
SENATE COMMITTEE ON LOCAL GOVERNMENT

Senator María Elena Durazo, Chair
2025 - 2026 Regular

Bill No: SB 799
Author: Allen
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Fiscal: No
Consultant: Vargas

JOINT POWERS AUTHORITIES: SOUTH BAY REGIONAL HOUSING TRUST

Allows the South Bay Regional Housing Trust board of directors to appoint alternates and makes other changes.

Background

Joint powers agencies. 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 public entity 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, and so are not bound by the same limitations on debt issuance, voters need not approve bonds JPAs issue.

Housing trusts. In recent years, the Legislature has created five new JPAs for the purpose of funding the development of housing for homeless and low-income individuals and families. Those are:

- Orange County Housing Finance Trust (AB 448, Daly, 2018);
- San Gabriel Valley Regional Housing Trust (SB 751, Rubio, 2019);
- Western Riverside County Housing Finance Trust (AB 687, Seyarto, 2021);
- Burbank-Glendale-Pasadena Regional Housing Trust (SB 1177, Portantino, 2022); and
- South Bay Regional Housing Trust (SB 1444, Allen, 2022).

South Bay Regional Housing Trust. The South Bay in Southern California contains more than one million people across 16 cities, including portions of the City of Los Angeles, and some unincorporated areas of the County of Los Angeles. The South Bay Cities Council of Governments (SBCCOG) is a JPA that coordinates the activities of local governments within the South Bay on environmental, transportation, homelessness, and other issues.

Three years ago, the Legislature enacted SB 1444 (Allen, 2022) which authorized the creation of the South Bay Regional Housing Trust (the Trust) to:

- Fund the planning, acquisition, and construction of housing for individuals experiencing homeless and persons and families of extremely low, very low, and low income, including, but not limited to, permanent supportive housing;
- Receive public and private financing or funds; and
- Authorize and issue bonds, certificates of participation, or other debt instrument repayable from public and private financing and funds it receives.

SB 1444 allows the County of Los Angeles and cities within the jurisdiction of the SBCCOG to enter into the agreement to create and operate the Trust. The Trust must be governed by a board of directors, as determined by the size of which the SBCCOG board. SBCCOG appoints the board members, which must include mayors, city council members, or county supervisors from cities or the county that join the JPA, and two homeless or housing policy experts. Members from the county board of supervisors can serve if their district is located wholly or partially with SBCCOG territory.

At its first meeting of each calendar year, the board must select a chair and vice chair. Board members serve without compensation but can be reimbursed for actual expenses. If there is a vacancy, the SBCCOG board must appoint a qualified individual to fill the vacancy within 60 days.

SB 1444 also requires the Trust to incorporate into its joint powers agreement annual financial reporting and auditing requirements that maximize transparency and public information as to the receipts of the Trust's use of funds. The report must show how the funds have furthered the Trust's purposes.

Since 2023, SBCCOG has studied the formation of the Trust, and in November 2025 the SBCCOG board of directors formally recommended that its member cities form and join the Trust. To date, only the City of Lawndale has voted to join the Trust. SBCCOG wants to change portions of the Trust's governing statute to help the Trust's board operate more effectively, once it is formed.

Proposed Law

Senate Bill 799 allows the South Bay Regional Housing Trust board of directors to appoint and designate alternate members to the board of directors. An alternate member may be:

- An elected or appointed member of the governing body of the JPA;
- An appointed member of an advisory body of the party to the JPA;
- A staff member of the party to the JPA; or
- A member of the public who is a homeless or housing policy expert.

All directors and alternates are subject to the board's adopted conflict of interest code.

SB 799 also provides flexibility regarding when the Trust elects the chairperson and vice chairperson by adding the option to elect them at the first meeting of the calendar year or fiscal year.

SB 799 also requires the joint powers agreement—instead of SBCCOG’s board—to establish the size of the board of directors, the process for the board of directors to be appointed, and the process to appoint and fill a vacancy within 60 days.

SB 799 also makes legislative findings and declarations supporting its purposes.

Comments

1. Purpose of the bill. According to the author, “California has an affordable housing crisis, which is especially acute in the South Bay Cities region of the County of Los Angeles due to the high cost of housing in that area, even in formerly affordable communities. SB 1444 (Allen, 2022) authorized the establishment of the South Bay Regional Housing Trust (SBRHT), a joint powers authority, to fund the planning and construction of affordable housing, receive public and private financing and funds, and authorize and issue bonds. As SBRHT is currently in the process of being established, certain needed revisions to the original authorizing statute were identified that would help the trust operate more effectively. SB 799 makes these changes to support SBRHT in its mission to address housing and homelessness in our district.”

2. Alternates. Under the current structure for the Trust, the board of directors primarily comprises elected officials. These officials make consequential decisions, including allocating funding to projects. Because they are elected, they are directly accountable to members of the public. SB 799 allows for the board of directors to designate alternates who may be staff members or members of the public with expertise in homeless or housing policy. No other housing trust established by the Legislature allows the appointment of alternates. While alternates can provide valuable expertise and continuity in the case that sitting board members cannot make a meeting, they are not directly accountable to voters and may therefore be less responsive to public concerns. To ensure that the individuals making decisions on behalf of the Trust are fully accountable to the public, the Committee may wish to consider amending the bill to establish limitations on when alternates that are not elected officials may vote.

3. Let’s be clear. SB 799 is intended to provide flexibility by allowing the board to elect a chair and vice chair at the first meeting of each calendar or fiscal year. However, the bill does not specify whether the board must choose one approach and use it consistently or whether it may alternate between the two, which could result in electing a chair and vice chair twice per year. For example, once in January at the start of the calendar year and again in July at the start of a fiscal year. The Committee may wish to clarify that the chair and vice chair are to be elected at the first meeting held in *either* the calendar or fiscal year, as determined by the board.

4. Gut and amend. As amended in April 2025, SB 799 amended the California False Claim Act. On January 5, 2026, the author amended the bill to delete those provisions and insert the current contents relating to SBCCOG.

5. Special legislation. Section 16 of Article Four of the California Constitution prohibits special legislation when a general law can apply. SB 799 contains findings and declarations explaining the need for legislation that applies only to the cities within SBCCOG’s jurisdiction.

Support and Opposition (1/9/2026)

Support: South Bay Cities Council of Governments

Opposition: None Submitted

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