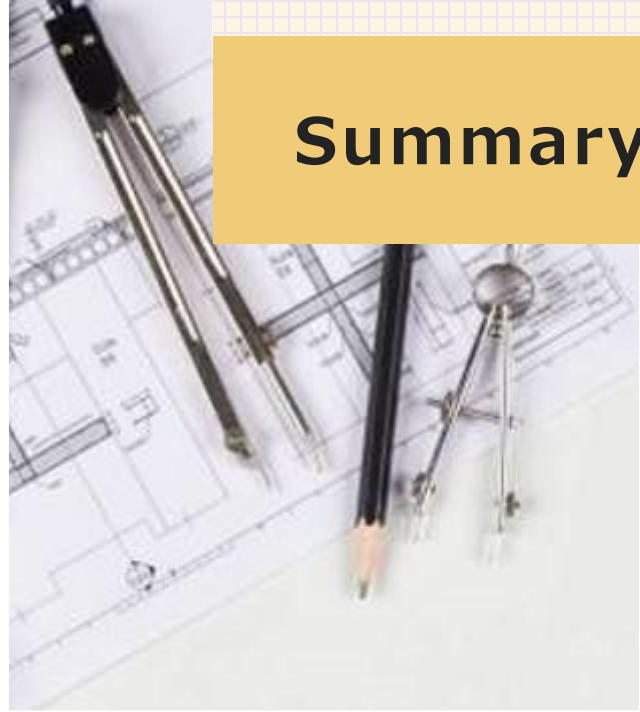




Overview of Senate Bill (SB) 679

Presented by Office of the County Counsel



Summary of SB 679



- Establishes the Los Angeles County Affordable Housing Solutions Agency (Agency), whose purpose is to increase the supply of affordable housing in Los Angeles County (County) by providing significantly enhanced funding and technical assistance at a regional level for renter protection programs, affordable housing preservation, and new affordable housing production.
- Authorizes revenue-generating ballot measures to support Agency's activities; Agency may apply for and receive grants, incur debt, and issue bonds.
- Provides a framework for the allocation of funding as to types of projects and geographic distribution.

Governing Board and Structure



Governing Board and Structure

Agency's governing board is composed of 21 voting members and one nonvoting member, including:

- 5 County Board of Supervisors;
- Mayor of the City of Los Angeles (LA City);
- Mayor or Vice-Mayor of the City of Long Beach;
- 3 members (either from the city council or housing experts/advocates) appointed by the LA City Mayor;
- 1 city council member or housing expert/advocate appointed by the President of LA City Council;
- 6 members (must be a mayor or city council member) appointed by the Los Angeles County City Selection Committee
 - North County and San Fernando Valley sector;
 - Southwest Corridor sector;
 - San Gabriel Valley sector;
 - Southeast sector;
 - An at-large member selected each term from one of the four sectors on a rotational basis;
 - One at-large member representing an eligible small
- Chair of Agency's citizens' oversight committee;
- 3 housing experts; and
- Executive Director of the Southern California Association of Governments (non-voting)

Appointments of Staff



Name

**Chief Executive
Officer**



Name

General Counsel



Name

Inspector General



Name

Board Secretary

On the Horizon

- Agency **must** adopt the annual expenditure plan, upon approval by the Committee, for the use of housing revenue by July 1 of each year, with the exception of the first expenditure plan, for which the Agency shall set the deadline to adopt;
- 5 years after voters approve an initial ballot measure, the Agency **must** review the implementation of the measure;
- Agency **must** submit an annual report to the Legislature to ensure oversight and accountability on allocations and expenditures; and
- No earlier than 5 years after approval of a funding measure, with agreement of the Committee by a two-thirds vote, the Agency **may** change any minimum requirements due to underspent or emerging regional needs by a two-thirds vote of the Agency.



Citizens' Oversight Committee

Agency must form a Citizens' Oversight Committee (Committee)

- 11 voting members and 1 non-voting member
- selected by the inspector general
- knowledge and experience in the areas of affordable housing finance and development, or tenant protection, or housing preservation, as specified.

The Committee shall, at a minimum, meet on a quarterly basis, consider and approve the annual expenditure plan, review the results of audits, prepare an annual report, and hold annual public hearings to report on audit results.



SB 679 Funding Provisions



Taxes and Bonds

Taxes: Authorizes measures to be placed on the ballot by the Agency or through a qualified voter initiative to raise new revenue through:

- **special parcel tax** (rate cannot be tied to property's value, no uniformity limitations as to property or taxpayers);
- **gross receipts business license tax** (allows for variable rates per business sector, exemptions for small businesses, collection of the tax by suit or otherwise, and qualifying nonprofits exempt, as defined);
- **special documentary transfer tax** (shall be in addition to any county or city tax and not subject to the state law limits on city and county documentary transfer taxes).

Bonds: Authorizes the issuance of bonds, including **general obligation bonds** (subject to voter approval), **revenue bonds**, **mortgage revenue bonds**, and **private activity bonds**).



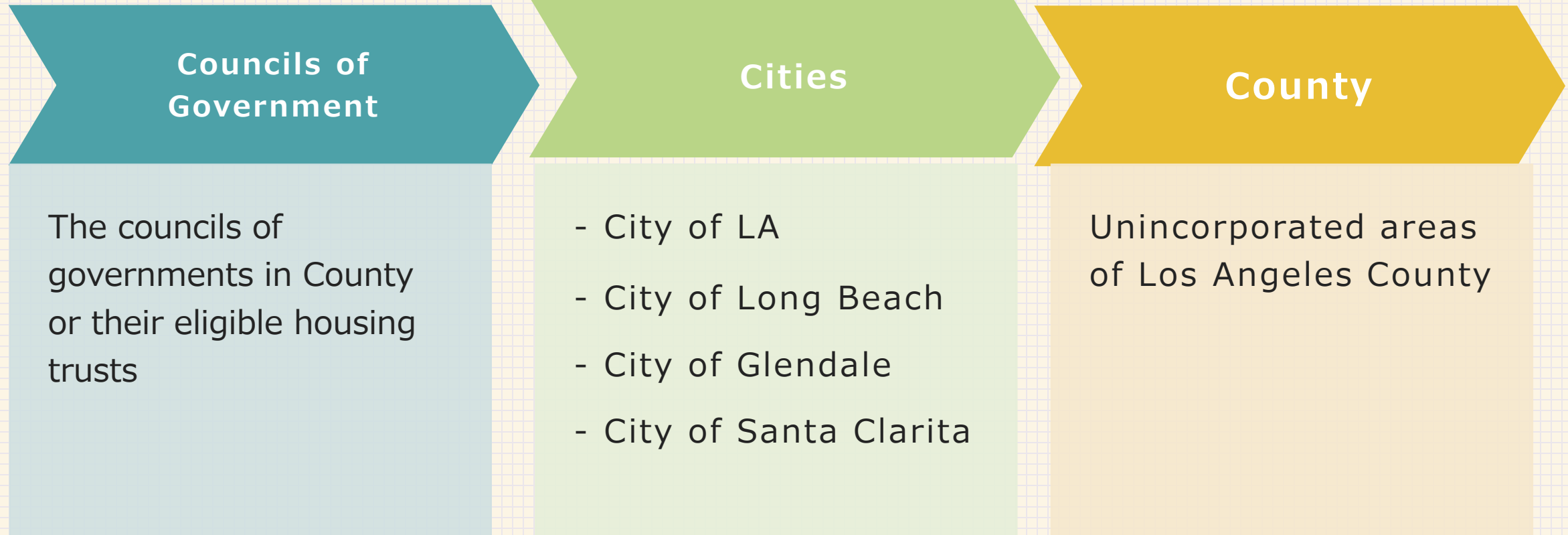


Funding Allocations

(based on annual programmatic budget)

- o Minimum of **40 percent** for affordable housing creation (100% affordable at less than 80% Area Median Income), preservation, and ownership;
- o At least **30 percent** for countywide renter protections and support programs;
- o **15 percent** for annual priorities (any eligible activity as part of the annual expenditure plan);
- o At least **5 percent** for technical assistance, research and policy development; and
- o Not more than **10 percent** for Agency's administrative and operational expenses.

Eligible Jurisdictions





Geographic Distributions



- **70 percent** of funding for **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.
- **70 percent** of the funding for **renter protections and support** shall be allocated to eligible jurisdictions.
- **70 percent** of funding for **technical assistance, research, and policy development** shall be allocated on a per low-income renter household basis to the eligible jurisdictions.
- For each distribution, **at least 5 percent** of the funds allocated shall be used for **technical assistance grants to cities with a population under 50,000.**

SB 679 Additional Provisions



Additional Provisions

Prevailing Wage/Project Labor Agreements (PLA):

- Construction or rehabilitation projects receiving funding or financing from the Agency are subject to prevailing wage requirements.
- Projects of 40 units or greater are subject to the City of LA Department of Public Works PLA or a countywide PLA, if negotiated.

California Environmental Quality Act (CEQA)

Agency is exempt from CEQA (Public Resources Code section 21000 et seq.) for financial actions and for the purchase or lease of property for the preservation of existing housing, the development of low- or moderate-income housing, and the provision of technical assistance to local jurisdictions.



Questions?