

South Bay Cities Council of Governments

October 27, 2022

TO: SBCCOG Board of Directors

FROM: SBCCOG Steering Committee

RE: Next Steps for South Bay Regional Housing Trust

CURRENT STATUS

The Governor has signed SB 1444 and the legislation goes into effect January 1, 2023.

HOW TO PROCEED

We have not gotten a firm commitment from cities about their interest in joining a trust. Both city managers and councilmembers have stated that they need more information before they can determine actual city interest. Therefore, the following issues need to be addressed and it is recommended that we contract with a consulting firm to take on this assignment. This is what Gateway Cities COG has done and their example defines the issues that we need answers to. The link to their proposal Gateway Cities Affordable Housing Trust Fund Housing Needs Assessment, Strategic Plan, and Funding Strategy is:

https://southbaycities.org/wp-content/uploads/2021/11/9_CivicHome-GCCOG-Proposal-for-Housing-Trust-signed.pdf

A summary of the tasks that are most noteworthy to the SBCCOG:

- Stakeholder interviews with cities – electeds and staff and developers and potential funders
- Organizational structure and best practices & will review charters of the SB Charter cities to see if there are any restrictions to the activities of an Affordable Housing Trust fund if it should be formed and those cities want to join
- Housing needs assessment – using presently available data sources
- Proposed developments – working with each city’s staff develop spreadsheet and map and talk to developers about possible barriers
- Review all info above with a Trust Steering Committee
 - With direction of Committee – draft formation documents – JPA & Bylaws working with SBCCOG counsel
- Develop funding strategy and budget for staffing
- Strategic Plan for the Trust that specifies goal, objectives, strategies, timelines, and required resources for Trust formation and implementation.
- Fundraising implementation strategy
- Develop recommendations for programs that the Trust should develop

Optional but ultimately necessary

- Funding applications
- Trust website
- Notice of funding availability

Gateway Cities is paying their consultant \$150,000 for the basic study and the options bring that up closer to \$200,000. We would also need legal fees for the formation documents and administrative fees for the SBCCOG. Therefore, we are proposing a budget of \$225,000.

FUNDING

There are several prospects to fund the consultant that is proposed above but they are not necessarily timely.

- REAP 2.0 from SCAG – this project qualifies for funding, but we can't even submit an application until February 2023 at the earliest and the funding would probably not be available until spring 2023
- County – we could ask our supervisors for funding for the formation costs. Probably they would not contribute equally since Supervisor Hahn covers much less of the South Bay. We could ask for 1/3 Hahn and 2/3 Mitchell but it is not clear how successful we will be. They might be more comfortable with providing start-up money for actual housing projects..
- State funding – we could request funding in next year's budget but the earliest it would be available would be summer 2023 or if in legislation, January 2024
- SB 679 – LA County Affordable Housing Solutions Agency – This new agency will have taxing authority and probably ask for funding on the November 2024 ballot. As we understand it, the South Bay cities would receive an earmark of 7% of the funds received. 2023 will probably be spent forming the governing board, etc. The Southwest Corridor will have a seat on the governing board chosen by the League of Cities. The Southwest Corridor has previously been defined as the SBCCOG, Westside COG and maybe Las Virgenes-Malibu COG. From the legislation:
 - The League of California Cities, Los Angeles County Division, shall define the sectors. Every city within a sector shall be entitled to vote to select a candidate from that sector for consideration for appointment by the Los Angeles County City Selection Committee. A city's vote shall be weighted in the same proportion that its population bears to the total population of all cities within the sector.
- City Assessment – this is the most immediate way to proceed and would provide an understanding of which cities are really interested in participating. There has always been a discussion that the cities should have 'skin in the game'. The attached excel spreadsheet offers 3 scenarios for allocating the assessment among the 15 South Bay cities – excluding the City of Los Angeles and the County.

CITY MANAGERS' RECOMMENDATION

On September 21, the issues in this memo were discussed at the City Managers' monthly meeting where they shared their thoughts and resources available for this effort. They unanimously agreed that the steps outlined are appropriate and that the SBCCOG should use REAP 2.0 funds to finance the formation and implementation of the Housing Trust with the assistance of a consultant.

RECOMMENDATION

- That the Board use the REAP 2.0 funding to retain a consultant to develop the specifics of the Trust: potential projects; formation documents; funding strategies; budget required. If we move expeditiously, we should have time to complete the consultant's work to officially begin at the end of 2023 and also know at if and how much to request from the 2024 State legislative session.
- That a subcommittee be created with volunteers from the board to start in January to oversee the drafting an RFP for consulting services so that when the REAP 2.0 funds become available, it can be circulated immediately.

Special Assessment Proposed for Implementation Next Steps for the South Bay Regional Housing Trust

OVER 75,000 population	Even	By population	RHNA % of Total	By RHNA #	RHNA affordable #s
Carson	\$15,000	\$22,000	16.9%	\$38,129	3558
Hawthorne	\$15,000	\$22,000	4.3%	\$9,623	898
Inglewood	\$15,000	\$22,000	18.5%	\$41,579	3880
Los Angeles County					
Los Angeles City					
Torrance	\$15,000	\$22,000	15.8%	\$35,578	3320
30,000 TO 75,000 population					
Gardena	\$15,000	\$16,000	15.0%	\$33,649	3140
Lawndale	\$15,000	\$16,000	6.7%	\$15,153	1414
Manhattan Beach	\$15,000	\$16,000	3.1%	\$6,880	642
Rancho Palos Verdes	\$15,000	\$16,000	2.5%	\$5,540	517
Redondo Beach	\$15,000	\$16,000	9.2%	\$20,725	1934
UNDER 30,000 population					
El Segundo	\$15,000	\$10,000	1.7%	\$3,869	361
Hermosa Beach	\$15,000	\$10,000	2.2%	\$4,983	465
Lomita	\$15,000	\$10,000	2.3%	\$5,262	491
Palos Verdes Estates	\$15,000	\$10,000	0.8%	\$1,865	174
Rolling Hills	\$15,000	\$7,000	0.2%	\$429	40
Rolling Hills Estates	\$15,000	\$10,000	0.8%	\$1,736	162
TOTAL	\$225,000	\$225,000	100.0%	225,000	20996