

REPORT

DATE: November 21, 2019

TO: Governing Board
Executive Committee
City Managers' Steering Committee

FROM: Marisa Creter, Executive Director

RE: **REGIONAL HOUSING TRUST FUND SETUP**

RECOMMENDED ACTIONS

Recommend the Governing Board authorize the Executive Director to accept \$248,150 in funding and execute any necessary agreements to implement the set-up of the San Gabriel Valley Regional Housing Trust Fund.

BACKGROUND

Several cities and city cohorts applied for Measure H funds under Los Angeles County's City Planning and Homeless Program to explore the feasibility of forming a housing trust fund. Their requested amounts are found in the table below.

Cohort	Requested Amount
Pomona, Claremont, and La Verne	\$50,000
Baldwin Park, El Monte, and South El Monte	\$376,420
South Pasadena	\$115,000

SB 751 (Rubio) authorized the creation of the San Gabriel Valley Regional Housing Trust Fund (SGVRHTF), which would allow the cities in the San Gabriel Valley Council of Governments to form a joint powers authority (JPA) for the purposes of funding the planning and construction of homeless, extremely low, very low, and low income housing, receive public and private financing and funds, and authorize and issue bonds. Governor Newsom signed SB 751 in October 2019.

To facilitate that effort, the SGVCOG has been holding negotiation meetings with interested cities in order to develop a joint powers agreement. The finalized joint powers agreement would be considered by each City Council in considering whether to join the JPA. Three negotiation meetings have been held so far, each one focused on a different topic: the agreement recitals, liability, and the operation, funding, and staffing for the SGVRHTF. Future meetings will focus on the powers of the JPA, board composition and membership, stakeholder priorities, and the final joint powers agreement. Staff from approximately 17 cities has attended these negotiation meetings. Staff is also undertaking stakeholder outreach.

Each of these cohorts have indicated that their intent is for this funding to be used towards the creation of the San Gabriel Valley Regional Housing Trust. The cohort of Pomona, Claremont, and La Verne were awarded funding and are in the process of executing the agreement with the County of Los Angeles. At its City Council meeting on October 20, 2019, the City of Pomona –

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which is the lead applicant for that cohort's County funding – awarded a sole source contract to the SGVCOG related to its funding and authorized the City Manager to execute the contract award and other documentation. The County is currently modifying its agreement with the City of Pomona to allow for the City to subcontract with the SGVCOG rather than with a development firm. Once that change is completed, the SGVCOG will be able to execute an agreement with the City of Pomona.

While the County had previously indicated that it was not yet ready to award the funding to the Baldwin Park, El Monte, and South El Monte cohort or the City of South Pasadena, Homeless Initiative (HI) staff has now indicated that it is prepared to award \$208,150 in funding to these cities to support the regional effort. The proposed amount is based on a concept paper and budget that the SGVCOG had previously submitted to the County indicating the anticipated costs for the pre-organization planning and agency launch. These costs include the following elements:

- Staffing to manage and oversee the effort;
- Consultants to perform initial background research, identify best practices, conduct a needs assessment and assist in facilitating extensive stakeholder and community outreach;
- Legal fees to develop bylaws and other legal documents;
- Operating to fulfill day-to-day implementation activities;
- Administration for oversight, management, and fiscal controls.

The majority of this funding would be used for staff time and legal support.

HI staff has indicated that the remaining requested funding – in the amount of \$293,270 – would be included as a contingency in the contract(s) for the remaining funds and would be made available once a budget is submitted. The SGVRHT Negotiations Working Group discussed the proposed first-year operating budget at its negotiation meeting on November 6, and SGVCOG staff is working to finalize this additional budget.

The County has indicated that it will likely execute contracts with Baldwin Park – as the lead of the Baldwin Park, South El Monte, and El Monte cohort – and South Pasadena. The cities and the SGVCOG have requested that the contract be executed directly between the County and the SGVCOG, and the SGVCOG is awaiting direction as to whether that will be possible.

The SGVCOG Executive Committee and City Managers' Steering Committee reviewed and supported the recommendation to accept the \$248,150 in funding and execute any necessary agreements to implement the set-up of the San Gabriel Valley Regional Housing Trust Fund. If the Governing Board approves this recommendation, the SGVCOG will execute an agreement with the City of Pomona – on behalf of its cohort and will execute an agreement with the remaining parties to accept the funding.

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