

Date of Hearing: August 11, 2020

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Cecilia Aguiar-Curry, Chair

SB 1212 (Rubio) – As Amended May 18, 2020

SENATE VOTE: 39-0

SUBJECT: Joint powers authorities: San Gabriel Valley Regional Housing Trust: board of directors.

SUMMARY: Changes the membership and term requirements for the San Gabriel Valley Regional Housing Trust's (San Gabriel Valley RHT) board of directors (board). Specifically, **this bill:**

- 1) Requires seven of the nine board members to be either of the following:
 - a) A local elected official from the County of Los Angeles (LA County), or,
 - b) A member of a city council from a city that is a member of the San Gabriel Valley Council of Governments (San Gabriel Valley COG).
- 2) Requires the two board members who are experts in homeless and housing policy to meet all of the following criteria:
 - a) They shall not be local elected officials or employees of a city that currently has a representative on the board;
 - b) They shall have regional experience with affordable housing projects in multiple San Gabriel Valley cities; and,
 - c) They shall have at least five years of experience in homeless and housing policy.
- 3) Establishes staggered terms for the board members, as specified.
- 4) Requires each member of the board that represents a city that is a party to the joint powers agreement that governs the San Gabriel Valley RHT to be a resident of a different city.

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 joint powers agreement.
- 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 joint powers agreements.
- 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.

- 4) Allows any or all of the cities within the jurisdiction of the San Gabriel Valley COG to enter into a joint powers agreement to create and operate a JPA to fund housing to assist the homeless population and persons and families of extremely low, very low, and low income, as defined in existing law, within the San Gabriel Valley region and requires this JPA to be known as the San Gabriel Valley RHT.
- 5) Requires the San Gabriel Valley RHT to be governed by a board consisting of nine directors who are appointed by the San Gabriel Valley COG and serve two-year terms.
- 6) Requires seven members of the board to be members of the board of the San Gabriel Valley COG that represent either of the following:
 - a) A city that is party to the joint powers agreement; or,
 - b) An LA County Board of Supervisors district that is located wholly or partially within the territory of the San Gabriel Valley COG.
- 7) Requires two members of the board to be experts in homeless or housing policy.
- 8) Allows the San Gabriel Valley RHT to do any of the following:
 - 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, as defined in existing law, including, but not limited to, permanent supportive housing;
 - b) Receive public and private financing and funds; and,
 - c) Authorize and issue bonds, certificates of participation, or any other debt instrument repayable from funds and financing received pursuant to b), above, and pledged by the San Gabriel Valley RHT.
- 9) Requires the San Gabriel Valley RHT to 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.
- 10) Requires the San Gabriel Valley RHT to comply with the regulatory guidelines of each specific state funding source received.

FISCAL EFFECT: None

COMMENTS:

- 1) **Bill Summary.** This bill revises the membership requirements for the San Gabriel Valley RHT board. It specifies that seven of the nine board members must be either a local elected official from LA County, or a member of a city council from a city that is a member of the San Gabriel Valley COG. This bill also requires the two members of the board that must be experts in homeless or housing policy to meet additional criteria, as specified. The bill also establishes staggered terms for the board members, and requires each board member that represents a city that is a party to the joint powers agreement that governs the San Gabriel

Valley RHT to be a resident of a different city. This bill is sponsored by the San Gabriel Valley Council of Governments.

- 2) **Author’s Statement.** According to the author, “California faces a serious affordable housing and homelessness crisis. That is why I authored Senate Bill 751 in 2019 to create the San Gabriel Valley Regional Housing Trust, a critical tool for the cities of the San Gabriel Valley to participate in and collaborate together with private and public entities to address the housing and homeless crisis in the region. Since then, over a dozen cities have joined the Regional Housing Trust with an additional 7 cities expressing their intent to join soon.

“SB 1212 strengthens the San Gabriel Valley Regional Housing Trust by making three changes. First, it will guarantee continuity of experience by staggering the 2-year terms of the Trust’s board members. Second, it will maximize expertise on the board by prescribing background qualifications for board members. Third, it will ensure board decisions are equitable by requiring city representatives on the board be from different cities.

“The economic circumstances created by the COVID-19 pandemic make it critically important to ensure that housing does not become even more unaffordable. Residents that were already rent-burdened – devoting significantly more than 30% of their income towards rent – are struggling even more as they face job losses. As the pandemic continues, it is critically important to ensure that everyone is housed. The fastest, most effective, and cost-effective way to accomplish this is to mobilize and build upon existing coalitions of local governments, private entities, and service providers. The San Gabriel Valley Regional Housing Trust does exactly that and the changes to strengthen its board in this bill can serve as a model for other regions across the state.”

- 3) **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 government called a joint powers agency or joint powers authority (JPA). Agencies 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, voters need not approve bonds issued by JPAs.

- 4) **San Gabriel Valley.** The San Gabriel Valley in Southern California contains more than two million people, with 30 incorporated cities. Like numerous areas in California, many individuals in the San Gabriel Valley are homeless. Recent estimates put the number of homeless in the San Gabriel Valley at 4,489 people, according to a Los Angeles Homeless Services Authority 2019 point-in-time estimate.

The San Gabriel Valley COG is a JPA that coordinates the activities of local governments within the San Gabriel Valley on transportation, homelessness, water, and other issues.

The San Gabriel Valley COG comprises representatives from 30 cities, three LA County Supervisorial Districts, and the three Municipal Water Districts located in the San Gabriel Valley. Each of the 30 incorporated cities and each LA County Supervisorial District has one seat on its governing board. The three municipal water districts share one seat on the board.

- 5) **San Gabriel Valley RHT.** Last year, the Legislature enacted SB 751 (Rubio), Chapter 670, Statutes of 2019, which authorized the creation of the San Gabriel Valley RHT in order to fund the planning and construction of housing designed for low-income and homeless individuals. SB 751 required the San Gabriel Valley RHT's board to consist of nine directors appointed by the governing board of the San Gabriel Valley COG. Seven of the nine members of the San Gabriel Valley RHT board must be members of the San Gabriel Valley COG's governing board and represent either a city that is party to the San Gabriel Valley COG or a district within LA County that is located wholly or partly within the San Gabriel Valley COG.

While the San Gabriel Valley RHT has been formed, it is not yet operational. In late 2019, the San Gabriel Valley COG held a series of meetings to identify community members' concerns, suggestions, and ideas to support the development of the San Gabriel Valley RHT. Among the issues identified in the meetings was that an elected official of a city that is a party to the San Gabriel Valley COG, but is not a board member of the San Gabriel Valley COG, could not join the San Gabriel Valley RHT. Additionally, some members also raised concerns about particular cities having more than one member on the San Gabriel Valley RHT board. To address these concerns, the author seeks to modify the membership and terms of the San Gabriel Valley RHT board, and add qualifications for the two board member's expert positions.

- 6) **Comments.** SB 1212 expands the eligibility criteria for seven of the elected officials that sit on the San Gabriel Valley RHT board. Currently, members of the board must be *both* elected officials of a city that is party to the San Gabriel Valley COG *and* members of the San Gabriel Valley COG Board of Directors. SB 1212 would allow board members of the San Gabriel Valley RHT to be *either* members of a city council that is party to the San Gabriel Valley COG *or* local elected officials from LA County. For example, a city councilmember who represents a city that is a member of the San Gabriel Valley COG, but is not the board member of the San Gabriel Valley COG for their respective city, could now become a board member of the San Gabriel Valley RHT.

While SB 1212 expands eligibility for seven of the nine members of the board, it places additional restrictions on the remaining two members of the board who serve as policy experts. These members must have at least five years of experience in homeless and housing policy, as well as regional experience in affordable housing within multiple cities of the San Gabriel Valley. For example, if an individual from a state agency who specializes in affordable housing policy and has the minimum year qualification wanted to serve on the San Gabriel Valley RHT board, they would still be ineligible because they lacked the required regional expertise in the San Gabriel Valley. The Committee may wish to consider whether these additional requirements overly restrict the policy experts who can sit on the board.

- 7) **Arguments in Support.** The San Gabriel Valley COG, the sponsor of this bill, argues that by expanding "the eligibility to serve as one of the jurisdictional representatives to the San

Gabriel Valley RHT Board of Directors,” SB 1212 will accommodate “the diverse experiences and expertise related to housing and homelessness of all city councilmembers in the region – not just those that serve on the San Gabriel Valley COG Governing Board.”

The cities of Claremont, Covina, and Glendora note that SB 1212 will “strengthen the San Gabriel Valley RHT as cities vote to join it” as “the bill will (1) stagger the two-year terms of the San Gabriel Valley RHT’s board members to guarantee continuity of experience; (2) allow elected officials who are not their community’s representative on the San Gabriel Valley COG Governing Board to serve on the board of the San Gabriel Valley RHT to maximize expertise; and, (3) require representatives on the board of the San Gabriel Valley RHT be from different cities to ensure funding decisions are equitable.”

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

REGISTERED SUPPORT / OPPOSITION:

Support

San Gabriel Valley Council of Governments [SPONSOR]
Cities of Alhambra, Baldwin Park, Claremont, Covina, El Monte, Glendora, La Verne,
and Monrovia
San Gabriel Valley Consortium on Homelessness
San Gabriel Valley Economic Partnership

Opposition

None on file

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