
SENATE COMMITTEE ON HOUSING
Senator Scott Wiener, Chair
2021 - 2022 Regular

Bill No: AB 687 **Hearing Date:** 7/1/2021
Author: Seyarto
Version: 2/16/2021 Introduced
Urgency: No **Fiscal:** No
Consultant: Alison Hughes

SUBJECT: Joint powers authorities: Riverside County Housing Finance Trust

DIGEST: This bill authorizes the County of Riverside and specified cities to create the Western Riverside County Housing Finance Trust to fund housing to assist the homeless population and persons and families of extremely low-, low-, very low- and low-income, as specified.

ANALYSIS:

Existing law:

- 1) Enacts the Joint Exercise of Powers Act, which allows two or more public agencies to use their powers in common if they sign a joint powers agreement.
- 2) Allows agencies that include federal agencies, state departments, counties, cities, special districts, school districts, federally recognized Indian tribes, and even other joint powers authorities to enter into joint powers agreements.
- 3) Permits public agencies to use the Joint Powers Act law and the related Marks-Roos Local Bond Pooling Act to form bond pools to finance public works, working capital, insurance needs, and other public benefit projects.
- 4) Establishes the San Gabriel Valley Regional Housing trust, a JPA, for the purposes of funding housing specifically assisting the homeless population and persons and families of extremely low, very low, and low income within the San Gabriel Valley.
- 5) Establishes the Orange County Housing Trust, a JPA, for the purposes of funding housing specifically assisting the homeless population and persons and families of extremely low, very low, and low income within the County of Orange.

This bill:

- 1) Authorizes Riverside County and any of the cities located within western Riverside County that are members of the Western Riverside Council of Governments (WRCOG) to enter into a joint powers agreement pursuant to joint powers law to create and operate a joint powers agency (JPA) to fund housing to assist the homeless population and persons and families of extremely low, very low, and low income, as defined in existing law, within the County of Riverside.
- 2) Designates the JPA created pursuant to this bill as the Western Riverside County Housing Finance Trust (Trust).
- 3) Requires the Trust to be governed by a board consisting of elected officials representing the Riverside County and representative cities that are party to the JPA.
- 4) Authorizes the Trust to do any of the following:
 - a) Fund the planning and construction of housing of all types and tenures for the homeless population 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 and funds.
 - c) Authorize and issue bonds, certificates of participation, or any other debt instrument repayable from funds and financing received from the JPA and pledged by the Trust.
- 5) Requires the Trust to incorporate into its joint powers agreement annual financial reporting and auditing requirements that shall maximize transparency and public information as to the receipt and use of funds by the agency. The annual financial report shall show how the funds have furthered the purposes of the Trust.
- 6) Requires the Trust to comply with the regulatory guidelines of each specific state funding source received.

COMMENTS:

- 1) *Author's statement.* "In just a four-year span, Riverside County showed more than a 35% increase in homelessness. The Western Riverside County Housing Trust will create the necessary tool to foster a partnership between local

government, community based charities and for profit builders. By giving the region the tools to uplift their community, AB 687 will create the first step for prolonged success for the cities and residents in Western Riverside County.”

- 2) *Background of JPAs.* The Joint Exercise of Powers Act allows two or more public agencies to use their powers in common if they sign a joint powers agreement. Sometimes an agreement creates a new, separate government called a joint powers agency or joint powers authority (JPA). Agencies that can exercise joint powers include federal agencies, state departments, counties, cities, special districts, school districts, federally recognized Indian tribes, and even other joint powers authorities.

Public agencies can also use the JPA law and the related Marks-Roos Local Bond Pooling Act to form bond pools to finance public works, working capital, insurance needs, and other public benefit projects. JPAs can issue one large Marks-Roos Act bond and then loan the capital to local agencies, thus creating a "bond pool." Bond pooling saves money on interest rates and finance charges. It also lets smaller local agencies enter the bond market. Because JPAs are entities separate from its members, voters need not approve bonds issued by JPAs.

- 3) *State authorized housing JPAs.* The Legislature recently has authorized the establishment of two local housing trusts, as JPAs, for the purpose of funding housing that assists the homeless and lower income earners. The first was authorized in Orange County in 2018; the second in San Gabriel Valley in 2019.

This bill allows Riverside County and any of the cities in western Riverside County that are members of WRCOG to create, through a JPA, the Trust. The purpose of the Trust is to fund the planning and construction of housing of all types and tenures for the homeless population and persons and families of extremely low-, very low-, and low-income, including permanent supportive housing. The Trust can also receive public and private financing or funds and authorize and issue bonds, certificates of participation, or other debt instruments, as specified. The board of directors of the Trust will consist of elected officials representing Riverside County or representative cities that are parties to the agreement.

- 4) *Incoming!* This bill passed out of the Senate Governance and Finance Committee on June 10th with a 5-0 vote.

RELATED LEGISLATION:

SB 751 (Rubio, Chapter 670, Statutes of 2019) — established the San Gabriel Valley Regional Housing trust, a JPA, for the purposes of funding housing specifically assisting the homeless population and persons and families of extremely low, very low, and low income within the San Gabriel Valley.

AB 448 (Daly, Chapter 336, Statutes of 2018) — established the Orange County Housing Trust, a JPA, for the purposes of funding housing specifically assisting the homeless population and persons and families of extremely low, very low, and low income within the County of Orange.

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

POSITIONS: (Communicated to the committee before noon on Friday, June 25, 2021.)

SUPPORT:

Building Industry Association, Riverside County Chapter
City of Corona
City of Eastvale
City of Menifee
City of Norco
City of Perris
City of Riverside
Inland Equity Community Land Trusts
National Community Renaissance
Neighborhood Partnership Housing Services
Orange County Council of Governments
Southern California Association of Governments (SCAG)
Western Riverside Council of Governments

OPPOSITION:

None received.

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