
THIRD READING

Bill No: SB 799
Author: Allen (D)
Amended: 1/15/26
Vote: 21

SENATE JUDICIARY COMMITTEE: 10-2, 4/8/25
AYES: Umberg, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Wahab, Wiener
NOES: Niello, Valladares
NO VOTE RECORDED: Weber Pierson

SENATE REVENUE AND TAXATION COMMITTEE: 2-1, 4/23/25
AYES: McNerney, Ashby
NOES: Valladares
NO VOTE RECORDED: Grayson, Umberg

SENATE LOCAL GOVERNMENT COMMITTEE: 7-0, 1/14/26
AYES: Durazo, Choi, Arreguín, Cabaldon, Laird, Seyarto, Wiener

SUBJECT: Joint powers authorities: South Bay Regional Housing Trust

SOURCE: Author

DIGEST: This bill allows the South Bay Regional Housing Trust board of directors to appoint alternates and makes other changes.

ANALYSIS:

Existing law:

- 1) Allows the County of Los Angeles and cities within the jurisdiction of the South Bay Cities Council of Governments (SBCCOG), to enter into the agreement to create and operate the South Bay Regional Housing Trust (SBRHT), which must be governed by a board of directors the size of which the SBCCOG board determines. SBCCOG appoints the board members, which

must include mayors, city council members, or county supervisors from cities or the county that join the Joint Powers Authority (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 the SBCCOG territory. At its first meeting of each year, the board must select a chair and vice chair.

2) Authorizes the SBRHT to:

- a) 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;
- 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.

3) Requires that board members serve without compensation, but allows for reimbursement of actual expenses if approved prior to incurring the expense.

4) Provides that, if there is a vacancy, the SBCCOG board must appoint a qualified individual to fill the vacancy within 60 days.

5) Requires the SBRHT to incorporate into its joint powers agreement annual financial reporting and auditing requirements that maximize transparency and public information as to the receipt of the Trust's use of funds. The report must show how the funds have furthered the Trust's purposes.

6) Requires the SBRHT to comply with the regulatory guidelines of each state funding source received.

This bill:

1) Authorizes the SBRHT board of directors to appoint and designate alternate members to the board of directors. An alternate member may be:

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

- 2) Requires all directors and alternates are subject to the board's adopted conflict of interest code.
- 3) Limits the number of meetings per year at which alternates that are not elected officials can vote.
- 4) Provides flexibility regarding when the SBRHT elects the chairperson and vice chairperson by adding the option to elect them at the first meeting of the either the calendar year or fiscal year.

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, Chapter 336, Statutes of 2018)
- San Gabriel Valley Regional Housing Trust (SB 751 (Rubio, Chapter 670, Statutes of 2019)
- Western Riverside County Housing Finance Trust (AB 687 (Seyarto, Chapter 120, Statutes of 2021)
- Burbank-Glendale-Pasadena Regional Housing Trust (SB 1177 (Portantino, Chapter 173, Statutes of 2022)

- South Bay Regional Housing Trust (SB 1444 (Allen, Chapter 672, Statutes of 2022)

Comments

Purpose of this 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.”

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.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

SUPPORT: (Verified 1/14/26)

South Bay Cities Council of Governments

OPPOSITION: (Verified 1/14/26)

None received

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***** END *****