their powers in common if they sign a JPA.
- 2) Allows specified entities including federal agencies, state departments, counties, cities, special districts, school districts, federally recognized Indian tribes, and 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.

FISCAL EFFECT: None.

COMMENTS:

- 1) **Bill Summary.** This bill creates the Burbank-Glendale-Pasadena RHT for the purposes of funding the planning and construction of housing for the homeless and low-income persons and families in the region. The bill establishes a board of directors and governing structure for the Burbank-Glendale-Pasadena RHT and requires that its governing agreement include requirements that maximize transparency with respect to public funds administered by the Burbank-Glendale-Pasadena RHT.

This bill is sponsored by the Cities of Burbank, Glendale, and Pasadena.

- 2) **Author's Statement.** According to the author, "Nearly all California communities have been impacted by the high cost of housing and the devastating effects it has had on lower income households. Lower income residents of the cities of Burbank, Glendale and Pasadena have been impacted particularly hard as the high cost of housing for the region has outpaced those in the surrounding Los Angeles County area and possess a unity of affordable housing challenges. This legislation will create a regional housing trust fund that would be

administered by a joint powers authority (JPA) comprised of the cities of Burbank, Glendale, and Pasadena. The JPA would be allowed to request and receive private and state funding allocations, as well as authorize and issue bonds, to help finance affordable housing projects for persons and families of extremely low, very low, low and moderate-income households to help address the local affordable housing crisis.”

- 3) **Joint Powers Agencies.** JPA Law 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 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 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.

- 5) **Burbank, Glendale, and Pasadena.** The Cities of Burbank, Glendale, and Pasadena collectively make up approximately 4.5% of Los Angeles County’s 10 million plus residents. Each city operates its own housing authority, which provides housing assistance to its residents. According to these cities, there are nearly 3,000 affordable housing units in their collective development pipeline. Without access to funding available through the creation of

a RHT, these cities do not anticipate obtaining sufficient funding to complete all these projects.

Seeking to create a regional entity to provide a variety of affordable housing opportunities ranging from rental subsidies to affordable housing project development, the cities of Burbank, Glendale, and Pasadena want to create the Burbank-Glendale-Pasadena RHT as a JPA.

- 6) **Arguments in Support.** The Cities of Burbank, Glendale, and Pasadena write in support, “The Cities of Burbank, Glendale, and Pasadena make up the Arroyo Verdugo Region and have worked collaboratively together in the past, sharing the goal of cooperatively addressing regional priorities and matters of mutual interest as evidenced by the Burbank, Glendale, and Pasadena Airport Authority and Arroyo Verdugo Dispatch Center. In addition, we each operate our own respective housing authority, and both Glendale and Pasadena are two of only three cities in the state to have their own continuum of care. We are fully staffed, trained, and committed to the concept of working collaboratively to develop more affordable housing for the region.

“The creation of a joint powers authority has the potential to generate significant amounts of funding that could be utilized to address the local affordable housing crisis. If approved, we look forward to discussions with our respective staff regarding the establishment of a fair share of funds to the three cities.”

- 7) **Arguments in Opposition.** None on file.
- 8) **Related Legislation.** SB 1444 (Allen) would allow for the creation of the South Bay Regional Housing Trust. SB 1444 is currently pending in this Committee.
- 9) **Previous Legislation.** 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.

REGISTERED SUPPORT / OPPOSITION:

Support

City of Burbank [CO-SPONSOR]
 City of Glendale [CO-SPONSOR]
 City of Pasadena [CO-SPONSOR]
 Abode Communities
 Ascencia
 Boys and Girls Club of Burbank
 Burbank Chamber of Commerce
 Burbank Community YMCA
 Burbank Housing

CA NAACP State Conference Office
CA State NAACP
Clergy Community Coalition
County of Los Angeles
Family Service Agency of Burbank
Friends in Deed
Home Again Los Angeles
Human Good
Linc Housing
Making Housing and Community Happen
NAACP Pasadena
Pasadena City College
Pasadena Community Foundation
Pasadena Partnership to End Homelessness
Providence St. Joseph Health
San Fernando Valley Council of Governments
San Gabriel Valley Council of Governments
Union Station Homeless Services

Opposition

None on file

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