

QUESTIONS & ANSWERS:

Question: Would moving forward with the formation legislation commit a city to participating in the SBRHT?

Answer: No. Moving forward with formation legislation is the first step. Seeking official members would be a subsequent process facilitated by the SBCCOG.

Question: Would participation in the SBRHT be voluntary?

Answer: Yes. A separate Joint Powers Authority would be created and membership to the SBCCOG does not require membership to the SBRHT.

Question: Who would operate the SBRHT?

Answers: The SBRHT would be governed by a 7-member Board of Directors consisting of 5 SBCCOG board members and 2 local experts with experience in housing and/or homelessness. The SBCCOG board would appoint members to the SBRHT board. In terms of day-to-day operations, it is likely that the SBRHT would contract with the SBCCOG for staffing. The San Gabriel Valley RHT contracts with the San Gabriel Valley COG and it has been a successful model.

Question: Does it cost anything to be part of the SBRHT?

Answer: There will likely be a dues structure to ensure administrative operations of the RHT. The exact structure and amount a city would pay would be determined at a later date. State/federal earmarks and grants can be used in part for administration, so there may be opportunities to offset some costs.

Question: Do other areas have RHTs formed by legislation?

Answer: Although legislation is not required, several do because legislation could possibly facilitate the eventual state funding. The San Gabriel Valley COG, Western Riverside COG, and Orange County have all formed their RHTs via legislation. Gateway Cities COG and the cities of Burbank/Glendale/Pasadena have begun the process as well.

Question: What would the SBRHT do?

Answer: The SBRHT would fund and finance the planning and construction of homeless housing, and extremely low, very low, and low-income housing projects. SBRHT funding would make the construction of affordable housing more appealing to developers. The trust would only consider a development that had city approval. The trust could also address the “sustainability” of the housing –encouraging opportunities to promote walking, cycling, and travel using zero-emission local use vehicles.

Question: If a city participates in the SBRHT, can they city get RHNA credit for a project funded through the SBRHT but built in a different city?

Answer: No. At this time, state law does not allow for RHNA credit sharing.

Question: How would the SBRHT be funded?

Answer: Through state/federal budget requests/”earmarks”, state/federal grants, and other opportunities that may arise.

- Question:** Since we are considering a lending model, how would the funds be paid back?
Answer: The SBRHT, through loan professionals, would provide funding to a proposed housing project via lower interest loans than the developer would receive through traditional banks or lending organizations. Funds would be repaid to the SBRHT over the term of those loans, which is often less than 5 years.
- Question:** Are there strings attached to the funds from the state/federal government?
Answer: State budget earmarks do not have any requirements beyond a timeframe in which the funds should be spent (2yrs). Federal earmarks and federal/state grants may come with additional requirements based on the individual funding agencies and grant programs. An evaluation of the grant and its requirements would be made prior to submittal of an application.
- Question:** Why would a city want to participate?
Answer: Cities would have a say in the process and would be able to leverage funding to build affordable housing within their city, allowing people to live closer to work, increasing quality of life, while also reducing GHG emissions. Cities would also be able to work together to build affordable supportive housing for the region's most vulnerable populations. *For a full list of reasons why a city might participate, see Exhibit 1.*
- Question:** Can a city join later or at any time?
Answer: As long as there are cities that are interested initially, cities will be able to join at any time. However, joining later will mean that they will not be part of the creation of initial policies such as determining any administrative fees, project selection criteria, etc.

NEXT STEPS

If the SBCCOG Board chooses to move forward with formation legislation, the Legislative Committee and staff would work with Senator Allen and other South Bay legislators to introduce language, via a spot bill or through an amendment to another proposed regional housing trust bill, to form the SBRHT. Between introduction of the legislation and a signature by the Governor, the Legislative Committee and SBCCOG Legal Counsel would draft JPA documents, by-laws, and other administrative procedures needed to form the SBRHT. During that time, SBCCOG cities would also need to decide if they would be willing to participate in the SBRHT.

The Board is also asked to approve moving forward with a request for state funding via the budget process to fund the SBRHT. If approved, the Legislative Committee, through its Chair, and staff would meet with Senator Allen and other South Bay legislators to request funding for the SBRHT.

RECOMMENDATION

Approve moving forward with legislation to form the South Bay Regional Housing Trust and request funding from the State as well as authorizing staff to begin drafting the formation documents.

Attachments: Exhibit 1 – 03.2022 Housing Trust Fund Overview Pros & Cons list
Exhibit 2 – Proposed South Bay Regional Housing Trust JPA Formation Legislation

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