

UNFINISHED BUSINESS

Bill No: SB 799
Author: Allen (D)
Amended: 8/10/26
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

SENATE FLOOR: 39-0, 1/26/26

AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

NO VOTE RECORDED: Gonzalez

ASSEMBLY FLOOR: 74-0, 8/17/26 - See last page for vote

SUBJECT: Joint powers authorities: South Bay Regional Housing Trust

SOURCE: Author

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

Assembly Amendments

- 1) Expands the authority of SBRHT to include funding for preservation of housing of all types and tenures for the homeless population, persons, and families of extremely low, very low, and low income.
- 2) Expands the SBRHT's authority to use private resources for the planning, construction, and preservation of housing for persons and families of moderate income;
- 3) Allows SBRHT to use any private resources and either of the public resources for moderate income housing:
 - a) Federal resources;
 - b) State resources that are restricted to use for affordable housing for persons and families at or above 80% area median household income.

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 Trust, 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 South Bay Regional Housing Trust (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 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 SBRHT's use of funds. The report must show how the funds have furthered the SBRHT's purposes.
- 6) Requires SBRHT to comply with the regulatory guidelines of each state funding source received.

This bill:

- 1) Authorizes SBRHT, to:
 - a) Fund the planning, acquisition, construction, and preservation 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) Fund the planning and construction of housing of all types and tenures for persons and families of moderate income using any private resources available to the SBRHT.
- 2) 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.
- 3) Requires all directors and alternates are subject to the board's adopted conflict of interest code.

- 4) Limits the number of meetings per year at which alternates that are not elected officials can vote.
- 5) Provides flexibility regarding when SBRHT elects the chairperson and vice chairperson by adding the option to elect them at the first meeting of either the calendar year or fiscal year.

Background

Housing trusts. In recent years, the Legislature has created three new JPAs for the purpose of funding the development of housing for homeless and low income individuals and families. The Legislature created the Orange County Housing Finance Trust (OCHFT) in 2018 as a JPA among the County of Orange and 23 of the 34 cities in the county (AB 448, Daly, Chapter 336, Statutes of 2018). 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 has 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 LHTF program to issue deferred payment loans to developers. The Legislature created the San Gabriel Valley Regional Housing Trust (SGVRHT) in 2019 as a JPA among some of the cities throughout the San Gabriel Valley (SB 751, Rubio, Chapter 670, Statutes of 2019). In February 2020, members formed SGVRHT, which currently has 21 member cities. According to the SGVRHT, the Trust received \$1 million in matching grant funds from the state's 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. The Budget Act of 2021 (SB 129, Skinner, Chapter 69, Statutes of 2021) allocated \$20 million to SGVRHT. In 2021, the Legislature created the Western Riverside County Housing Finance Trust (WRCHFT) (AB 687, Seyarto, Chapter 120, Statutes of 2021). So far, the potential WRCHFT member agencies have not signed on to an agreement to create the agency.

South Bay Cities. The South Bay in Southern California contains more than one million people, with 16 incorporated cities, including portions of the City of Los Angeles. According to the most recent count the Los Angeles Homeless Services Authority conducted in 2020, 4,560 individuals in the South Bay are experiencing homelessness, and more than 75% remain unsheltered. According to the South Bay Cities Council of Governments (SBCCOG), the state's affordable housing crisis is especially acute in the region due to particularly high housing costs in formerly affordable communities. Seeking to fund the development of affordable

housing to assist low-income households and individuals experiencing homelessness in the South Bay, the author wants to create the South Bay Regional Housing Trust as a JPA.

Comments

Purpose of the bill. According to the author, “California is in the midst of a relentless housing crisis. As rising rents and home prices continue to outpace wage growth and housing availability across the state, struggling families employed in economic epicenters like the South Bay region of Los Angeles County have had fewer and farther permanent housing options that have placed them beyond the span of the transit-rich infrastructure designed to serve them. If the South Bay cities are to meaningfully address the deep need for affordable housing, particularly for extremely low, very low, and low-income households and those experiencing homelessness, they must have the tools they need to pursue all of the collaborative and innovative solutions local leaders have to offer. SB1444 establishes the South Bay Regional Housing Trust through a joint powers authority between the County of Los Angeles and participating cities within the South Bay Cities Councils of Governments. Through this housing trust, South Bay cities will be able to pool funding and resources to support the planning and construction of housing, receive public and private financing and funds, and authorize and issue bonds. By convening the leaders and stakeholders of the South Bay cities, this joint powers authority will help ensure our region has a broader spectrum of funding and planning options to combat the local impacts of the housing crisis head on.”

Another one? The beauty of the Joint Exercise of Powers Act is its flexibility: local agencies can come together to form an agreement of its own design to carry out any power common to each of its members. Agreements specify a JPA’s mission, structure, governing board, each member’s financial obligations, and provisions for members to enter and exit the JPA, among other items. As such, local agencies do not need legislative authority for a JPA unless it requires powers not common to all its members, or when statutory certainty and specificity is preferable to the agreement’s details. SB 1444 (Allen, Chapter 672, Statutes of 2022) follows in the footsteps of three housing finance trust JPAs the Legislature has already created. Similar to these other JPAs, the authority within SB 1444 that its members lack is the ability to issue bonds repayable from public and private financing and funds received by the trust, which adds to the current authorities its members have to issue debt, such as general obligation bonds, or the specific Marks-Roos bond issuance authority only possessed by JPAs. Up to this point, existing housing trust JPAs have mostly relied upon state budget allocations and

state LHTF matching grants to finance projects, which are available to any local housing trust, not just these JPAs. They have yet not exercised the authority to issue bonds from public and private financing, meaning the member agencies could have created the JPA locally without legislation. Regardless, SBCCOG believes its member cities would collectively be more competitive when they apply for other housing funds with a legislatively-approved JPA. What role should the Legislature play when local agencies seek to create these housing trust JPAs?

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

SUPPORT: (Verified 8/17/26)

City of Hawthorne
 City of Hermosa Beach
 City of Lomita
 City of Rancho Palos Verdes
 City of Redondo Beach
 City of Rolling Hills Estates
 Los Angeles County Affordable Housing Solutions Agency
 South Bay Cities Council of Governments

OPPOSITION: (Verified 8/17/26)

None received

ASSEMBLY FLOOR: 74-0, 8/17/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wilson, Zbur, Rivas

NO VOTE RECORDED: Bonta, Bryan, Hart, Sanchez, Wicks

Prepared by: Itzel Vargas / L. GOV. / (916) 651-4119
 8/17/26 17:27:16

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