

Date of Hearing: June 24, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Matt Haney, Chair

SB 799 (Allen) – As Amended June 8, 2026

**SENATE VOTE:** 39-0

**SUBJECT:** Joint powers authorities: South Bay Regional Housing Trust

**SUMMARY:** Allows the South Bay Regional Housing Trust (SBRHT) to fund housing to assist persons and families of moderate income, allows the board of directors to appoint alternates, and makes additional changes. Specifically, **this bill:**

- 1) Allows SBRHT to fund the planning and construction of housing of all types and tenures for persons and families of moderate income, as defined in specified existing law, using any private resources available to the SBRHT.
- 2) Allows SBRHT to fund the preservation of housing of all types and tenures for the homeless population and persons and families of extremely low, very low, and low income including, but not limited to, permanent supportive housing.
- 3) Authorizes the SBRHT board of directors to appoint and designate alternate members to the board of directors. An alternate member may include any of the following:
  - a) An elected or appointed member of the governing body of the party to the joint powers agreement (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; and
  - d) A member of the public who is an expert in homelessness or housing policy.
- 4) Requires all directors and alternates to be subject to the board's adopted conflict of interest code.
- 5) Provides that each alternate that is currently not an elected official shall not participate as a voting member in more than 75% of all meetings in a calendar year.
- 6) Provides flexibility regarding when the SBRHT board of directors elects the chairperson and vice chairperson by adding the option to elect them at the first meeting of the calendar year or fiscal year.
- 7) Requires the JPA to establish the process for appointing a qualified individual to fill a vacancy, instead of requiring the South Bay Cities Council of Governments (SBCCOG) to make such appointments.
- 8) Makes clarifying and technical changes.

- 9) Finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the following unique circumstances in the South Bay Cities region of the County of Los Angeles:
- a) 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; and
  - b) The establishment of the SBRHT to receive available public and private funds could help finance affordable housing projects for homeless, low-income, and moderate-income populations.

**EXISTING LAW:** Authorizes the County of Los Angeles and any or all of the cities within the jurisdiction of the South Bay Cities Council of Governments (SBCCOG) to enter into a JPA to create and operate a joint powers agency to fund housing to assist the homeless population and persons and families of extremely low, very low, and low income within the South Bay Cities region. (Government Code Section 6539.9)

**FISCAL EFFECT:** None.

**COMMENTS:**

**Author's Statement:** "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."

**Joint Powers Authority (JPA):** 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. Entities 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 their members and so are not bound by the same limitations on debt issuance, voters need not approve bonds JPAs issue.

**Housing Trusts:** The Legislature recently created three new JPAs for the purpose of funding the development of housing for homeless and low-income individuals and families.

AB 448 (Daly) Chapter 336, Statutes of 2018, authorized the creation of the Orange County Housing Finance Trust (OCHFT) as a JPA among the County of Orange and cities located in the county. To date, 23 of the 34 cities in the county are members of the JPA. According to the OCHFT, its members share the goal of creating 2,700 permanent supportive housing and affordable housing units by June 30, 2025. As of January 2022, OCHFT completed or began construction of 1,676 units, with another 961 awaiting sufficient funding. OCHFT funded these units by leveraging matching grant funds from the state's Local Housing Trust Fund (LHTF) program to issue deferred payment loans to developers.

SB 751 (Rubio) Chapter 670, Statutes of 2019, authorized the creation of the San Gabriel Valley Regional Housing Trust (SGVRHT) as a JPA among some of the cities throughout the San Gabriel Valley. According to the SGVRHT, the Trust received \$1 million in matching grant funds from the LHTF Program for the construction of 71 affordable housing units across two projects in the cities of Claremont and Pomona scheduled for completion in 2022. Additionally, SGVRHT funded a non-congregate emergency shelter pilot program.

AB 687 (Seyarto) Chapter 120, Statutes of 2021, authorized the creation of the Western Riverside County Housing Finance Trust (WRCHFT). So far, the potential WRCHFT member agencies have not signed on to an agreement to create the agency.

SB 20 (Rubio), Chapter 147, Statutes of 2023, allowed local agencies to create regional housing trusts by forming JPAs for the purposes of funding the planning and construction of housing for the homeless and low-income persons.

**SBRHT:** SB 1444 (Allen), Chapter 672, Statutes of 2022, authorized the County of Los Angeles and any or all of the cities within the jurisdiction of the SBCCOG to enter into a JPA to create and operate a joint powers agency to fund housing to assist the homeless population and persons and families of extremely low, very low, and low income within the South Bay Cities region. Among other provisions, SB 1444:

- a) Provided the following regarding the SBRHT board of directors:
  - i) Required the SBCCOG to appoint the board of directors and determine the appropriate number of directors.
  - ii) Required the board of directors to include mayors, councilmembers, or County of Los Angeles supervisors that represent either a city that is a party to the JPA or a County of Los Angeles Board of Supervisors district that is located wholly or partially within the territory of the SBCCOG, if the county is a party to the JPA.
  - iii) Required two members of the board of directors to be experts in homeless or housing policy.
  - iv) Required the board of directors to elect a chairperson and vice chairperson from among its members at the first meeting held in each calendar year.
  - v) Required members of the board of directors to serve without compensation.

- vi) Authorized the SBRHT to reimburse directors for pre-approved actual expenses.
  - vii) Required the governing Board of the SBCCOG to appoint a qualified individual to fill a vacancy on the board of directors within 60 days of the vacancy.
- b) Allowed the SBRHT to do any of the following:
- i) Fund the planning and construction of housing of all types and tenures for the homeless populations and persons and families of extremely low, very low, and low income including, but not limited to, permanent supportive housing.
  - ii) Receive public and private financing and funds.
  - iii) Authorize and issue bonds, certificates of participation, or any other debt instrument repayable from funds and financing received and pledged by the South Bay RHT.
- c) Required the SBRHT to incorporate into its JPA annual financial reporting and auditing requirements that maximize transparency and public information related to the receipt and use of funds by the agency. States that the annual financial report shall show how the funds have furthered the purposes of the SBRHT.

***This Bill:*** This bill would make changes to the board composition of the SBRHT. In addition, this bill would give SBRHT authority to fund moderate income housing with private resources. Generally, state and federal affordable housing subsidy is restricted to households that are at or below 80% of AMI. This bill would give SBRHT authority to fund moderate income housing, which can be used for households earning up to 150% of AMI.

***Arguments in Support:*** The South Bay Cities Council of Governments writes in support, “One of the modifications in SB 799 would allow for member cities to consider appointment of non-elected officials to serve as their alternate member to the SBRHT Board of Directors. Affordable housing financing is a complicated subject that will require a significant time commitment as well as some level of experience or expertise to make informed decisions. The appointment of the alternate would remain the city’s decision and still be accountable to that city, but this proposed revision allows the city the discretion which is especially important with council term limits and in smaller cities where councilmembers have other full-time jobs. The SBRHT would similarly benefit from having this type of experience, expertise and continuity on its Board.”

***Arguments in Opposition:*** None on file.

#### **Related Legislation:**

*SB 20 (Rubio), Chapter 147, Statutes of 2023*, allowed local agencies to create trusts by forming JPAs for the purposes of funding the planning and construction of housing for the homeless and low-income persons.

*SB 1444 (Allen), Chapter 672, Statutes of 2022*, authorized the County of Los Angeles and specified cities within the county to form the SBRHT.

*SB 1177 (Portantino), Chapter 173, Statutes of 2022*, authorized the creation of the Burbank-Glendale-Pasadena Regional Housing Trust.

*AB 687 (Seyarto) Chapter 120, Statutes of 2021*, authorized the creation of the Western Riverside County Housing Finance Trust.

*SB 751 (Rubio) Chapter 670, Statutes of 2019*, authorized cities within the San Gabriel Valley Council of Governments to enter into a JPA to fund housing.

*AB 448 (Daly) Chapter 336, Statutes of 2018*, authorized the creation of the Orange County Housing Finance Trust as a JPA in the County of Orange.

*Double-referred:* This bill is double referred. It was heard in the Assembly Committee on Local Government and passed on a vote of 10-0 on June 17, 2026.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

South Bay Cities Council of Governments (Sponsor)

City of Lomita

City of Rancho Palos Verdes

City of Redondo Beach

City of Rolling Hills Estates

City of Torrance

**Opposition**

None on file.

**Analysis Prepared by:** Lisa Engel / H. & C.D. / (916) 319-2085