

**SOUTH BAY CITIES COUNCIL OF GOVERNMENTS
MONDAY, APRIL 11, 2022
2355 CRENSHAW BLVD, SUITE 125, TORRANCE CA 90501
AND VIRTUALLY VIA ZOOM**

SPECIAL BOARD OF DIRECTORS MEETING

I. CALL TO ORDER

Chair Drew Boyles called the Special SBCCOG Board of Directors meeting to order at 2:03 pm.

II. VERIFY QUORUM

In attendance were the following voting elected officials:

Cedric Hicks, Carson (virtual)	Jim Roos, Palos Verdes Estates (virtual)
Drew Boyles, El Segundo (virtual)	John Cruikshank, Rancho Palos Verdes
Rodney Tanaka, Gardena	Christian Horvath, Redondo Beach (virtual)
Olivia Valentine, Hawthorne	Steve Zuckerman, Rolling Hills Estates (virtual)
Stacey Armato, Hermosa Beach (virtual)	George Chen, Torrance
Barry Waite, Lomita	Alfonso Ruiz-Delgado, LA County D2
Hildy Stern, Manhattan Beach (virtual)	

The following non-voting elected officials were also in attendance:

Bill Uphoff, Lomita (virtual)
Debby Stegura, Rolling Hills Estates (virtual)

Also, in attendance were the following persons:

Suja Lowenthal, Hermosa Beach (virtual)	Jacki Bacharach, SBCCOG
Ara Mhuranian, Rancho Palos Verdes (virtual)	Wally Siembab, SBCCOG (virtual)
Gregg Lodan, Torrance (virtual)	Laurie Jacobs, SBCCOG (virtual)
Michael Jenkins, Best, Best & Krieger (virtual)	David Leger, SBCCOG

III. CONFIRM POSTING OF THE AGENDA BY THE CITY OF TORRANCE

Ms. Bacharach confirmed that the agenda was properly posted in the City of Torrance.

IV. BROWN ACT DECLARATION – Pursuant to AB 361, the Board of Directors finds that a statewide state of emergency remains in force and State and local officials continue to recommend measures to promote social distancing.

V. ANNOUNCEMENTS OF ANY CHANGES TO THE AGENDA

None.

VI. PUBLIC COMMENT

None.

VII. SOUTH BAY REGIONAL HOUSING TRUST FORMATION & STATE FUNDING REQUEST – APPROVED

Board Member Armato provided an overview of the research and work completed so far regarding a potential South Bay Regional Housing Trust (SBRHT). She explained that she and SBCCOG staff have met with several regional housing trusts throughout the state, including San Gabriel Valley Regional Housing Trust (SGVRHT), Housing Trust Fund Ventura County, and Housing Trust Silicon Valley. After exploring the various trust fund models, including granting vs. lending models and non-profit vs. joint-powers-authority (JPA) models, the SGVRHT appeared to be the most suitable for the South Bay area. The SGVRHT is JPA formed by legislation, is affiliated with the San Gabriel Valley Council of Governments, and follows a lending model to facilitate the production of affordable housing units.

Board Member Armato went on to explain that in the past several months, she has had conversations with Senator Ben Allen and Assemblymember Al Muratsuchi about carrying legislation for the SBCCOG to create the trust fund as well as a request from the state budget of \$50M to seed the SBRHT. Both legislators expressed general support for the idea and asked for further information. The cities of Burbank, Glendale, and Pasadena are currently forming

a housing trust via legislation, and the Gateway Cities COG is also considering doing the same. In the last state budget, SGVRHT received \$20M in funding, and may be requesting upwards of \$100M this year.

Board Member Armato then opened discussion up for questions and answers.

Board Members proceeded to ask Board Member Armato a variety of questions:

- What the minimum number of cities needed to participate? Answer: There is not a specific number, but the more participating cities means a lower cost per city for administrative needs of a potential SBRHT.
- What is the opt-in process, are dues flat or based on size? Answer: The SGVRHT based their annual dues on size of the member city.
- Have City Managers been involved? Answer: Yes, Suja Lowenthal has been discussing it with them at their monthly City Managers meetings.
- What is the deadline to submit a letter of commitment/participation? Answer: If the Board approves moving forward with a request for formation legislation, the sooner cities decide to participate the better.
- What is being asked of the Board today, and what to be brought before each city's council. Answer: Board members will not be asked today if they want to be a member of the SBRHT, but only whether or not they support moving forward with requesting formation legislation and a budget request. If approved, city councils would then subsequently be asked if they would like to become a member of the SBRHT.
- Being able to share RHNA credits would be appealing, how would the SBRHT facilitate that? Answer: Currently, state law only allows a city to get credit for housing units within its jurisdiction, so a change in state law would be required.
- What criteria would be used to select projects? Answer: That would be determined in the coming months if the Board approves moving forward. JPA documents, by-laws, project selection criteria, and other administrative items would still be needed in addition to the legislation.
- Who would operate the SBRHT? Answer: SGVRHT contracts with the SGVCOG, so a similar model would be followed. SBCCOG staff added that specialized staff would be needed, particular somebody with a background in lending.
- Would there be any issues for member cities if a developer were to default on a SBRHT loan? Answer: In conversations with other trusts, there is almost a 0% default rate. SBCCOG Legal Counsel added that similar to the SBCCOG's JPA, the SBRHT's would be written to state that the JPA's liabilities are not liabilities of its members.
- What are the costs? Answer: There would be initial setup costs which may require "dues" from member cities. However, ongoing administrative costs may be able to be covered through state earmarks, grants, and fees charged on the loans given out.

Other comments from the Board included:

- City staff has some concerns about potential fees
- Consider changing the composition of the SBRHT board of directors in the draft legislation. If all 16 cities were to participate, a board of 5 elected officials and 2 experts may be too small. If it's not required, do not specify the board composition within the bill.
- With the end of state redevelopment, this appears to be more about offering financing for projects. When it comes to determining selection criteria, they need to be explicit and intentional.

MOTION by Board Member Horvath, seconded by Board Member Tanaka, to **APPROVE** the following actions:

- SUPPORT requesting legislation to form a South Bay Regional Housing Trust
- SUPPORT requesting seed funding from the state budget
- Board Members will return to their respective city councils to find out if they are interested in being charter members of a regional housing trust should it be created
- SUPPORT forming a subcommittee of the Board to work on bylaws and JPA documents
- Cities will submit letters to the SBCCOG informing of their intention to participate as soon as possible
- Board Member Armato will present to city councils as requested on the idea

Vote breakdown:

- Carson (Hicks): Yes
- El Segundo (Boyles): Yes
- Gardena (Tanaka): Yes

- Hawthorne (Valentine): Yes
- Hermosa Beach (Armato): Yes
- Lomita (Waite): Yes
- LA County D-2 (Ruiz-Delgado): Yes
- Manhattan Beach (Stern): Yes
- Palos Verdes Estates (Roos): Abstain
- Rancho Palos Verdes (Cruikshank): Yes
- Redondo Beach (Horvath): Yes
- Rolling Hills Estates (Zuckerman): Yes
- Torrance (Chen): No

Motion passes. So ordered

VIII. ADJOURNMENT

None.

IX. ADJOURNMENT

Chair Drew Boyles adjourned the meeting at 3:02 pm to Thursday, April 28, 2022, at 6:00 pm.