
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2021 - 2022 Regular Session

SB 679 (Kamlager) - Los Angeles County: affordable housing

Version: April 19, 2021

Policy Vote: HOUSING 6 - 1, GOV. & F. 4
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Urgency: No

Mandate: No

Hearing Date: May 17, 2021

Consultant: Mark McKenzie

Bill Summary: SB 679 would establish the Los Angeles County Affordable Housing Solutions Agency (LACAHSAs) to increase affordable housing through enhanced regional funding and technical assistance for renter protections, as well as affordable housing preservation and production.

Fiscal Impact:

- Estimated initial costs in the range of \$1 million annually, at a minimum, to provide staffing and resources to support LACAHSAs. (General Fund) See Staff Comments.
- Unknown major funding would be required to provide the specified region-wide technical assistance and resources for affordable housing production and preservation, and for renter programs and services. The bill does not specify a funding source, but includes legislative findings that providing a regional financing mechanism for these purposes is a matter of statewide concern.

Background: Existing law, as enacted by AB 1487 (Chiu), Chap. 598/2019, establishes the Bay Area Housing Finance Authority (BAHFA), to raise, administer, and allocate funding and provide technical assistance at a regional level for tenant protection, affordable housing preservation, and new affordable housing production. The Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) govern BAHFA and provide region-wide housing planning. Existing law authorizes BAHFA's board to place the following types of revenue-generating measures on the ballot in all nine Bay Area counties: (1) various types of special taxes, including parcel taxes; (2) a regional commercial linkage fee; and (3) general obligation and revenue bonds.

If approved, BAHFA retains some of the funds to spend, and distributes remaining funds directly to counties and specified cities for certain housing projects, programs, and to raise, administer, and allocate funding and provide technical assistance at a regional level for tenant protection, affordable housing preservation, and new affordable housing production related infrastructure.

Proposed Law: SB 679 would enact the Los Angeles County Regional Housing Finance Act and establish LACAHSAs to increase affordable housing in Los Angeles County by providing for significantly enhanced funding and technical assistance at a regional level for renter protections, affordable housing preservation, and new affordable housing production, as specified, with financing priority on the lowest levels of affordability.

The measure would require LACAHSAs to be governed by a board with 13 voting members from Los Angeles County, representative of the diverse cities and unincorporated communities across the County. Board members would be authorized to receive per diem payments of up to \$100 per meeting for up to two meetings per month. The LACAHSAs board can make necessary regulations and enact resolutions necessary to govern the authority, the conduct of meetings, and the transaction of business. SB 679 would also require the board to form an advisory committee of nine members with knowledge and experience in affordable housing finance and development, tenant protection, and housing preservation to provide consultation and make recommendations to the LACAHSAs board. The first meeting of the board must be held at a time and place within the county that is fixed by the County Clerk, and subsequent meetings at times and places determined by the board.

Related Legislation: AB 1487 (Chiu), Chap. 598/2019, established BAHFA, specified the governing structure and powers of the BAHFA Board, and authorized BAHFA to raise and allocate new revenues for the construction of new affordable housing, affordable housing preservation, tenant protection programs, planning and technical assistance, and infrastructure to support housing, as specified.

Staff Comments: The bill as currently drafted does not provide guidance concerning how the LACAHSAs would be staffed or funded. The 13-member Milton Marks “Little Hoover” Commission on California State Organization and Economy (Little Hoover Commission) could serve as a proxy to illustrate the base expenses of staffing and resources; it has six dedicated staff and an annual budget of approximately \$1.2 million (salaries and benefits of about \$1 million, and about \$230,000 in operating expenses and equipment). Staff assumes that the LACAHSAs would require at least this level of staffing initially to support the Agency and advisory subcommittee in developing program implementation and funding guidelines, and holding up to 24 meetings per year. Additional staffing and resources will be required to implement and administer the programs envisioned by this bill. No funding source is currently specified, so staff assumes initial staff administrative costs will be borne by the General Fund.

SB 679 specifies that the LACAHSAs would provide “significantly enhanced funding and technical assistance at a regional level for renter protections, affordable housing preservation, and new affordable housing production.” The bill does not specify a funding source for these programs, but such an effort would require significant funding and resources, likely in the tens of millions of dollars, and potentially in excess of \$100 million annually.

Recommended Amendments: The bill should be amended to add the following key components, as indicated in the Senate Governance and Finance Committee analysis:

- A detailed governance structure that defines who serves on the board;
- The specific powers LACAHSAs will have;
- The ability for LACAHSAs to place measures on the ballot;
- A set of revenue generating tools;
- An expenditure plan; and
- A plan to hold LACAHSAs accountable for its spending