



AGENDA AND NOTICE OF THE **SPECIAL** MEETING OF THE
SAN GABRIEL VALLEY REGIONAL HOUSING TRUST FUND BOARD OF
DIRECTORS

MONDAY, MAY 17, 2021 – 8:30 A.M.

Teleconference Meeting

Livestream Available at: sgvrht.org

SGVRHT Officers

Chair

Jed Leano

Vice-Chair

Becky Shevlin

Jurisdictional

Representatives

Northeast Representative

Gary Boyer, Glendora

Northwest Representative

Becky Shevlin, Monrovia

Central Representative

Maria Morales, El Monte
(Delegate)

Emmanuel Estrada,
Baldwin Park (Alternate)

Southeast Representative

Patty Cortez, Covina

At-Large Representatives

Adele Andrade-Stadler,
Alhambra

Margaret Finlay, Duarte
Jed Leano, Claremont

Housing/Homeless

Experts

Carol Averell (Delegate)

Benita DeFrank (Delegate)
Alma Martinez (Alternate)

Members

Alhambra

Arcadia

Azusa

Baldwin Park

Claremont

Covina

Diamond Bar

Duarte

El Monte

Glendora

Irwindale

La Cañada Flintridge

La Verne

Monrovia

Montebello

Pasadena

Pomona

San Gabriel

South El Monte

South Pasadena

Temple City

West Covina

Thank you for participating in today's meeting. The Board of Directors encourages public participation and invites you to share your views on agenda items.

MEETINGS: The Board of Directors agenda packet is available at the San Gabriel Valley Regional Housing Trust (SGVRHT) Office, 1000 South Fremont Avenue, Suite 10210, Alhambra, CA, and on the website, www.sgvrt.org. Copies are available via email upon request (bacevedo@sgvrht.org). Documents distributed to a majority of the Board after the posting will be available for review in the SGVCOG office and on the SGVRHT website. Your attendance at this public meeting may result in the recording of your voice.

PUBLIC PARTICIPATION: Your participation is welcomed and invited at all Board of Directors meetings. Time is reserved at each regular meeting for those who wish to address the Board. SGVRHT requests that persons addressing the meeting refrain from making personal, slanderous, profane or disruptive remarks.

TO ADDRESS THE GOVERNING BOARD: At a regular meeting, the public may comment on any matter within the jurisdiction of the Board of Directors during the public comment period and may also comment on any agenda item at the time it is discussed. At a special meeting, the public may only comment on items that are on the agenda. Members of the public wishing to speak are asked to complete a comment card or simply rise to be recognized when the Chair asks for public comments to speak. We ask that members of the public state their name for the record and keep their remarks brief. There is a three-minute limit on all public comments. Proxies are not permitted, and individuals may not cede their comment time to other members of the public. **The Board of Directors may not discuss or vote on items not on the agenda.**

AGENDA ITEMS: The Agenda contains the regular order of business of the Board of Directors. Items on the Agenda have generally been reviewed and investigated by the staff in advance of the meeting so that the Board of Directors can be fully informed about a matter before making its decision.

CONSENT CALENDAR: Items listed on the Consent Calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion on these items unless a Board member or citizen so requests. In this event, the item will be removed from the Consent Calendar and considered after the Consent Calendar. If you would like an item on the Consent Calendar discussed, simply tell Staff or a member of the Board of Directors.



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SGVCOG office at (626) 457-1800. Notification 48 hours prior to the meeting will enable the SGVCOG to make reasonable arrangement to ensure accessibility to this meeting.



MEETING MODIFICATIONS DUE TO THE STATE AND LOCAL STATE OF EMERGENCY RESULTING FROM THE THREAT OF COVID-19: On March 17, 2020, Governor Gavin Newsom issued Executive Order N-29-20 authorizing a local legislative body to hold public meetings via teleconferencing and allows for members of the public to observe and address the meeting telephonically or electronically to promote social distancing due to the state and local State of Emergency resulting from the threat of the Novel Coronavirus (COVID-19).

To follow the new Order issued by the Governor and ensure the safety of Board Members and staff for the purpose of limiting the risk of COVID-19, in-person public participation at the San Gabriel Valley Regional Housing Trust Fund Board of Directors meeting scheduled for Monday, May 17, 2021 at 8:30 AM will not be allowed. Members of the public may view the meeting live on the SGVCOG's website. To access the meeting video, please see the link on the front page of the agenda.

Submission of Public Comments: For those wishing to make public comments on agenda and non-agenda items you may submit comments via email or by phone.

- Email: Please submit via email your public comment to Brielle Acevedo at bacevedo@sgvrht.org at least 1 hour prior to the scheduled meeting time. Please indicate in the Subject Line of the email "FOR PUBLIC COMMENT." Emailed public comments will be part of the recorded meeting minutes but will not be read aloud. A copy of all public comments will be forwarded to the Committee.
- Phone: Please email your name and phone number to Brielle Acevedo at bacevedo@sgvrht.org at least 1 hour prior to the scheduled meeting time for the specific agenda item you wish to provide public comment on. Please indicate in the Subject Line of the email "FOR PUBLIC COMMENT." You will be called on the phone number provided at the appropriate time, either during general public comment or specific agenda item. Wait to be called upon by staff, and then you may provide verbal comments for up to 3 minutes.

Any member of the public requiring a reasonable accommodation to participate in this meeting should contact Brielle Acevedo at least 48 hours prior to the meeting at (626) 209-9238 or at bacevedo@sgvrht.org.

PRELIMINARY BUSINESS

5 MINUTES

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Public Comment (*If necessary, the President may place reasonable time limits on all comments*)

ACTION ITEMS

25 MINUTES

5. SB 679 (Kamlager) (Page 1)
Recommended Action: Adopt Resolution 21-11 to support if amended SB 679 (Kamlager)

ADJOURN

DATE: May 17, 2021
TO: Board of Directors
FROM: Marisa Creter, Executive Director
RE: **SB 679 (KAMLAGER)**

RECOMMENDED ACTION

Adopt Resolution 21-11 to support, if amended, Senate Bill 679 (Kamlager).

BACKGROUND

SB 679 (Kamlager) would establish the Los Angeles County Affordable Housing Solutions Agency (LACAHSAs), a new countywide agency focused on financing and funding the production and preservation of affordable housing and funding and implementing renter protection programs. The bill would authorize the agency to place funding measures on the ballot in Los Angeles County and its incorporated cities to fund affordable housing projects within its jurisdiction, preserve and enhance existing housing, fund renter protection programs, and finance new construction of housing developments. The bill is sponsored by the United Way of Greater Los Angeles.

The final bill language is not yet in print; however, draft language has been provided to SGVRHT staff and is expected to be released this week. The LACAHSAs would be governed by a Board of Directors made up of representatives from the County of Los Angeles, City of Los Angeles, City of Long Beach, and representatives from smaller cities from four geographic areas of Los Angeles County. The current make-up of the Board of Directors also includes appointed representatives with expertise in affordable housing, the Executive Director of the Southern California Association of Governments (SCAG), and the chair and vice-chair of the agency's Citizen Oversight Committee. Staff understands that the proposed make-up of the Governing Board is expected to change.

As currently drafted, the LACAHSAs would be authorized under law to issue bonds, including but not limited to general obligation bonds, revenue bonds, and mortgage revenue bonds. It would also be authorized to seek voter approval for the following, anticipated for the November 2022 ballot:

- 1) Parcel tax;
- 2) Gross receipts business license tax;
- 3) Real estate documentary transfer tax.

Funding obtained through these measures would be allocated according to shares outlined in the legislation. As currently drafted, funding would be allocated between the following categories:

- At least 50% for affordable housing creation, preservation, and ownership projects. The bill requires that each new construction project be 100% affordable (serving residents making 80% or less of the area median income (AMI)), with at least 25% of units reserved for extremely low income households (30% AMI or less) and 25% of units reserved for very low income households (30-50% AMI).
 - As currently drafted, 70% of the funding would be allocated between the councils of government (COGs), City of Los Angeles, City of Long Beach, and the unincorporated areas of Los Angeles County based on the percentage of very-low and low-income regional housing needs assessment (RHNA) allocations. Under this formula, the San Gabriel Valley region would receive about 10%.
 - The remaining 30% would be allocated by the Citizens Advisory Group in accordance with Agency priorities.
- No more than 30% to 40% for Countywide Renter Protection and Support: Any effort that helps low-income renters, including pre-eviction and eviction legal services, counseling, renter education and representation, rental assistance for lower-income households, relocation assistance beyond what is legally required by landlords, and collection and tracking of information related to displacement, rents, and evictions in the region.
 - As currently drafted, 50% of the renter protection funding would be allocated between the COGs, City of Los Angeles, City of Long Beach, and the unincorporated areas of Los Angeles County on a per low-income renter household basis.
 - The remaining 50% of the funding would be allocated by the Agency consistent with the Agency's guiding principles.
- No more than 10% for Administration and Operations of the Agency.

DISCUSSION

The proposed LACAHSAs could, if implemented properly, transform the funding of affordable housing in Los Angeles County. United Way – the bill's sponsor – envisions that the entity could create an ongoing funding source for affordable housing at a higher magnitude than any other existing affordable housing funding source. Robust and sustainable revenue sources could have extremely positive impacts for the SGVRHT. To maximize these positive impacts for the County, the San Gabriel Valley, and the SGVRHT, staff recommends that the following amendments be included in the legislation:

Allow for Local Administration:

For subregions, such as the San Gabriel Valley, that have the administrative capability to manage and administer the anticipated revenues, the legislation should allow for both the housing capital and renter protection assistance funds to be transferred to that agency and be directly administered and managed by that subregional agency so long as it follows the funding guidelines set forth in the legislation. Establishment of a regional housing trust should be identified as a way to demonstrate the aforementioned administrative capability.

As noted above, based on the San Gabriel Valley's share of the County's very low and low-income RHNA allocations, the SGVCOG would be entitled to about 10% annually of 70% set aside for affordable housing construction. If, for instance, \$500 million is raised annually from a new fee, SGVCOG would get \$17.5 million annually.

The San Gabriel Valley Council of Governments (SGVCOG) is the sole COG with a regional housing trust and the bill should authorize the San Gabriel Valley's total share of this funding to be sent directly to the SGVRHT to administer at its sole discretion, while in accordance with the priorities of the agency.

Maximize Formula Funding

To build broad voter support for possible ballot measures, revenues should be allocated to the maximum extent by formula to identified recipients rather than through discretionary programs administered by the LACHSA. Staff recommends that in no case shall discretionary program shares exceed those identified in the proposed amendments dated May 7, 2021, as discussed in the sections above.

As currently drafted, SB 679 calls for 70% of capital funds to be directed by formula above and 30% by discretionary grant program administered by the new agency. Staff contends that this discretionary amount is too high, as it could result in disproportionate geographic distribution of funding for the San Gabriel Valley. Similarly, the set-aside for countywide renter protections – as currently drafted with half for the COGs, County and LA City and half to be allocated at the discretion of the new agency – should allocate a greater share of funding to the COGs, County and City. Finally, the bill allows 10% of revenues to be used for administrative costs for this new agency. This is too high and far higher than the 1-3% for administrative costs typically applicable to LA Metro's voter approved sales tax initiatives. Staff recommends that administrative costs for the new agency be more in line with those utilized by LA Metro.

Staff recommends that the legislation be amended to maximize the formula funding that is allocated towards direct programs and projects.

Employ Flexible Portfolio Approach to Meeting Income Targets

References to minimum area median income requirements relating to capital project funds should provide for administrative flexibility to ensure that housing project viability and construction-readiness is considered in order to expeditiously increase the supply of affordable housing.

As currently drafted and discussed above, capital funding for new construction projects could only be provided for projects that are 100 percent affordable to households earning 80% AMI or below, with a priority on the lowest levels of affordability. Increasing the availability of housing at the deepest levels of affordability is a critical goal; however, it is not always economically feasible for a project to meet these ambitious goals. Not all of the projects currently included on the SGVRHT's Project Pipeline would meet these affordability standards. Staff recommends that the legislation be amended to allow program flexibility with these goals. One approach to achieving this would be to set subregional, multi-year requirements for meeting income requirements for units

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produced, rather than requiring that these requirements be met on a project-by-project basis.

Finally, while the make-up of the Board of Directors is still being established, the Board should ensure that there is adequate and true geographic representation from smaller cities, with one-third representing the County of Los Angeles, one third the City of Los Angeles and one-third the smaller cities. Staff recommends that voting membership on the Board of Directors be restricted to elected officials to ensure public accountability for decisions involving to a substantial degree voter-approved funding measures.

As discussed above, SB 679 (Kamlager) could have a significant impact on the availability of funding for affordable housing. With the recommended amendment, the legislation offers the welcome prospect for providing a significant ongoing funding source for the SGVRHT. For this reason, staff recommends that the Board of Directors adopt Resolution 21-11 in support of SB 679 (Kamlager), if the bill is amended as recommended above.

SB 679 (Kamlager) is currently scheduled for a hearing by the Appropriations Committee during the week of May 17, 2021. It must pass out of the Appropriations Committee by May 21, 2021, or it will not advance.

Prepared by: _____
Caitlin Sims
Principal Management Analyst

Approved by: Marisa Creter
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – Resolution 21-XX

RESOLUTION NO. 21-11

**RESOLUTION OF THE SAN GABRIEL VALLEY REGIONAL HOUSING TRUST
(SGVRHT) SUPPORTING SENATE BILL 679 (KAMLAGER) IF AMENDED**

WHEREAS, this bill would establish the Los Angeles County Affordable Housing Solutions Agency (LACAHS), a new countywide agency that is focused on creating affordable housing; and

WHEREAS, this bill would authorize the agency to place funding measures on the ballot in Los Angeles County and its incorporated cities to fund affordable housing projects within its jurisdiction, preserve and enhance existing housing, fund renter protection programs, and finance new construction of housing developments; and

WHEREAS, this bill establishes that the agency would be governed by a Board of Directors made up of representatives from the County of Los Angeles, City of Los Angeles, City of Long Beach, and representatives from smaller cities from the different geographic areas of Los Angeles, among others; and

WHEREAS, this bill would allow the agency to issue bonds, including but not limited to general obligation bonds, revenue bonds, and mortgage revenue bonds, and would authorize it to seek voter approval for a parcel tax, gross receipts business license tax, and real estate documentary transfer tax; and

WHEREAS, this bill establishes that the funding collected would be allocated towards affordable housing creation, preservation and ownership, countywide renter protection and support, and administration in accordance with specified formulas; and

WHEREAS, this bill establishes that a portion of the funding collected would be allocated to jurisdictions and regional entities in accordance with specified formulas; and

WHEREAS, this bill aligns with the SGVRHT's purpose to fund the planning and construction of affordable and homeless housing could create an ongoing funding source for the SGVRHT. bill establishes that a portion of the funding collected would be allocated to jurisdictions and regional entities in accordance with specified formulas.

NOW, THEREFORE, BE IT RESOLVED that the Board does hereby support Senate Bill 679 (Kamlager) if amended to include the following:

1. A direct transfer of the funding allocated to the San Gabriel Valley to the SGVRHT to be administered at its sole discretion, in accordance with the priorities of the agency.
2. Increased formula funding allocated for direct programs and projects.
3. Increased flexibility in the approach to meet income affordability targets.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of SGVRHT held, on the 17th day of May, 2021.

San Gabriel Valley Regional Housing Trust

Jed Leano, Chair