Senate Bill No. 679

CHAPTER 661

An act to add Title 6.9 (commencing with Section 64700) to the Government Code, relating to housing.

[Approved by Governor September 28, 2022. Filed with Secretary of State September 28, 2022.]

LEGISLATIVE COUNSEL'S DIGEST

SB 679, Kamlager. Los Angeles County: affordable housing.

(1) Existing law provides for the establishment of various special districts that may support and finance housing development, including affordable housing special beneficiary districts that are authorized to promote affordable housing development with certain property tax revenues that a city or county would otherwise be entitled to receive.

Existing law, the San Francisco Bay Area Regional Housing Finance Act, establishes the Bay Area Housing Finance Authority to raise, administer, and allocate funding for affordable housing in the San Francisco Bay area, as defined, and provide technical assistance at a regional level for tenant protection, affordable housing preservation, and new affordable housing production.

This bill, the Los Angeles County Regional Housing Finance Act, would establish the Los Angeles County Affordable Housing Solutions Agency and would state that the agency's purpose is to increase the supply of affordable housing in Los Angeles County by providing for significantly enhanced funding and technical assistance at a regional level for renter protections, affordable housing preservation, and new affordable housing production, as specified. The bill would require a board composed of 21 voting members and one nonvoting member from Los Angeles County, as specified, to govern the agency.

This bill would permit the board to determine its organizational structure and to delegate specified powers. The bill would require the board to form an oversight committee composed of 11 members and one nonvoting member to assist in the development of funding guidelines, implementation of agency programs, and approval of an expenditure plan, as specified. The bill would require the board to provide for annual audits of the agency's general administration, accounts, and records, including an independent financial and performance audit for bonds secured by ad valorem property taxes, and provide for financial reports. The bill would include findings that the provisions proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities within Los Angeles County, including charter cities.

This bill would authorize the agency to, among other things, raise and allocate new revenue, incur and issue bonds and other indebtedness, and place on the ballot in Los Angeles County, including all of its incorporated cities, funding measures, in accordance with applicable constitutional and statutory requirements, to raise and allocate funds to the county, the cities in the county, and other public agencies and affordable housing projects within its jurisdiction for purposes of preserving and enhancing existing housing, funding renter protection programs, and financing new construction of housing developments, as specified.

In this regard, the bill would authorize the entity, among other things, to impose various special taxes, including a parcel tax and a documentary transfer tax, within its jurisdiction, and to issue bonds secured by the levy of ad valorem property taxes, in accordance with applicable constitutional requirements, and revenue bonds payable from the revenues of the agency, other than revenues generated from ad valorem property taxes. The bill would require that revenue generated by the agency pursuant to these provisions be used for specified housing purposes and would require the agency to distribute those funds in accordance with specified requirements, including the adoption of an annual plan by the board. This bill would require that revenue be allocated according to a geographic distribution schedule, as specified.

Existing law defines "public works," for the purposes of regulating public works contracts, as, among other things, construction, alteration, demolition, installation, or repair work done under contract and paid for, in whole or in part, out of public funds. Existing law further requires that, except as specified, not less than the general prevailing rate of per diem wages be paid to workers employed on public works and imposes misdemeanor penalties for a willful violation of this requirement.

Under this bill, a construction or rehabilitation project receiving certain funding associated with the agency, as described, would constitute a public work for which prevailing wages are required to be paid. The bill would also provide that certain projects with 40 units or greater are eligible to receive funding or financing from the agency only if all construction and rehabilitation is subject to the City of Los Angeles Department of Public Works PLA, as defined and specified, except that if a specific countywide project labor agreement, as defined, is negotiated, then the bill would provide that those projects are eligible for funding or financing from the agency only if all construction and rehabilitation is subject to that labor agreement rather than the Department of Public Works PLA, as specified.

Because the willful violation of prevailing wage requirements when engaged in these public works projects would result in the imposition of misdemeanor penalties, this bill would impose a state-mandated local program.

(2) The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment

or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

CEQA includes exemptions from its environmental review requirements for numerous categories of projects.

This bill would exempt from the CEQA requirements certain actions taken by the agency.

(3) This bill would make legislative findings and declarations as to the necessity of a special statute for Los Angeles County.

(4) By adding to the duties of local officials with respect to elections procedures for revenue measures on behalf of the agency, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

The people of the State of California do enact as follows:

SECTION 1. Title 6.9 (commencing with Section 64700) is added to the Government Code, to read:

TITLE 6.9. LOS ANGELES COUNTY AFFORDABLE HOUSING SOLUTIONS AGENCY

PART 1. FORMATION OF THE LOS ANGELES COUNTY AFFORDABLE HOUSING SOLUTIONS AGENCY AND GENERAL POWERS

Chapter 1. General Provisions

64700. This title shall be known, and may be cited, as the Los Angeles County Regional Housing Finance Act.

64701. The Legislature finds and declares the following:

(a) Los Angeles County is facing the most significant housing crisis in the region’s history, as tens of thousands of residents are living in overcrowded housing, being pushed out of their homes, spending hours

driving every day to and from work, one paycheck away from an eviction, or experiencing homelessness.

(b) The impacts of Los Angeles County's affordable housing crisis are disproportionately being borne by people of color, including Black, Latino, Asian and Pacific Islander Americans, and low-income residents.

(c) Women of color face an even greater burden due to systemic barriers, including wage discrimination, unsafe transit options, and lack of access to affordable childcare.

(d) Los Angeles County faces this crisis because, as a region, it has failed to produce enough housing at all income levels, particularly at the lowest levels of affordability, preserve affordable housing, protect existing residents from displacement, and address the housing issue throughout the county in a comprehensive fashion.

(e) Housing costs have dramatically outpaced wage growth. An average two-bedroom apartment in Los Angeles County requires a household income of forty-one dollars and ninety-six cents ($41.96) per hour.

(f) The housing crisis in Los Angeles County is regional in nature and existing municipality-specific programming would benefit from a regional agency that could supplement the programming with additional supports and services, especially in the context of ambitious Regional Housing Needs Assessments goals – 341,000 affordable units in the sixth cycle, which the county as a whole is on track to produce 25,000.

(g) Seventy-nine percent of extremely low income households in Los Angeles County are paying more than half of their income on housing costs compared to just 3 percent of moderate-income households.

(h) However, the current process is anything but regional; instead each city and the county is each responsible for their own decisions around housing financing and renter protection programs.

(i) Based on the most recent regional housing needs assessment cycle, Los Angeles County faces an annual gap of 39,375 units between what is being created and what is needed to achieve the sixth cycle affordable housing countywide goals.

(j) A multistakeholder countywide agency is necessary to help address the affordable housing crisis in Los Angeles County by supplementing resources and technical assistance at a regional scale, including:

(1) Generating new dedicated regional funding for critical capital and other supports for affordable housing developments across Los Angeles County to supplement, rather than supplant, existing funding.

(2) Providing staff support to local jurisdictions that require capacity or technical assistance to expedite the preservation and production of housing.

(3) Funding renter programs and services, such as emergency rental assistance and access to counsel.

(4) Assembling parcels, acquiring land, and supporting community land trusts for the purpose of building affordable housing.

(5) Monitoring and reporting on progress at a regional scale.

64702. For purposes of this title:

(a) "Agency" means the Los Angeles County Affordable Housing Solutions Agency established pursuant to Section 64710.

(b) "Board" means the governing board of the Los Angeles County Affordable Housing Solutions Agency.

(c) "Los Angeles County" means the entire area within the territorial boundary of the County of Los Angeles.

64703. The Legislature finds and declares that providing a regional financing mechanism for affordable housing development, preservation, and renter protections in Los Angeles County, as described in this section and Section 64701, is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this title applies to all cities within Los Angeles County, including charter cities.

64704. The provisions of this title are severable. If any provision of this title or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

Chapter 2. The Los Angeles County Affordable Housing Solutions Agency and Governing Board

64710. (a) The Los Angeles County Affordable Housing Solutions Agency is hereby established with jurisdiction extending throughout Los Angeles County, except that the agency shall only have jurisdiction to act in a supplemental capacity when a municipality has, as of January 1, 2022, an existing program that provides similar supports and services, and in no circumstances shall any functions of existing programs be transferred to or undertaken by the agency, nor shall the agency perform or undertake any functions related to supports and services provided to people experiencing homelessness, unless such supports and services are explicitly authorized by this chapter or are directly related to the provision of other supports and services authorized explicitly by this chapter.

(b) The formation and jurisdictional boundaries of the agency are not subject to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Division 3 (commencing with Section 56000) of Title 5).

(c) The agency's purpose is to increase the supply of affordable housing in Los Angeles County by providing for significantly enhanced funding and technical assistance at a regional level for renter protections, affordable housing preservation, and new affordable housing production of 100 percent affordable housing for households earning 80 percent of the appropriate area median income or below, with financing priority on the lowest levels of affordability.

(d) The agency shall complement and supplement existing efforts by cities, counties, districts, and other local, regional, and state entities, related to addressing the goals described in this title.

64711. (a) The agency shall be governed by a board of directors composed of 21 voting members and one nonvoting member, as follows:

(1) Five members of the Los Angeles County Board of Supervisors. If the number of members of the Los Angeles County Board of Supervisors is increased, the agency shall, within 60 days of the increase, submit a plan to the Legislature for revising the composition of the agency.

(2) (A) The mayor of the City of Los Angeles.

(B) Three members appointed by the mayor of the City of Los Angeles, each of whom shall be either a member of the Los Angeles City Council or a housing expert or advocate.

(C) One member who is a city council member or a housing expert or advocate appointed by the President of the Los Angeles City Council.

(3) The mayor of the City of Long Beach or the vice mayor of the City of Long Beach, as determined by the mayor of the City of Long Beach.

(4) (A) Five members, each of whom shall be a mayor or a member of a city council, appointed by the Los Angeles County City Selection Committee.

(B) For purposes of the selection of four of the members appointed pursuant to subparagraph (A), Los Angeles County, excluding the City of Long Beach and the City of Los Angeles, shall be divided into the following four sectors:

(i) The North County and San Fernando Valley sector.

(ii) The Southwest Corridor sector.

(iii) The San Gabriel Valley sector.

(iv) The Southeast sector.

(C) For purposes of the selection of one of the members appointed pursuant to subparagraph (A), one of the members shall be an at-large member who will be selected each term from one of the four sectors described in subparagraph (B), in the following order: the Southeast sector; the San Gabriel Valley sector; the Southwest Corridor sector; and the North County and San Fernando Valley sector.

(D) 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.

(E) The members appointed pursuant to subparagraph (A) shall be appointed by the Los Angeles County City Selection Committee upon an affirmative vote of its members that represent a majority of the population of all cities within the county, excluding the City of Los Angeles and the City of Long Beach.

(5) (A) One at-large member from an eligible small city who is appointed by all members of the Los Angeles County City Selection Committee that are eligible for the seat, as determined by the board.

(B) For purposes of this paragraph, "eligible small city" means a city in the County of Los Angeles that meets all of the following requirements:

(i) The city has a population of less than 100,000, according to the most recent census, as of the date that the at-large member is selected.

(ii) The city is in the top 50 percent of the most impacted cities in the County of Los Angeles, as determined by the proportion of households that are low-income and severely cost-burdened according to data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database, as used in the CalEnviroScreen Housing Burden tool.

(iii) As of January 1, 2024, the city is in substantial compliance with housing element law.

(iv) As of January 1, 2027, the city has adopted programs and policies to support low-income renters at risk of eviction.

(v) The city has adopted at least one model land use standard created by the agency, or a substantially similar land use policy, by January 2027, or within two years after those land use standards are created, whichever date is later. If the agency has updated a particular model land use standard less than two years prior to the appointment, a city that has adopted the current or immediately preceding version of the model standard shall be considered a small city.

(C) The board shall compile a list of cities that satisfy the definition of "eligible small city."

(6) (A) (i) The interim chair of the citizens' oversight committee created by Section 64718.

(ii) The interim chair shall be selected by the three members described in subparagraph (A) of paragraph (7) and then submitted to the full board for approval.

(iii) The interim chair shall have lived or experienced homelessness or housing instability.

(B) The chair of the citizens' oversight committee created by Section 64718 after the chair is elected pursuant to Section 64718.1, at which time the chair shall replace the interim chair described in subparagraph (A).

(7) (A) Until permanent expert members are selected, three members as follows:

(i) One member with expertise in affordable housing production, who shall be a designee from the Southern California Association of Non Profit Housing.

(ii) One member with expertise in affordable housing preservation, who shall be a designee from the Los Angeles Community Land Trust Coalition.

(iii) One member with expertise in renter protection and support, who shall be a designee from the steering committee for Stay Housed L.A. County.

(B) (i) The chief executive officer of the agency shall facilitate a selection process that results in three members as follows:

(I) One member with clear and demonstrated expertise in affordable housing production, including, but not limited to, affordable housing project finance and development.

(II) One member with clear and demonstrated expertise in affordable housing preservation, including, but not limited to, naturally occurring affordable housing, expiring affordability covenants, community land trusts, or related affordable housing preservation strategies.

(III) One member with clear and demonstrated expertise in renter protection and support, including, but not limited to, experience in advocating for or enforcing tenants' rights.

(ii) (I) The chief executive officer of the agency shall create three lists, one for each subclause in clause (i), each with at least five candidates who satisfy the criteria of that subclause.

(II) Members of the public shall be entitled to submit their names for consideration or to nominate other persons for consideration by the chief executive officer of the agency for inclusion in the candidates list required by subclause (I).

(III) The candidates required by subclause (I) shall be subject to the agency's conflict-of-interest policies.

(iii) The members described in clause (i) shall be selected by a vote of the 15 elected members of the board described in paragraphs (1) to (4), inclusive, from the lists created pursuant to this clause.

(8) The Executive Director of the Southern California Association of Governments shall be a nonvoting member.

(b) The board members specified in paragraphs (1) to (4), inclusive, of subdivision (a) may each appoint an alternate member to the agency to represent, at a meeting of the agency, a regular member it has appointed, but only if the regular member cannot attend the meeting.

(c) For purposes of this section, an alternate member shall be:

(1) In the case of the member of the City Council of the City of Los Angeles appointed by the mayor of the City of Los Angeles, any person appointed by the mayor with the consent of the city council. If the alternate member is a member of the city council, then consent of that city council is not necessary.

(2) In the case of any public members, any persons designated by the appointing member so long as that person is a resident of Los Angeles County.

(d) The board shall designate a chair, vice chair, and second vice chair, as well as establish guidelines for designation process and the term of each office.

(e) (1) A member of the board may receive a per diem for each board meeting that the member attends. The board shall set the amount of that per diem for a member's attendance, but that amount shall not exceed one hundred dollars ($100) per meeting. A member shall not receive a payment for more than two meetings in a calendar month.

(2) A board member may waive a payment of per diem authorized by this subdivision.

(3) Out-of-state travel and conference travel shall be compensated by the board member's home city or county.

(f) In addition to the requirements imposed pursuant to subdivision (g), the agency shall engage in public participation processes, which shall include the following:

(1) Outreach efforts to encourage the active participation of a broad range of stakeholder groups in the planning process, including, but not limited to, affordable housing and homelessness advocates, nonprofit developers, neighborhood and community groups, environmental advocates, equity organizations, home builder representatives, and business organizations.

(2) The agency shall require proactive community engagement related to any project or development funded by the agency, in advance of any public meeting or notice of impending action, with a focus on residents of an impacted building and immediately adjacent residents. The agency shall give public notice, through posting on the internet, of any plans or projects funded directly by the agency or by any eligible jurisdiction, at least 30 days in advance of that action. The agency staff may hold a public meeting where deemed appropriate, at a time and a location convenient for members of the public for any project that receives funding from the agency either through the agency itself or a local jurisdiction. The board may choose to hold a public meeting to discuss a project or development when appropriate.

(3) A process for enabling members of the public to provide an annual written request to receive agency notices, information, and updates.

(g) (1) Members of the board are subject to Article 2.4 (commencing with Section 53234) of Chapter 2 of Part 1 of Division 2 of Title 5.

(2) The agency shall be subject to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5), the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), and the Political Reform Act of 1974 (Title 9 (commencing with Section 81000)).

64711.1. Notwithstanding subdivision (c) of Section 64711, if a member appointed by the mayor of the City of Los Angeles is not a member of the city council of that city, the person appointed may serve for 60 days without consent of the city council.

64711.2. Every member of the board is subject to Article 2 (commencing with Section 87200) of Chapter 7 of Title 9.

64711.3. (a) Except as provided in subdivision (b), each member of the board shall serve a term of four years or until a successor is appointed and qualified. A member may be removed at the pleasure of the appointing entities described in subdivision (a) of Section 64711. A member that is not an elected official shall only be reappointed for one additional term.

(b) The membership of any member serving on the agency as a result of holding another public office shall terminate when the member ceases holding the other public office.

64711.4. (a) The board shall appoint a full-time chief executive officer who shall act for the agency under its direction and perform those duties delegated by the agency.

(b) The chief executive officer shall be appointed to a renewable term of four years and shall be removed from office only upon the occurrence of one or both of the following:

(1) A two-thirds majority of the members of the board votes for removal.

(2) The board determines that the chief executive officer has violated a federal or state law, regulation, local ordinance, or policy or practice of the agency, relative to ethical practices, including, but not limited to, the acceptance of gifts or contributions.

(c) The agency shall appoint a general counsel, inspector general, and board secretary.

64711.5. (a) The board shall appoint an inspector general to a renewable term of office of four years. The inspector general shall be removed from office by a two-thirds vote of the members of the board if the board determines that the inspector general has violated a federal or state law or regulation, a local ordinance, or a policy or practice of the agency, relative to ethical practices, including, but not limited to, acceptance of gifts or contributions.

(b) The inspector general shall, at a noticed public hearing of the agency, report quarterly on the expenditures of the agency for travel, meals and refreshments, private club dues, membership fees and other charges, and any other expenditures specified by the agency.

(c) Any investigatory file compiled by the inspector general is an investigatory file compiled by a local law enforcement agency subject to disclosure pursuant to Article 1 (commencing with Section 7923.600) of Chapter 1 of Part 5 of Division 10 of Title 1.

64712. (a) The agency may determine its organizational structure, which may include, but is not limited to, the establishment of departments, divisions, subsidiary units, or similar entities. Any department, division, subsidiary unit, or similar entity established by the agency shall be referred to in this chapter as an "organizational unit."

(b) The board may delegate to an organizational unit or to its chief executive officer any powers and duties it deems appropriate. Powers and duties that may be delegated to an organizational unit include, but are not limited to, the following:

(1) Approval of contracts up to authority limits established by the board, except that final approval of labor contracts shall require board approval.

(2) Hearing and resolving bid protests.

64713. The members of the board shall be appointed by April 1, 2023. The agency shall have no powers, duties, or responsibilities until April 1, 2023.

64714. A member of the board shall exercise independent judgment on behalf of the interests of the residents, the property owners, and the public of Los Angeles County in furthering the intent and purposes of this title.

64715. (a) The board shall hold its first meeting at a time and place within Los Angeles County fixed by the Los Angeles County Clerk, as a ministerial duty.

(b) After the first meeting described in subdivision (a), the board shall hold meetings at times and places determined by the board.

64716. (a) The board may make and enforce rules and regulations necessary for governing the board, the preservation of order, and the transaction of business, including by establishing an executive committee and other committees as necessary.

(b) In exercising the powers and duties conferred on the agency by this title, the board may act by ordinance, resolution, or minute action.

64717. (a) Five years after the voters approve an initial ballot measure proposed pursuant to Section 64721, the board shall review the implementation of the measure. The review shall include the following:

(1) An analysis of the expenditures to date.

(2) The number of affordable housing units produced and preserved at different household income levels.

(3) The tenant protection services provided, and the role of the agency.

(b) No earlier than five years after approval of a funding measure under Chapter 2 (commencing with Section 64810) and subject to consultation with the agreement of the citizens' oversight committee by a two-thirds vote, the board may change any of the minimum requirements in subdivision (d) of Section 64830 if the board adopts a finding that both allocated funding has been unspent in a given category across multiple years and the region's needs in a given category differ from those requirements. The board is required to approve the finding by a two-thirds vote. Approval of the finding shall be subject to the public participation requirements provided in subdivision (f) of Section 64711.

(c) (1) The board shall, after the citizens' oversight committee approves the annual expenditure plan, adopt the annual expenditure plan for the use of housing revenue by July 1 of each year, except the board shall select the deadline to adopt the first annual expenditure plan. To support long-term planning, the annual expenditure plan may cover multiple years, as determined by the board. In the event any of the planned annual expenditures do not correspond to actual expenditures that meet the minimum annual expenditure requirements set forth in this chapter, the board shall ensure subsequent expenditure plans account for previous underspending so that the average spending over at least a three-year budget period achieves the minimum annual expenditure set forth in this chapter.

(2) The annual expenditure plan shall set forth the share of revenue and estimated funding amount to be spent on each of the categories established in subdivision (d) of Section 64830, indicate the household income levels to be served within each category of expenditures, and estimate the number of affordable housing units to be built or preserved and the number of tenants to be protected. To the extent feasible, the annual expenditure plan shall include a description of any specific project or program proposed to receive funding, including the location, amount of funding, and anticipated outcomes.

64718. (a) The board shall form a citizens' oversight committee that adheres to the guiding principles of ensuring that the region produce enough housing at all income levels, particularly at the lowest levels of affordability,

while preserving affordable housing, and protecting residents from displacement. The committee shall be composed of 11 voting members and 1 nonvoting member with knowledge and experience in the areas of affordable housing finance and development, or tenant protection, or housing preservation. The citizens' oversight committee shall meet as necessary and provide substantial assistance in the development of funding guidelines and the overall implementation of agency programs. The committee shall have a vote to approve the annual organizational expenditure plan prior to approval by the board pursuant to subdivision (c) of Section 64717. The committee shall report directly to the board and the public. Consistent with the provisions of this chapter, the committee shall provide consultation and make recommendations to the board. The committee shall meet as often as is necessary to fulfill its roles and responsibilities.

(b) Committee members shall carry out the responsibilities laid out in this section and play a valuable and constructive role in the ongoing improvement and enhancement of the agency. Committee members will offer their unique knowledge and experience in the areas of affordable housing finance and development, tenant protection, and housing preservation. The committee members shall meet the following requirements:

(1) All members shall reside in Los Angeles County.

(2) All members shall be subject to conflict-of-interest provisions. No person currently serving as an elected or appointed city, county, special district, state, or federal public officeholder, or currently employed by a city or county agency, shall be eligible for membership on the committee.

(3) In addition to all conflict-of-interest provisions all members shall be required to divest of any investments from which their participation on the committee may further their personal or institutional financial interests.

(c) A person may apply to the Office of the Inspector General to become a member of the committee. The Office of the Inspector General shall select the members of the committee by a date set by the board. The committee shall have at least one member representing each of the following professions or areas of expertise, except as provided in subdivision (d):

(1) A person with experience in the field of municipal or public finance and budgeting with a minimum of five years of relevant experience in that field.

(2) A person with experience in senior-level decisionmaking in affordable housing development, preservation, and operations and with a minimum of five years of relevant experience in that field.

(3) A person with experience in housing finance and with a minimum of five years of experience in that field.

(4) A person with experience in tenant rights organizing or advocacy and with a minimum of five years of experience in that field.

(5) A person with experience in housing seniors or people with disabilities and with a minimum of five years of experience in that field.

(6) A person with experience as a legal expert advancing or enforcing fair housing policies on behalf of a community-based organization and with a minimum of five years of experience in that field.

(7) A person with experience in the management of large-scale housing construction projects and associated labor practices and with a minimum of five years of experience in that field.

(8) A person with a minimum of five years of lived experience as a low- or moderate-income tenant who has experienced being homeless for a minimum of one year.

(9) A person with a minimum of five years of lived experience as a low- or moderate-income tenant or who has experienced being homeless for a minimum of one year.

(10) A recognized representative of employees at the Los Angeles Homeless Services Authority.

(11) A person with experience in managing, forming, serving, or operating community land trusts or community development corporations and with a minimum of five years of experience in that field.

(12) A young person between 18 and 24 years of age with demonstrated lived experience of homelessness, experience as a low- or moderate-income tenant, or demonstrated experience as an organizer or advocate for tenant rights with community based organizations, who shall be a nonvoting member.

(d) If, after making a good faith effort to select individuals who meet the requirements of subdivision (c), the Office of the Inspector General is unable to identify individuals who meet the requirements of subdivision (c), then no more than two members from one or more of the remaining areas of expertise may be selected, except in the case of paragraphs (8) and (9) of subdivision (c), which positions shall remain vacant until filled.

(e) A committee member may be removed from their position if a majority of the committee members votes for removal upon finding that the committee member has violated a federal or state law, a regulation, a local ordinance, or a policy or practice of the agency, relative to ethical practices.

64718.1. (a) The members of the citizens' oversight committee shall be subject to the agency's conflict-of-interest policies. The members shall have no legal action pending against the agency and are prohibited from acting in any commercial activity directly or indirectly involving the agency, such as being a consultant to the agency or to any party with pending legal actions against the agency during their committee tenure. Committee members shall not have direct commercial interest or employment with any public or private entity that receives funds authorized by this title.

(b) The committee members shall receive a reasonable stipend as compensation, which shall be set by the Office of the Inspector General and shall be subject to board approval. A member may choose to waive this stipend in its entirety.

Each member of the committee shall serve for a term of five years, and until a successor is appointed, except that initial appointments may be staggered with terms of three years as proposed by the Inspector General.

(c) A committee member shall serve no more than two terms on the committee.

(d) Any member may, at any time, resign from the committee upon written notice delivered to the agency. Acceptance of any public office, the filing of intent to seek public office, including a filing under Section 85200, or change of residence to outside Los Angeles County shall constitute a member's automatic resignation.

(e) The members shall elect a chair and vice chair at the first meeting of the citizens' oversight committee. The chair and vice chair shall each serve a renewable one-year term for as long as the chair or vice chair is eligible to serve on the commission.

64718.2. The committee shall, at a minimum, meet on a quarterly basis to carry out its responsibilities and is hereby charged with the following responsibilities:

(a) The committee shall have the annual responsibility to consider and approve the annual expenditure plan pursuant to subdivision (c) of Section 64717 as a precondition to approval by the full board of directors.

(b) Each recipient of revenue under this title shall contract for an annual audit, to be completed within six months after the end of the fiscal year being audited, for the purpose of determining compliance by the recipient with the provisions of this title relating to the receipt and expenditure of revenues during the fiscal year. The audit shall be required by any contract between the agency and any recipient. The board may establish standards for these audits, and the committee may provide input on the standards for recipients that are not public agencies. Audits of public agencies shall comply with generally applicable standards. The committee shall review the results of the audits, prepare an annual report on the audits, and hold an annual public hearing to report on the results of the audits.

(c) The agency, led by the Office of the Inspector General and in partnership with the citizens' oversight committee, shall conduct a comprehensive review of all projects and programs implemented under the expenditure plan every five years. The review shall evaluate project and program performance and make recommendations to improve plan performance, based on current practices, best practices, and organizational changes that could improve coordination.

(d) The agency shall establish an internet website dedicated to demonstrating compliance with this title. The internet website shall include the agency's periodic financial reports and its current adopted plans required by this title. All audit reports, findings, and recommendations shall be made accessible to the public on the internet website prior to the public hearing and upon request.

(e) The committee may review all of the following, in its discretion:

(1) For each agency area of focus, the efficiency and effectiveness of the agency's use of funds.

(2) For local direct allocations of funding pursuant to Section 64830.5, the program revenues and uses for each local jurisdiction.

(3) The percentage of the expenditure plan expenditures compared to project milestone completion.

Chapter 3. Powers of the Los Angeles County Affordable Housing Solutions Agency

64720. In implementing this title, the agency may do all of the following:

(a) Place on the ballot in Los Angeles County, including all of its incorporated cities, funding measures, in accordance with applicable constitutional and statutory requirements, to raise and allocate funds to Los Angeles County, the cities in Los Angeles County, and other public agencies and affordable housing projects within its jurisdiction for purposes of preserving and enhancing existing housing, funding renter protection programs, and financing new construction of housing developments that are 100 percent affordable to households earning 80 percent of the relevant area median income or below, with a priority on the lowest levels of affordability.

(b) Apply for and receive grants from federal and state agencies.

(c) Incur and issue indebtedness and assess fees on the purchaser of any debt issuance and agency loan products for reinvestment of those fees and loan repayments in affordable housing production and preservation in accordance with applicable constitutional requirements.

(d) Incur debt and issue bonds and otherwise incur liabilities or obligations in accordance with Article 2 (commencing with Section 64820) of Chapter 2 of Part 2, and in accordance with applicable constitutional requirements.

(e) Solicit and accept gifts, fees, grants, and other allocations from public and private entities.

(f) Deposit or invest moneys of the agency in banks or financial institutions in the state.

(g) Sue and be sued, except as otherwise provided by law, in all actions and proceedings, in all courts and tribunals of competent jurisdiction.

(h) Engage counsel and other professional services.

(i) Enter into and perform all necessary contracts.

(j) Enter into joint powers agreements pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1).

(k) Hire staff, define their qualifications and duties, and provide a schedule of compensation for the performance of their duties.

(*l*) Land bank, assemble parcels, and lease, purchase, or otherwise acquire land for housing development. Sell or dispose of land or assets consistent with the agency's purpose and eligible activities or where a parcel under the agency's control is deemed to be inappropriate for housing development.

(m) Collect data on housing production and monitor progress on meeting regional and state housing goals.

(n) Provide support and technical assistance to local governments in relation to producing and preserving affordable housing.

(o) Provide public information about the agency's housing programs and policies.

(p) Act in compliance with the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1).

(q) Allocate and deploy capital and generated fees or income in the form of grants, loans, equity, interest rate subsidies, and other financing tools to the cities and other public agencies within the Los Angeles County area, and private affordable housing developers to finance affordable housing development, preserve and enhance existing affordable housing, and fund tenant protection programs, pursuant to this title, in accordance with applicable constitutional requirements.

(r) Collaborate with staff employed by the Los Angeles Metropolitan Transportation Authority with shared planning and services.

(s) Any other express or implied powers necessary to carry out the intent and purposes of this title.

64720.3. Both of the following shall be exempt from Division 13 (commencing with Section 21000) of the Public Resources Code:

(a) Any action taken by the agency to finance, fund, or issue grants, loans, or bonds.

(b) Any action taken by the agency to purchase or lease real property for the purpose of any of the following:

(1) The preservation of existing housing that involves negligible or no expansion of use.

(2) The development of residential housing for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code.

(3) The provision of technical assistance to local jurisdictions to promote affordable housing, including, but not limited to, drafting model affordable housing land use ordinances and policies and providing staff support to local jurisdictions.

64720.5. (a) Any construction or rehabilitation project receiving funding or financing from the agency, a measure proposed by the agency pursuant to subdivision (a) of Section 64720, or a joint powers authority of which the agency is a member, including, but not limited to, a project with under 40 units, shall constitute a public work for which prevailing wages shall be paid for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

(b) A project with 40 units or greater is eligible to receive funding or financing from the agency, a measure proposed by the agency pursuant to subdivision (a) of Section 64720, or a joint powers authority of which the agency is a member, only if all construction and rehabilitation is subject to the City of Los Angeles Department of Public Works PLA. For purposes of this subdivision and subdivision (c), the number of units means the maximum number of units authorized in an entitlement granted by the land use permitting authority for the development project, regardless of whether construction or rehabilitation proceeds in phases or ownership is divided.

(c) Notwithstanding subdivision (b), if a specific countywide project labor agreement is negotiated with mutual agreement between the Los

Angeles/Orange Counties Building and Construction Trades Council and the Southern California Association of Nonprofit Housing and approved by the agency, then a project with 40 units or greater is eligible to receive funding or financing from the agency, a measure proposed by the agency pursuant to subdivision (a) of Section 64720, or a joint powers authority of which the agency is a member, only if all construction and rehabilitation is subject to the specific countywide project labor agreement rather than the Department of Public Works PLA.

(d) For purposes of this section, "project labor agreement" has the same meaning as in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(e) For purposes of this section, "Department of Public Works PLA" means the City of Los Angeles Department of Public Works Project Labor Agreement 2020-2030 with Los Angeles/Orange Counties Building and Construction Trades Council, effective August 25, 2021.

64721. (a) If the agency or a qualified voter initiative proposes a measure pursuant to subdivision (a) of Section 64720 that will generate revenues, the Los Angeles County Board of Supervisors shall call a special election on the measure. The special election shall be consolidated with a statewide election and the measure shall be submitted to the voters of Los Angeles County.

(b) (1) For the purpose of placement of a measure on the ballot, the agency is a district, as defined in Section 317 of the Elections Code. Except as otherwise provided in this section, a measure proposed by the agency or by a qualified voter initiative that requires voter approval shall be submitted to the voters of Los Angeles County, as determined by the agency, in accordance with the provisions of the Elections Code applicable to districts, including the provisions of Chapter 4 (commencing with Section 9300) of Division 9 of the Elections Code.

(2) Because the agency has no revenues as of the operative date of this section, the appropriations limit for the agency shall be originally established based on receipts from the initial measure that would generate revenues for the agency as described in subdivision (a), and that establishment of an appropriations limit shall not be deemed a change in an appropriations limit for purposes of Section 4 of Article XIII B of the California Constitution.

(c) (1) Notwithstanding Section 10520 of the Elections Code, for any election at which the agency or a qualified voter initiative proposes a measure pursuant to subdivision (a) of Section 64720 that would generate revenues, the agency shall reimburse Los Angeles County for the incremental costs incurred by the county elections official related to submitting the measure to the voters with any eligible funds transferred to the agency.

(2) For purposes of this subdivision, "incremental costs" include all of the following:

(A) The cost to prepare, review, and revise the impartial analysis of the measure.

(B) The cost to prepare a translation of ballot materials into a language other than English by the county.

(C) The additional costs that exceed the costs incurred for other election races or ballot measures, if any, appearing on the same ballot in Los Angeles County, including both of the following:

(i) The printing and mailing of ballot materials.

(ii) The canvass of the vote regarding the measure pursuant to Division 15 (commencing with Section 15000) of the Elections Code.

(d) Notwithstanding Section 9313 of the Elections Code, the legal counsel for the board shall prepare an impartial analysis of the measure. The impartial analysis prepared by the legal counsel for the board shall be subject to review and revision by the county counsel.

(e) The summary of the annual expenditure plan shall be prepared by the board and include all of the following:

(1) A description of the purpose and goals of the measure.

(2) A description of the categories of eligible expenditures to be funded.

(3) An estimate of the number of affordable housing units to be built or preserved by household income category served, and a description of any specific projects planned to be funded.

(4) An estimate of minimum funding levels to be provided to different expenditure categories.

(5) An overview of decisionmaking and oversight provisions applicable to the funds.

(f) The county elections official for Los Angeles County shall serve as the elections official of the agency for purposes of administering the ballot measure process and any election for the purposes set forth in this chapter. In the alternative, the board, at its discretion, may appoint an elections official to administer any election for the purposes set forth in this chapter. If the board appoints an elections official, the board may authorize that elections official to retain the services of the elections official of Los Angeles County to administer the ballot measure process and any election, and the elections official of Los Angeles County shall perform those services.

64722. The board and the agency shall not do either of the following:

(a) Regulate or enforce local land use decisions.

(b) Acquire property by eminent domain.

Chapter 4. Financial Provisions

64730. The board shall provide for annual audits of the agency's general administration, accounts, and records, shall maintain accounting records, and shall report accounting transactions in accordance with generally accepted accounting principles adopted by the Governmental Accounting Standards Board of the Financial Accounting Foundation for both public reporting purposes and for reporting of activities to the Controller.

64731. The board shall provide for annual financial reports. The board shall make copies of the annual financial reports available to the public.

PART 2. FINANCING ACTIVITIES OF THE LOS ANGELES COUNTY AFFORDABLE HOUSING SOLUTIONS AGENCY

Chapter 1. General Provisions

64800. (a) The agency, either directly or through qualified voter initiative, may raise and allocate new revenue through all of the following funding mechanisms:

(1) Special taxes, subject to voter approval, as provided in Article 1 (commencing with Section 64810) of Chapter 2, as follows:

(A) A parcel tax, as provided in Section 64810.

(B) A gross receipts business license tax, as provided in Section 64811.

(C) A documentary transfer tax, as provided in Section 64813.

(2) The issuance of bonds, as provided in Article 2 (commencing with Section 64820) of Chapter 2, in accordance with applicable constitutional requirements.

(b) It is the intent of the Legislature that the funding measures authorized by this subdivision distribute the responsibility for addressing the affordable housing needs of the region across commercial developers, taxpayers, and property owners within the region.

Chapter 2. Revenue

Article 1. Special Taxes

64810. (a) Subject to Section 4 of Article XIII A of the California Constitution and subject to approval by the board before the agency takes action to approve the placement of a measure on the ballot, the agency may impose, by resolution or by ordinance, a parcel tax within Los Angeles County pursuant to the procedures established in Article 3.5 (commencing with Section 50075) of Chapter 1 of Part 1 of Division 1 of Title 5, Section 64721, and any other procedures applicable by law.

(b) For purposes of this section, "parcel tax" means a special tax imposed upon a parcel of real property at a rate that is determined without regard to that property's value.

(c) The agency shall provide notice of any parcel tax imposed pursuant to this section in the manner specified in Section 54930.

(d) Thereafter, the tax shall be collected at the same time, and in the same manner, as the ad valorem taxes on real property authorized by Section 1 of Article XIII A of the California Constitution are collected, and shall be subject to the same penalties and interest and to the same procedure under foreclosure and sale in case of delinquency as provided for those taxes. All laws applicable to the levy, collection, and enforcement of the ad valorem taxes on real property authorized by Section 1 of Article XIII A of the California Constitution are hereby made applicable to the special assessment taxes.

64811. (a) (1) Subject to Section 4 of Article XIII A of the California Constitution and subject to approval by the board before the agency takes action to approve the placement of a measure on the ballot, the agency may impose, by resolution or by ordinance, or via action by the designated elections official, a special tax, measured by gross receipts, for the privilege of engaging in any kind of lawful business transacted in the Los Angeles County area pursuant to the procedures established in Article 3.5 (commencing with Section 50075) of Chapter 1 of Part 1 of Division 1 of Title 5, Section 64721, and any other applicable procedures provided by law.

(2) The resolution imposing a special tax pursuant to this subdivision may provide for the following:

(A) Variable rates based on the business sector of each person subject to the tax.

(B) Exemptions for small businesses.

(C) Collection of the tax by suit or otherwise.

(b) If the agency levies a special tax pursuant to subdivision (a) upon a business operating both within and outside the agency's taxing jurisdiction, the agency shall levy the tax so that the measure of tax fairly reflects that proportion of the taxed activity actually carried on within the taxing jurisdiction.

(c) A special tax levied pursuant to subdivision (a) shall not apply to any nonprofit organization that is exempted from taxes by Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the Revenue and Taxation Code or Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, or the successor of either, or to any minister, clergyperson, Christian Science practitioner, rabbi, or leader of any religious organization that has been granted an exemption from federal income tax by the United States Commissioner of Internal Revenue as an organization described in Section 501(c)(3) of the Internal Revenue Code or a successor to that section.

64811.5. The special taxes authorized in this article may also be imposed by qualified voter initiative.

64812. Taxes levied pursuant to Section 64811 shall be collected in the following manner:

(a) The county tax collector shall be responsible for collecting the tax revenue.

(b) The county shall create policies and procedures necessary to collect tax revenue, including, but not limited to, policies that achieve both of the following:

(1) Ensure adequate enforcement of taxes levied pursuant to Section 64811.

(2) Provide subjects of a tax with an opportunity to appeal the amount of tax owed.

64813. Subject to Section 4 of Article XIII A of the California Constitution, either the designated elections official or the board may act by resolution or by ordinance to place a measure on the ballot seeking voter

approval of a special documentary transfer tax pursuant to Part 6.7 (commencing with Section 11901) of Division 2 of the Revenue and Taxation Code, provided, however, that the agency's tax shall be in addition to any city or county tax under that part and not subject to the limit provided in Section 11911 of the Revenue and Taxation Code.

64814. All special taxes levied pursuant to this article shall be administered in the following manner:

(a) Taxes collected shall be deposited in a separate fund, which shall be established in the treasury of the county and used only as prescribed by this title.

(b) The county shall transfer moneys intended for regional projects pursuant to Section 64830 from the fund to the agency periodically as promptly as feasible. The transmittals shall be made at least twice in each calendar quarter.

Article 2. Bonds

64820. The board may, by majority vote, initiate proceedings to issue bonds pursuant to this chapter by adopting a resolution or ordinance stating its intent to issue the bonds.

64821. (a) The agency, with approval of two-thirds of the voters, may levy ad valorem property taxes to secure debt pursuant to paragraph (2) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(b) For purposes of incurring bonded indebtedness pursuant to this section, the agency shall comply with the requirements of Chapter 3 (commencing with Section 53400) of Part 1 of Division 2 of Title 5.

64822. (a) (1) For purposes of this section, "agency revenues" includes, without limitation, revenues generated by any special tax, fee, or charge imposed by the agency, other than ad valorem property taxes.

(2) The agency may issue revenue bonds, payable from agency revenues allocated in paragraph (1) of subdivision (d) of Section 64830, in accordance with the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5), for the purposes set forth in this title and in any resolution adopted by the board, or measure adopted by voters, in connection with the generation of agency revenues or imposition of those special taxes, fees, or other charges. For purposes of issuing revenue bonds pursuant to this section, the special taxes, fees, or other charges described in the previous sentence shall constitute an "enterprise" within the meaning of Section 54309.

(3) To exercise the powers described in this section, the agency shall ensure that any annual expenditure plan summary prepared pursuant to Section 64721 related to voter approval of a special tax under this title notifies the voters that proceeds from the special tax may be used as payment for revenue bonds.

(4) For purposes of this section, the agency shall be deemed to be a local agency within the meaning of Section 54307. Article 3 (commencing with

Section 54380) of Chapter 6 of Part 1 of Division 2 of Title 5 does not apply to the issuance and sale of bonds pursuant to this section. Instead, the agency shall authorize the issuance of bonds by resolution at any time, and from time to time, which shall specify all of the following:

(A) The purposes for which the bonds are to be issued.

(B) The maximum principal amount of the bonds.

(C) The maximum term for the bonds.

(D) (i) The maximum rate of interest to be payable upon the bonds, which shall not exceed the maximum rate permitted for bonds of the agency by Section 53531 or any other applicable provisions of law.

(ii) In the case of bonds bearing a variable interest rate, the variable rate shall not, on any day, exceed the maximum rate permitted for bonds of the agency by Section 53531 or any other applicable provisions of law. However, the variable interest rate may, on any day, exceed that maximum rate in clause (i), if the interest paid on the bonds from their date of original issuance to that day does not exceed the total interest that would have been permitted if the bonds had borne interest at all times from the date of issuance to that day at the maximum rate permitted from time to time by Section 53531 or any other applicable provisions of law.

(E) The maximum original issue premium or discount on the sale of the bonds.

(F) The denomination or denominations of the revenue bonds, which shall not be less than five thousand dollars ($5,000).

(b) The resolution may also contain any other matters authorized by this chapter or any other law.

(c) The revenue bonds may be sold at public or private sale or on a negotiated sale basis and at the prices, above or below par, as determined by the board.

(d) The revenue bonds, or each series thereof, shall be dated and numbered consecutively and shall be signed by the executive director of the agency, whose signature may be printed, lithographed, or mechanically reproduced. If any officer whose signature appears on the revenue bonds ceases to be that officer before the delivery of the bonds, the officer's signature is as effective as if the officer had remained in office.

(e) This section provides a complete, additional, and alternative method for the issuance of revenue bonds by the agency. An issuance does not need to comply with the procedures specified in other laws, but shall, if bonds are issued pursuant to this article, be issued in accordance with this article.

64822.5. The agency may issue mortgage revenue bonds pursuant to Part 5 (commencing with Section 52000) of Division 31 of the Health and Safety Code, and other applicable law.

64822.7. The agency may issue private activity bonds pursuant to the Tax Reform Act of 1986 (Public Law 99-514) and Sections 1112 and 1401 of the American Recovery and Reinvestment Act of 2009, as it read prior to repeal (26 U.S.C. Secs. 54a and 1400U-1).

64823. (a) The agency or any person executing the bonds issued pursuant to this title shall not be personally liable on the bonds by reason of their issuance.

(b) The bonds and other obligations of the agency are not a debt of any city or Los Angeles County, or any of its affiliated entities, or of the state or of any of its political subdivisions, other than the agency, and neither a city or county nor the state or any of its political subdivisions, other than the agency, shall be liable on the bonds, and the bonds or obligations shall be payable exclusively from funds or properties of the agency, as specified in the applicable bond or other debt instrument. Bonds issued pursuant to this title shall contain a statement to this effect on their face.

(c) If the signature of any member of the agency or staff member of the agency appears on bonds issued pursuant to this title, and that individual ceases to be a member of the agency or staff member of the agency before delivery of the bonds, that member's signature shall be as effective as if the member had remained in office.

64824. (a) Every two years after the issuance of bonds pursuant to this section, the agency shall contract for an independent financial and performance audit. The audit shall be conducted according to guidelines established by the Controller. A copy of the completed audit shall be provided to the Controller, the Director of Finance, and the Joint Legislative Budget Committee.

(b) Upon the request of the Governor or the Legislature, the Bureau of State Audits may conduct a financial and performance audit of the agency. The results of any audit shall be provided to the board, the Controller, the Director of Finance, and the Joint Legislative Budget Committee.

64825. Bonds issued pursuant to this article are fully negotiable.

64826. Any action to determine the validity of any tax, fee, or other charge provided for in, or the validity of bonds issued pursuant to, this title, or any of the proceedings, contracts, agreements, or other arrangements or matters entered into, shall be commenced within 60 days from date of the election or the adoption of the resolution approving those matters, as applicable, pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure. After that date, the adoption of that tax, fee, or other charge, the issuance of the bonds, and all proceedings in relation thereto, shall be held valid and incontestable in every respect.

Chapter 3. Expenditures

64830. (a) Revenue generated pursuant to this part shall be used for the construction of new affordable housing, affordable housing preservation, tenant protection programs, planning and technical assistance related to affordable housing, and for other purposes, as provided for in this section.

(b) For purposes of this section, "regional housing revenues" are those revenues generated pursuant to Chapter 2 (commencing with Section 64810).

(c) The allocation of regional housing revenues to projects and programs shall be approved by the board.

(d) Subject to funding eligibility and adjustment pursuant to subdivision (b) of Section 64717, the agency shall distribute regional housing revenue in the form of a grant, loan, or other financing tool pursuant to subdivision (q) of Section 64720 in a manner that achieves the following shares in the annual expenditure plan:

(1) A minimum of 40 percent of the annual programmatic budget, excluding any bond indebtedness, shall be spent on affordable housing creation, preservation, and ownership as follows:

(A) The following conditions shall apply with regard to affordable housing creation:

(i) Funding pursuant to this subparagraph may be used for the following purposes, including, but not limited to, land acquisition, housing acquisition, financing, and ownership programs, including the agency serving as a single source of financing as appropriate, income assistance for extremely low income households, and project-based rental assistance contracts with no time limit that are restricted to the support of extremely low income households.

(ii) Financing for any development costs associated with a project or funding grant that is for housing that is 100 percent affordable, which means restricted to any household that earns less than 80 percent of the area median income (AMI), including permanent supportive housing that includes onsite supportive services. An eligible project may also include a subset of at least 50 units, or 50 percent of the total units, whichever is greater, in a larger development that includes units targeted up to 120 percent of AMI, in which case the agency may only fund units that are designated for extremely low and very low income households, and agency funds shall not be used in connection with any unit that is income restricted due to development incentives, density bonuses, or similar programs.

(I) For each of the eligible jurisdictions, as defined in paragraph (1) of subdivision (a) of Section 64830.5, 25 percent of all funded units shall be reserved for extremely low income households, as defined in Section 50106 of the Health and Safety Code, and 25 percent shall be reserved for very low income households, as defined in Section 50105 of the Health and Safety Code, over any two-year period, with regular monitoring by the citizens' oversight committee and board of units funded and constructed during that two-year period.

(II) For each project, 10 percent of the units in the project shall be reserved for extremely low income households and 10 percent of the units shall be reserved for very low income households.

(B) Funding pursuant to this paragraph for affordable housing preservation programs may be used to acquire, rehabilitate, place affordability restrictions on, and preserve existing housing units, housing from the private market, and units in residential hotels as defined in paragraph (1) of subdivision (b) of Section 50519 of the Health and Safety Code for affordability, in order to prevent the loss of affordability and expand

permanent affordability. Funding provided pursuant to this subparagraph shall be subject to both of the following conditions:

(i) Existing residents of buildings acquired for the purpose of affordable housing preservation shall not be permanently displaced, even if the resident's household income exceeds the moderate-income limits in Section 50093 of the Health and Safety Code.

(ii) Buildings acquired for the purpose of affordable housing preservation shall achieve 100 percent occupancy by extremely low or very low income households over time through unit turnover.

Grants, loans or other financing provided to Community land trusts and other similarly structured nonprofit entities to acquire, rehabilitate, and preserve existing housing units are an eligible use pursuant to this subparagraph.

Programs to enable low- or moderate-income households to become or remain homeowners, including, but not limited to, below market rate ownership programs, down payment assistance programs, residential rehabilitation loan programs, and grants or loans to assist in the rehabilitation or replacement of existing mobilehomes located in a mobilehome or manufactured home are eligible uses pursuant to this subparagraph.

(C) Funding provided pursuant to this paragraph shall be subject to the following conditions in the event that demolition or rehabilitation of housing units is required:

(i) (I) Any funded development or affordable housing grant on any property that includes a parcel or parcels that currently have residential uses, or within the five years preceding the grant have had residential uses that have been vacated or demolished, that are or were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low- or very low income, subject to any other form of rent or price control through a public entity's valid exercise of its police power, or occupied by low- or very low income households, shall be subject to a policy requiring the replacement of all those units to be made available at affordable rent or affordable housing cost to, and occupied by, persons and families in the same or lower income category as those households in occupancy.

(II) Replacement requirements shall be consistent with those set forth in paragraph (3) of subdivision (c) of Section 65915, provided that any dwelling unit that is or was, within the five-year period preceding the grant, subject to a form of rent or price control through a local government's valid exercise of its police power and that is or was occupied by persons or families above lower income shall be replaced with units made available at affordable rent or affordable housing cost to, and occupied by, low-income persons or families.

(ii) If existing residents are required to be relocated due to demolition or rehabilitation needs, the developer is required to provide relocation benefits to the occupants of those housing rental units subject to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1. The developer shall comply with either the local government requirements for relocation

assistance to displaced households or the policy set by the agency for relocation assistance to displaced households, whichever provides a greater benefit to the relocated or displaced households.

(iii) If existing occupants who are lower income households are required to vacate their units due to demolition or rehabilitation needs, the developer shall provide a right of first refusal for a comparable unit available in the new or rehabilitated housing development that is affordable to the household at an affordable rent, as defined in Section 50053 of the Health and Safety Code, or an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code.

(2) (A) At least 30 percent of the total annual programmatic budget, excluding any bond indebtedness, shall be spent on countywide renter protection and support programs.

(B) These programs include any effort that helps renters of lower income households, as defined in Section 50079.5 of the Health and Safety Code.

(C) Eligible uses of the funds include, but are not limited to, all of the following:

(i) Preeviction and eviction legal services, counseling, advice and consultation, training, renter education and representation, and services to improve habitability that protect against displacement of tenants.

(ii) Providing rental assistance for lower income households. Rental assistance shall be provided to a specific household for a reasonable amount of time not to exceed six months, and shall be paired with supportive services, such as eviction prevention and defense, to the greatest extent possible.

(iii) Providing relocation assistance for lower income households beyond what is legally required of landlords according to local or state law.

(3) Fifteen percent of the total annual programmatic budget shall be allocated as "annual priorities," and these funds may be used for any eligible activity outlined in this chapter as part of the annual expenditure plan.

(4) At least 5 percent of the total annual programmatic budget, excluding any bond indebtedness, shall be used for technical assistance, research, and policy development. Eligible uses for these funds include, but are not limited to, all of the following:

(A) Collecting and tracking information related to displacement and displacement risk, rents, and evictions in the region.

(B) Drafting model affordable housing land use ordinances that may be adopted by any jurisdiction in Los Angeles County.

(5) Not more than 10 percent of the total annual programmatic budget, excluding any bond indebtedness, shall be used for the agencies administrative and operations expenses.

64830.5. (a) (1) In this subdivision, "eligible jurisdictions" shall mean the following jurisdictions:

(A) The councils of governments in Los Angeles County, excluding the jurisdictions described in subparagraphs (B) through (F), inclusive.

(i) Funds, or a portion of the funds, provided to the San Gabriel Valley Council of Governments may be allocated by the council to the San Gabriel

Valley Regional Housing Trust, and the trust shall use the funds pursuant to the same requirements as funding provided to the councils of governments.

(ii) A council of government that creates and operates a regional housing trust that is consistent with the San Gabriel Valley Regional Housing Trust model shall be eligible to receive a direct allocation. If any regional housing trust is created that does not correspond to an existing council of government, the board shall have discretion to determine the appropriate pro rata funding allocation.

(B) The City of Los Angeles.

(C) The City of Long Beach.

(D) The City of Glendale.

(E) The unincorporated areas of Los Angeles County.

(F) The City of Santa Clarita.

(2) Revenue generated pursuant to this part shall be allocated according to the following geographic distribution schedule:

(A) (i) Seventy percent of annual funding for the purpose of affordable housing preservation, affordable housing production, income assistance for extremely low-income households, and long-term, project-based rental assistance shall be allocated, based on the eligible jurisdiction's pro rata lower income housing need, to the eligible jurisdictions, provided that the allocation is consistent with the eligible uses of the funding set forth in paragraph (1) of subdivision (d) of Section 64830.

(ii) (I) Thirty percent of annual funding for the purpose of affordable housing preservation, affordable housing production, and long-term rental assistance, with no time limit, shall be allocated by the agency to the eligible jurisdictions consistent with the guiding principles of the agency and the eligible uses outlined in Section 64830.

(II) At least 5 percent of funds allocated pursuant to subclause (I) shall be used for technical assistance grants to cities with a population under 50,000.

(iii) If an eligible jurisdiction is found to be out of compliance with affordability targets at the end of a two-year period, the board may take any of the following actions:

(I) Limit the funding for the jurisdiction to extremely low and very low income housing units only until compliance is reestablished.

(II) Require the funding allocated to the jurisdiction to be administered by the agency instead of the jurisdiction.

(III) Increase funding incentives as needed to meet project and programmatic targets.

(iv) (I) Any eligible jurisdiction may receive a direct allocation of all or part of the jurisdiction's funding described in this subparagraph if all of the following conditions are met:

(ia) The jurisdiction agrees to adopt and adhere to agency financing policies and guidelines, including public engagement and notice provisions outlined in this chapter.

(ib) All funded projects are in compliance with the agency's eligible uses and affordability requirements.

(ic) The jurisdiction agrees to allocate its funding within 12 months through administrative processes without being subject to additional legislative process.

(id) The jurisdiction is in compliance with Affirmatively Furthering Fair Housing in California guidelines.

(II) (ia) Once committed to a specific project, funds shall remain available for expenditure for an additional five years, unless an extension is authorized pursuant to sub-subclause (ib).

(ib) If the funds have not been expended within five years of receipt as required in sub-subclause (ia), the jurisdiction shall show that it has made adequate progress towards completing the project. If the agency finds that the city has made adequate progress, the agency shall authorize an additional 24 months to grant entitlements to the remainder of the project. If the agency does not find that the city has made adequate progress, the funds shall be transferred to the agency. The agency shall hold the funds until the city submits a plan satisfactory to the agency to move forward with the project or allocate funds to another qualified project consistent with the jurisdiction's expenditure plan.

(ic) For purposes of this subclause, "adequate progress" means the project has received the land use approvals or entitlements necessary for at least 75 percent of the project's units.

(B) (i) Seventy percent of annual funding for the purpose of renter protections and support shall be allocated to the eligible jurisdictions, provided that the allocation is consistent with the eligible uses of the funding set forth in paragraph (2) of subdivision (d) of Section 64830.

(ii) (I) Thirty percent of annual funding for the purpose of renter protections and support shall be allocated by the agency to the eligible jurisdictions consistent with the guiding principles of the agency and the eligible uses outlined in Section 64830.

(II) At least 5 percent of funds allocated pursuant to subclause (I) shall be used for technical assistance grants to cities with a population under 50,000.

(iii) The agency shall have the discretion to fund any programs operated by any governmental or nonprofit entity that are consistent with the eligible uses outlined for renter protections and support. Direct unrestricted allocations are not permitted to any governmental entity.

(C) (i) Seventy percent of annual funding for the purpose of technical assistance, research, and policy development shall be allocated, on a per low-income renter household basis, to the eligible jurisdictions, provided that the allocation is consistent with the eligible uses of the funding set forth in paragraph (4) of subdivision (d) of Section 64830.

(ii) Thirty percent of annual funding for the purpose of technical assistance, research, and policy development shall be allocated by the agency on an at-large basis consistent with the guiding principles of the agency and the eligible uses outlined in Section 64830, subject to both of the following conditions:

(I) At least 5 percent of funds allocated pursuant to this clause shall be used for technical assistance grants to cities with a population under 50,000.

(II) The agency shall create a list of consultants who shall be available to provide technical assistance, research, and policy development to these cities consistent with this subclause. Cities with a population under 50,000 shall be entitled to a 10 percent administrative cost reimbursement as part of this application cost.

(b) Councils of governments in Los Angeles County shall be subject to the following requirements:

(1) Funds allocated to a council of governments shall be administered by the agency in collaboration with the council receiving funding.

(2) Each city within each council of government may have its own set aside, which shall be based on its pro rata lower income housing need. The council of government and its members may develop policies to allocate set-aside funds.

(3) Funds, or a portion of the funds, provided to the San Gabriel Valley Council of Governments may be allocated by the council to the San Gabriel Valley Regional Housing Trust, and the trust shall use the funds pursuant to the same requirements to which funding provided to the councils of governments are subject pursuant to this chapter.

(c) Cities receiving a direct allocation shall be subject to the following requirements:

(1) The City of Los Angeles shall have its own set aside based on its pro rata lower income housing need, subject to a 50-percent limit on the category described in clause (i) of subparagraph (B) of paragraph (2) of subdivision (a).

(2) The City of Long Beach shall have its own set aside based on its pro rata lower income housing need.

(d) The unincorporated area of Los Angeles County shall have its own set aside, which shall be based on its pro rata lower income housing need.

(e) The following factors shall be considered for at-large funding allocations:

(1) Whether the allocation affirmatively furthers fair housing.

(2) The allocation's effect on displacement indicators.

(3) The allocation's effect on rent-burdened populations.

(4) Whether the allocation serves populations with disabilities.

(f) In this section, "pro rata lower income housing need" shall mean the jurisdiction's share of the total lower income housing needs assessment goal for the County of Los Angeles allocated pursuant to Section 65584.

64831. The board shall monitor expenditures in coordination with local jurisdictions. At least once every five years, the monitoring shall include a review of revenues allocated to cities. The board may adopt guidelines applicable to those funds as deemed necessary to ensure they are spent in a timely manner consistent with the goals of this chapter.

64832. To ensure oversight and accountability, the agency shall prepare and submit an annual report to the Legislature, in conformance with Sections 9795 and 53411 on allocations and expenditures under its control, and those

controlled by the county or a city pursuant to subdivision (d) of Section 64830. The report shall include a description of projects funded and their status, the households served by income level, and the extent to which the minimum targets in subdivision (d) of Section 64830 were achieved.

SEC. 2. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the uniquely severe shortage of available funding and resources for the development and preservation of affordable housing and the particularly acute nature of the housing crisis within Los Angeles County.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

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LEAGUE OF CALIFORNIA CITIES
Los Angeles County Division

December 20, 2022

Fesia Davenport
Chief Executive Officer
Los Angeles County
Kenneth Hahn Hall of Administration
500 West Temple St.
Los Angeles, CA 90012

Dear Ms. Davenport

Per section of 64711(D) of SB 679 (Kamlager, 2022), the Los Angeles County Division of the League of California Cities (Division), is required to define the North County and San Fernando Valley sector, Southwest Corridor sector, San Gabriel Valley sector, and Southeast sector governing board seats for the newly created Los Angeles County Affordable Housing Solutions Agency (LACAHSA).

The Division recommends that the sectors be defined in a way that is consistent to how sectors were defined when Public Utilities Code Section 130051 created the Los Angeles County Metropolitan Transportation Authority.

We recommend that the following sectors be defined as follows:

North County and San Fernando Valley sector

Agoura Hills
Burbank
Calabasas
Glendale
Hidden Hills
La Canada Flintridge
Lancaster
Malibu
Palmdale
San Fernando
Santa Clarita
Westlake Village

Southwest Corridor sector

Beverly Hills
Carson
Culver City
El Segundo
Gardena
Hawthorne
Hermosa Beach
Inglewood
Lawndale
Lomita
Manhattan Beach
Palos Verdes Estates
Rancho Palos Verdes
Redondo Beach
Rolling Hills
Rolling Hills Estates
Santa Monica
Torrance
West Hollywood

San Gabriel Valley sector

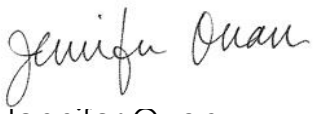
Alhambra
Arcadia
Azusa
Baldwin Park
Bradbury
Claremont
Covina
Diamond Bar
Duarte
El Monte
Glendora
Industry
Irwindale
La Puente
La Verne
Monrovia
Montebello
Monterey Park
Pasadena
Pomona
Rosemead
San Dimas
San Gabriel
San Marino
Sierra Madre
South El Monte
South Pasadena
Temple City
Walnut
West Covina

Southeast sector

Artesia
Avalon
Bell
Bellflower
Bell Gardens
Cerritos
Commerce
Compton
Cudahy
Downey
Hawaiian Gardens
Huntington Park
La Habra Heights
Lakewood
La Mirada
Lynwood
Maywood
Norwalk
Paramount
Pico Rivera
Santa Fe Springs
Signal Hill
South Gate
Vernon
Whittier

Please contact me at jquan@calcities.org if you have questions or need additional information.

Best regards,



Jenniter Quan
Executive Director
Los Angeles County Division
League of California Cities

CC: Cesar Hernandez, Commission Division Services, Executive Office, chernandez@bos.lacounty.gov

LOS ANGELES COUNTY AFFORDABLE HOUSING SOLUTIONS AGENCY (LACAHSA)
GENERAL MEMBER CITIES AND POPULATION ESTIMATE

City	Population	Weighted Vote
Agoura Hills	19,771	2
Alhambra	81,834	8
Arcadia	55,934	6
Artesia	16,226	2
Avalon	3,394	1
Azusa	49,704	5
Baldwin Park	70,855	7
Bell	33,624	3
Bellflower	77,359	8
Bell Gardens	38,861	4
Beverly Hills	32,265	3
Bradbury	904	1
Burbank	105,451	11
Calabasas	22,926	2
Carson	92,362	9
Cerritos	48,634	5
Claremont	37,072	4
Commerce	12,140	1
Compton	94,233	9
Covina	50,449	5
Cudahy	22,318	2
Culver City	40,135	4
Diamond Bar	54,204	5
Downey	112,584	11
Duarte	21,258	2
El Monte	107,706	11
El Segundo	17,084	2
Gardena	59,947	6
Glendale	193,116	19
Glendora	51,821	5
Hawaiian Gardens	13,619	1
Hawthorne	86,841	9
Hermosa Beach	19,171	2
Hidden Hills	1,738	1
Huntington Park	53,942	5
Industry	438	1
Inglewood	106,481	11
Irwindale	1,490	1
La Canada Flintridge	20,081	2
La Habra Heights	5,594	1
Lakewood	80,876	8
La Mirada	48,696	5

LOS ANGELES COUNTY AFFORDABLE HOUSING SOLUTIONS AGENCY (LACAHSA)
GENERAL MEMBER CITIES AND POPULATION ESTIMATE

Lancaster	175,164	18
La Puente	37,587	4
La Verne	32,304	3
Lawndale	31,301	3
Lomita	20,633	2
Lynwood	66,723	7
Malibu	10,686	1
Manhattan Beach	34,902	3
Maywood	24,814	2
Monrovia	37,563	4
Montebello	61,622	6
Monterey Park	60,207	6
Norwalk	101,645	10
Palmdale	167,398	17
Palos Verdes Estates	12,980	1
Paramount	52,477	5
Pasadena	138,310	14
Pico Rivera	61,442	6
Pomona	149,766	15
Rancho Palos Verdes	41,468	4
Redondo Beach	68,972	7
Rolling Hills	1,684	1
Rolling Hills Estates	8,289	1
Rosemead	50,511	5
San Dimas	34,352	3
San Fernando	23,519	2
San Gabriel	38,845	4
San Marino	12,257	1
Santa Clarita	228,835	23
Santa Fe Springs	18,763	2
Santa Monica	92,408	9
Sierra Madre	10,865	1
Signal Hill	11,597	1
South El Monte	19,668	2
South Gate	93,259	9
South Pasadena	26,580	3
Temple City	36,262	4
Torrance	144,433	14
Vernon	208	1
Walnut	28,094	3
West Covina	108,243	11
West Hollywood	35,399	4
Westlake Village	8,043	1
Whittier	87,931	9
Total	4,571,147	462

Majority Population	**2,285,575**
Majority Weighted Vote	**232**

**Population figures from the State Department of Finance, January 1, 2021 and 2022 Estimates
https://dof.ca.gov/wp-content/uploads/Forecasting/Demographics/Documents/E-1_2022_InternetVersion.xlsx

***Chart Updated February 2023