

South Bay Cities Council of Governments

April 13, 2026

TO: SBCCOG Steering Committee

FROM: Jacki Bacharach, SBCCOG Executive Director
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SUBJECT: Update on SB 799 (South Bay Regional Housing Trust legislation)

BACKGROUND

The SBCCOG has been working with Senator Allen's office to introduce amendments to the South Bay Regional Housing Trust (SBRHT) authorizing legislation. The amendments being sought include:

- Governance Changes
 - o Removing the SBCCOG Board from involvement in determining the number of SBRHT board members and their appointment (including vacancies);
 - o The ability for non-elected alternates to be selected by SBRHT member agencies for appointment to the SBRHT Board;
 - o Other minor changes dealing with the calendar
- Program Changes
 - o The authority for the SBRHT to fund workforce (moderate income) housing programs (120% AMI) currently allowed by LACAHS

SB 799 was introduced by Senator Allen as a gut and amend bill earlier this year. His staff suggested only including the governance changes at introduction to avoid requiring a special double-referral process for gut and amend bills at the onset of the new legislative year. There was also more concern about inclusion of moderate-income language which requires more discussion with committee staff.

Governance Changes: The Senate Local Government Committee agreed to include language to allow for non-elected alternates with limitations. Although not ideal, the SBCCOG agreed to the limitations. Current language restricts non-elected alternates to serving as their city's voting delegate in no more than 75% of all meetings in the year. The other governance changes regarding the number of SBRHT board members, appointment of board members, and filling of vacancies were accepted by the Committee and now tie back to processes established in the SBRHT Joint Powers Agreement.

Program Changes: Now that the bill has made it to the Assembly, SBCCOG staff has been working with Senator Allen’s staff to explore adding the ability to fund programs that address workforce (moderate-income) housing programs. The formation legislation currently restricts the SBRHT to funding extremely-, very-, and low-income programs. The SBCCOG, its SBRHT consultant, and city stakeholders believe that funding moderate-income programs would be very beneficial to addressing housing affordability issues for the “missing middle” – individuals who make too much money to qualify for other programs but not enough to afford a home on their own.

ANALYSIS

Assembly committees will soon take up SB 799. There are a couple key issues still at hand.

Governance Changes: SBCCOG staff is evaluating options to try and amend out the current language in SB 799 that limits non-elected alternates to representing their city on 75% of the time. Trusts formed through existing joint powers authority law would not be subject to such a restriction unless their Joint Powers Agreement had this language. As far as we know, the legislature has not added this restriction to other trusts either. In discussions with Senator Allen’s staff, they do not recommend trying to remove this language as it would be seen as a deal break with the committee staff and could jeopardize all the amendments being sought.

Program Changes: As expected, inclusion of moderate-income programs is proving to be challenging. Senator Allen’s staff is still in discussion with committee staff, but it seems to be a difficult negotiation. Senator Allen’s staff understands the need for these programs in the context of the South Bay, but committee staff is pushing back on the precedent they believe it will set. His staff is working to explore more granular language that would address this type of housing without “opening up the floodgates for future funding”. SBCCOG staff has submitted a written response clarifying that the language would only provide *authority* and there is no request for *funding* moderate-income programs. Once again, the amendment is seeking parity with trusts who were not formed through legislation – the Gateways Cities trust for example can fund moderate-income programs. The SBCCOG’s response also includes high-level data that shows that many professions – such as teachers, healthcare workers, police, and firefighters – qualify for moderate-income programs based on the housing prices and their average incomes in the South Bay.

Next Steps: SBCCOG staff previously explored the possibility of bringing on a lobbyist to support this effort. After evaluating a few estimates from firms as well as partnering with LACAHSAs own lobbyist, SBCCOG staff felt it was too expensive to move forward with a minimum cost of \$3,000 per month (through September/October). Not only would lobbyist support be needed to shepherd the bill through the Legislature, it would also be critical to ensuring the bill has a chance at being signed by the Governor. Even if all changes being asked for by the SBCCOG were to make it through the Legislature, there is still no guarantee it would

be signed by the Governor. This could mean that all changes – governance and program – would be vetoed.

If the program changes were to be dropped this year – voluntarily or involuntarily by the SBCCOG – they could be proposed again next session. The South Bay will have a new Senator and two new Assemblymembers.

RECOMMENDATION

Provide direction to staff.