

Date of Hearing: June 19, 2019

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Cecilia Aguiar-Curry, Chair

SB 751 (Rubio) – As Amended March 27, 2019

SENATE VOTE: 38-0

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

SUMMARY: Creates the San Gabriel Valley Regional Housing Trust. Specifically, **this bill:**

- 1) Allows any or all of the cities within the jurisdiction of the San Gabriel Valley Council of Governments (San Gabriel Valley COG) to enter into a joint powers agreement to create and operate a joint powers agency (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.
- 2) Requires the JPA created pursuant to this bill to be known as the San Gabriel Valley Regional Housing Trust (San Gabriel Valley RHT), and to be created and operate in accordance with this bill.
- 3) Requires the San Gabriel Valley RHT to be governed by a board of directors consisting of elected officials representing the representative cities that are party to the joint powers agreement.
- 4) 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.
- 5) 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. The annual financial report shall show how the funds have furthered the purposes of the San Gabriel Valley RHT.
- 6) Requires the San Gabriel Valley RHT to comply with the regulatory guidelines of each specific state funding source received.
- 7) Makes a number of findings and declarations regarding the need for this bill, including the necessity for special statute because of the unique circumstances regarding homelessness,

low-income populations, and the need for affordable housing in the San Gabriel Valley region.

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.

FISCAL EFFECT: None

COMMENTS:

- 1) **Bill Summary.** This bill creates the San Gabriel Valley RHT, and authorizes it to do the following:
 - a) Fund the planning and construction of all types and tenures of housing 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 instrument repayable from public and private financing and funds it receives.

Any or all of the cities within the San Gabriel Valley COG may enter into the agreement to create and operate the San Gabriel Valley RHT, which must be governed by a board of directors consisting of representation from the cities that are party to the agreement.

The San Gabriel Valley RHT must incorporate into its joint powers agreement annual financial reporting and auditing requirements that maximize transparency and public information as to the receipt of its use of funds. The report must show how the funds have furthered the purposes of the San Gabriel Valley RHT.

This bill is sponsored by the San Gabriel Valley COG.

- 2) **Author's Statement.** According to the author, "California has an affordable housing crisis, particularly in the San Gabriel Valley where the number of homeless people has continued to increase despite decreases in the overall homeless population of Los Angeles County. Permanent supportive housing and other services provided to those within that form of housing is a nationally recognized model for ending chronic homelessness, and can assist the San Gabriel Valley in its response to the homelessness crisis. SB 751 will enable the

creation of a regional housing trust to receive public and private financing and funds to plan and construct housing for the homeless and families of extremely low, very low, and low income. The bill will also ensure that this funding is used responsibly to address the homelessness crisis by requiring the regional housing trust to incorporate annual financial reporting and auditing requirements.”

- 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.

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 2,300 people, according to a Los Angeles Homeless Services Authority point-in-time estimate.

AB 448 (Daly), Chapter 336, Statutes of 2018, was a nearly identical bill that authorized the creation of the Orange County Housing Finance Trust. The Orange County Board of Supervisors approved the Orange County Housing Finance Trust JPA on March 13 of this year, and several cities have elected to join the JPA.

- 4) **Arguments in Support.** The San Gabriel Valley COG, sponsor of this bill, writes, “California has an affordable housing crisis, which is especially acute in the San Gabriel Valley due to the high cost of housing in that area, even in formerly affordable communities. Unlike other regions within the County of Los Angeles, the number of homeless people in the San Gabriel Valley has continued to increase. SB 751 (Rubio) will address the growing homelessness crisis in the San Gabriel Valley by authorizing the cities within the jurisdiction of the San Gabriel Valley COG to enter into a joint powers agreement to create and operate the San Gabriel Valley RHT.”
- 5) **Arguments in Opposition.** None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

San Gabriel Valley Council of Governments [SPONSOR]
Abundant Housing LA
Azusa Pacific University
California Apartment Association
Cities of Duarte, Irwindale, Monrovia, Pomona, and Rosemead
Compassionate Pomona
Corporation for Supportive Housing
First Presbyterian Church of Monrovia
Foothills Kitchen
Forward Progress
Interior Services
Los Angeles County Board of Supervisors
Mountainside Communion
National Association for the Advancement of Colored People
Pomona Fellowship Church of the Brethren
Progressive Christians Uniting
San Gabriel Valley Economic Partnership
Santa Fe Computer Science Magnet School
Tri-City Mental Health Authority
Union Station Homeless Services
United Way of Greater Los Angeles
Unity Church of Pomona
One individual

Opposition

None on file

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