

Why A South Bay Housing Trust?

- Voters approved Measure A in 2024; legislating ~\$13 million a year for Housing (\$7+ million) and Prevention (\$5+ million) funding for SBCCOG.
- This presentation will talk about the funds that are dedicated to Production and Preservation, and Ownership of housing as those are the funds we would be considering for the proposed Housing Trust

Table 1. FY 2025-26 Total Funding Allocation by Jurisdiction

AGENCY	TOTAL BY AGENCY
1 LACAHSAs	\$128,229,226
2 Burbank-Glendale-Pasadena Regional Housing Trust	\$6,452,118
3 City of Glendale	\$5,103,191
4 City of Long Beach	\$10,706,466
5 City of Los Angeles	\$133,421,084
6 City of Santa Clarita	\$3,457,981
7 Gateway Cities Council of Governments/Gateway Cities Affordable Housing Trust	\$18,538,195
9 Las Virgenes/Malibu Council of Governments	\$459,405
9 North Los Angeles County Transportation Coalition JPA*	\$5,395,241
10 San Fernando Valley Council of Governments	\$518,005
11 San Gabriel Valley Council of Governments/San Gabriel Valley Regional Housing Trust	\$25,691,324
12 South Bay Cities Council of Governments/South Bay Regional Housing Trust	\$13,002,770
13 Unincorporated Los Angeles County	\$24,782,720
14 Westside Cities Council of Governments	\$7,016,083
TOTAL	\$382,773,809

*The LACAHSAs Act limits direct allocations to only certain cities; other cities may only receive funding through a COG or Regional Housing Trust. Because Lancaster and Palmdale are the only cities that are not part of a COG, their portion will be allocated and held until an Eligible Jurisdiction option is available to the JPA pending LACAHSAs Board approval and adjustments to the JPA's purpose.

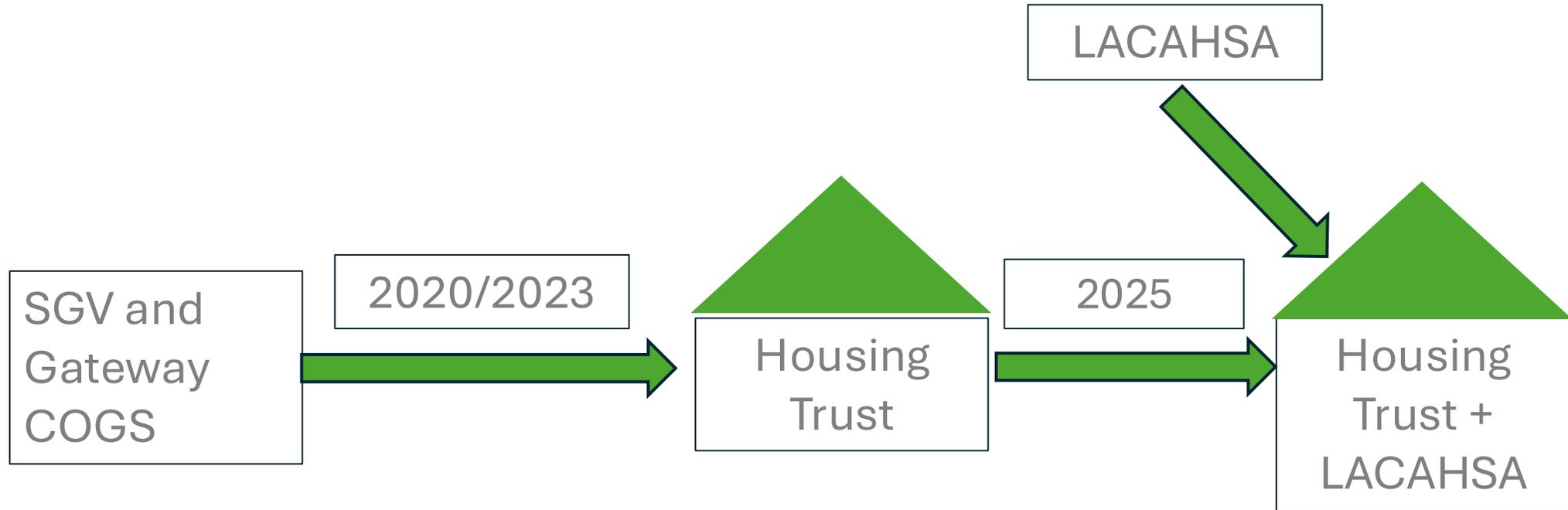
Production, Preservation, and Ownership (PPO)

- SBCCOG mandated to program \$7.3 million of LACAHSA PPO funds.
 - LACAHSA agency funds can also match our funding – so potentially +/- \$14 million of funding for our cities.

(allocations determined by low income RHNA numbers)

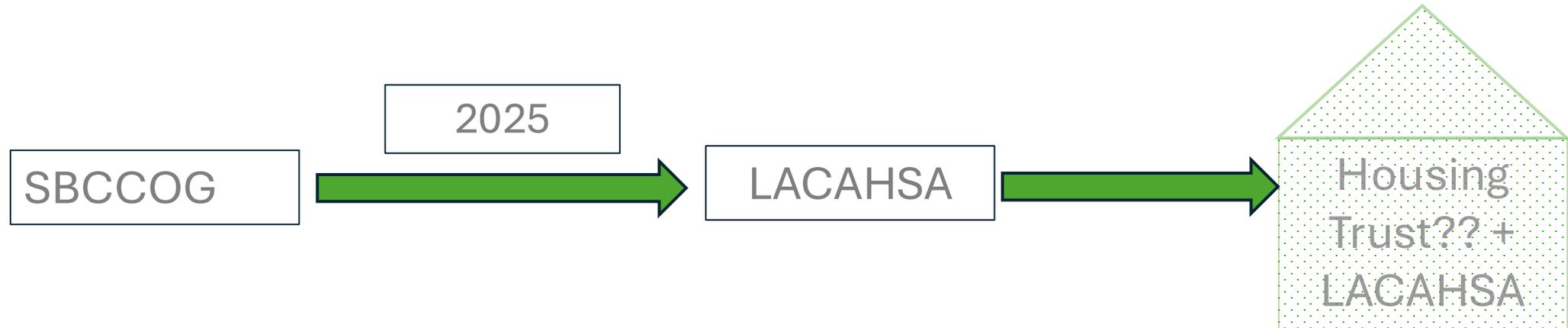
AGENCY	PPO - NEW CONSTRUCTION	PPO - FLEXIBLE	TOTAL
1 LACAHSA (including small cities TA)	\$55,220,624	\$13,678,661	\$68,899,286
2 Burbank-Glendale-Pasadena Regional Housing Trust	\$3,058,288	\$900,661	\$3,958,949
3 City of Glendale	\$2,044,455	\$602,089	\$2,646,544
4 City of Long Beach	\$4,083,071	\$1,202,458	\$5,285,528
5 City of Los Angeles	\$67,414,093	\$19,853,341	\$87,267,434
6 City of Santa Clarita	\$1,872,563	\$551,467	\$2,424,030
7 Gateway Cities Council of Governments/ Gateway Cities Affordable Housing Trust	\$7,018,735	\$2,067,006	\$9,085,742
8 Las Virgenes/Malibu Council of Governments	\$204,737	\$60,295	\$265,032
9 North Los Angeles County Transportation Coalition JPA	\$2,237,149	\$658,837	\$2,895,986
10 San Fernando Valley Council of Governments	\$267,874	\$78,888	\$346,762
11 San Gabriel Valley Council of Governments/ San Gabriel Valley Regional Housing Trust	\$12,480,955	\$3,675,621	\$16,156,577
12 South Bay Cities Council of Governments/ South Bay Regional Housing Trust	\$5,641,046	\$1,661,279	\$7,302,325
13 Unincorporated Los Angeles County	\$14,356,803	\$4,228,055	\$18,584,858
14 Westside Cities Council of Governments	\$3,511,192	\$1,034,041	\$4,545,233
TOTAL	\$179,411,586	\$50,252,699	\$229,664,285

SGV and Gateway Housing Trust Before LACAHSAs



- SGV and Gateway formed their Housing Trust first, and then incorporated LACAHSAs funds into their Trust

SBCCOG Received LACAHSAs Funding First



- SBCCOG has received LACAHSAs funding and is contemplating a Housing Trust

Housing Trust Structure

Dues

- No dues first year. => Paid for by LACAHSAs
- Future Housing trust to decide on dues
 - Trust Board made up of city representatives
 - LACAHSAs provides \$1.4 million for administrative funding
 - Housing Trust administrative costs projected to be \$500k annually, so there is a cushion

SBCCOG May Need a Trust to Fulfill LACAHSAs Portfolio

LACAHSAs Product Portfolio:

- Grants
- Soft Development Loans (revenue generating)
- Construction/Pre-Development Loans (revenue generating)
- Preservation Acquisition/Equity stakes (revenue generating)
- Master Leasing
- Rental or Operating Subsidies
- Direct Service - Homebuyer Assistance (revenue generating)

Items in Blue are only possible if SBCCOG partners with a Non-Profit
Activities in Red may not be possible under SBCCOG current authority –
handicapping our ability to maximize our LACAHSAs funding

However, they would be possible under a Housing Trust

No Housing Trust Scenario - Grants

1. Grants Create Tax Liability
 - Treated as taxable income
 - Increases developer's tax burden, reducing available equity for the project
 - Tax hit can outweigh the value of the grant itself
2. Grants Reduce Basis For Federal Tax Credits
 - Low-Income Housing Tax Credit Applications (a common form of financing) rely on eligible basis to determine how many credits a project can receive
 - Grants are considered "basis reducers" and lower the project's eligible basis
 - Lower Basis > fewer tax credits > less equity > weak financial package
3. Grants Can Make Capital Stack Less Competitive
 - Developers often prefer financing tools that preserve or increase basis, not reduce it

SGV Housing Trust Generating Revenue

- SGV Housing Trust is generating over \$230,000 a year in Interest and Loan Fee Revenue
- Their Revolving Loan Fund will receive its first loan repayment, allowing their Trust to recycle those funds to another project
- We can achieve similar results with our LACAHSAs funds, but need a Housing Trust in order to do it

San Gabriel Valley Regional Housing Trust

Project Financing and Housing Innovation

The SGVRHT funds and finances the development of affordable and homeless housing. The SGVRHT has received and leveraged Federal, State, and local funds including competitive grants and budget earmarks. To date the SGVRHT has funded the development of 830 unduplicated units and expanded the housing choice and supply in the region by supporting multifamily units across income levels and single family affordable homeownership opportunities. With 25 member cities, the SGVRHT supports activities from inception through completion to ensure affordable housing units are delivered to the SGV.

In FY 24-25, SGVRHT:

 Celebrated grand opening of funded project Chapel Apartments (Alhambra), providing 44 affordable units.

 Celebrated groundbreaking of funded project Esteban E. Torres Village (Baldwin Park), creating 57 affordable units.

 Joined Enterprise Housing Preservation Public Sector Cohort, a 15 month learning lab which will support the development of the land trust.

FY 25-26 Workplan:



What about cities with no development opportunities?

If cities have no development opportunities, there are other ways to participate in LACAHSAs PPO Funds + Housing Trust

- Preservation of existing affordable housing
- Master Leasing
- Rent or Operating Subsidies
- First Time Homebuyer Assistance
- Income verification for existing low-income housing
 - The Trust will have to find funding for this and/or can act as a central administrator for cities to achieve economies of scale
 - LACAHSAs projects will have funding for income verification.

Naturally Occurring Affordable Housing (NOAH)

- There are naturally occurring affordable housing in every city that need to be preserved before investors buy them and charge market rate rent



Marine Bay Apartments | 3351 Marine Ave

81 Unit Apartment Building | \$13,900,000 (\$171,605/Unit) | 6.60% Cap Rate | Gardena, CA 90249

California / Gardena / 3351 Marine Ave, Gardena, CA 90249



UNIT MIX INFORMATION

DESCRIPTION	NO. UNITS	AVG. RENT/MO	SF
Studios	46	\$1,344	296 - 367
1+1	31	\$1,635	548
2+1	4	\$1,941	950

Wall Street In Our Cities

Invitation Homes,
NYSE Ticker Symbol:
INVH

“We operate in markets with strong demand drivers, high barriers to entry, and high rent growth potential, primarily in the Western United States, Florida, and the Southeast United States.”

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\$4,139/mo all-in price
12 month lease

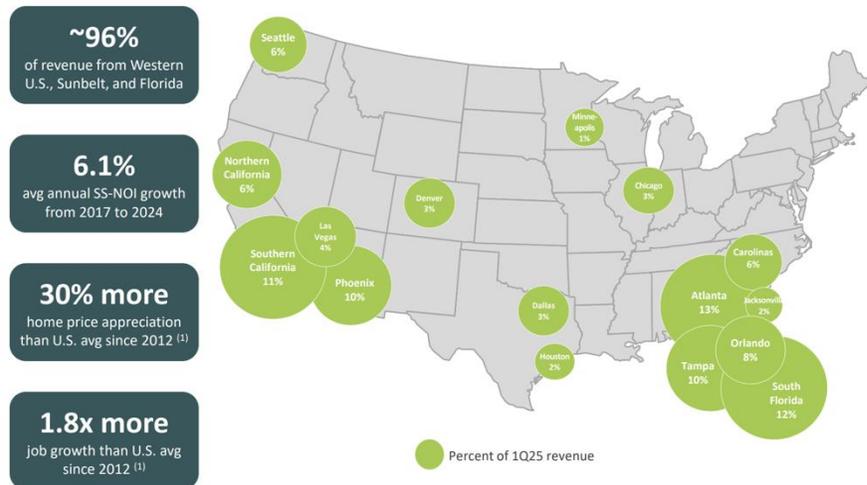
Available Now

Top Institutional Holders

Holder	% of holding	Date Reported
The Vanguard Group, Inc.	15.50%	Jun 29, 2025
Cohen & Steers Capital Management, Inc.	11.40%	Jun 29, 2025
BlackRock, Inc.	9.92%	Jun 29, 2025
Neuberger Berman Investment		Jun 29, 2025

Location: High-Growth Markets

We focus on high-growth markets and infill neighborhoods with proximity to jobs, transportation, and schools



Financial Hardships in the South Bay

2024 Eviction Filings

Carson	294
El Segundo	27
Gardena	295
Hawthorne	567
Hermosa Beach	44
Inglewood	704
Lawndale	79
Lomita	66
Manhattan Beach	19
Rancho Palos Verdes	41
PV, RH, RHE	5
Redondo Beach	106
Torrance	338

- No city is immune to financial stress that constituents are facing
 - Evictions are one pathway into homelessness

Need For 100% Affordable

Table 1 Mean Annual Wages for Select Professions²

Occupation	Wage	Income Category
Home Health and Personal Care Aides	\$ 35,190	Extremely-Low Income
Childcare Workers	\$ 39,110	Extremely-Low Income
Waiters and Waitresses	\$ 40,520	Extremely-Low Income
Restaurant Cooks	\$ 42,900	Very-Low Income
Nursing Assistants	\$ 46,000	Very-Low Income
Dental Assistants	\$ 47,390	Very-Low Income
Pharmacy Technicians	\$ 53,720	Very-Low Income
Paramedics	\$ 73,550	Low Income
Vocational Nurses	\$ 75,880	Low Income
Elementary School Teachers	\$ 93,750	Low Income
Firefighters	\$ 100,950	Low Income
Police Officers	\$ 112,130	Moderate Income

Constituents who would benefit from 100% affordable housing include –

- **Seniors** on fixed income (social security)
- Essential workers (medical assistants, **city employees**, restaurant/fast food employees, teacher’s aids, child-care workers, etc..)
- **Developmentally/physically disabled**

Affordable Housing Without a Housing Trust

	Very Low - Income	Low Income	Moderate Income	Above Moderate Income
South Bay Homes Built in 2022-2023	182	253	25	4,115

Market Rate Housing (green) vs 100% Affordable (red)

- Unlike market rate housing, cities/developers need help building 100% affordable
- 100% affordable projects are very difficult to pencil out. Many often fail to get off the ground (ie. United Methodist Church in San Pedro)
- San Gabriel Valley Housing Trust has a pipeline 875 units, and 927 units built to date on top of what is naturally occurring in their market

A Regional Approach vs Cities Doing It Alone

Housing Trust Matters

Cities face increasing housing responsibilities with limited staff and resources.

A Regional Housing Trust creates shared capacity, expertise, and funding leverage to benefit cities.

Identifies and applies for multiple funding opportunities for the benefit of the region

Organizes developments so that projects are not competing with each other

Cities acting independently increases cost, duplication, and administrative burden.

One set of housing program guidelines, loan documents, legal and staff expertise, and compliance instead of many.

Centralized income verification and compliance, tracking system and process.

Shared legal, underwriting, and reporting expertise specializing in affordable housing and complex loan negotiations and closings.

Information You Need to Know to Decide

Questions?



SOUTH BAY CITIES
COUNCIL OF GOVERNMENTS

SOUTH BAY REGIONAL HOUSING TRUST
STRATEGIC PLAN OVERVIEW
&
JPA SUMMARY

EXECUTIVE SUMMARY

Mission Statement

To empower South Bay cities with flexible funding, strategic guidance, and technical assistance that advance local housing priorities, expand housing opportunity, and support the development and preservation of affordable and supportive housing across the region.

Vision Statement

A South Bay region collaborating to expand housing opportunities through innovation, strategic partnerships, and coordinated Trust resources—supporting access to diverse housing choices that strengthen community stability and economic vitality.



MISSION



VISION

GOVERNANCE, TRUST STAFF, AND ADVISORY COMMITTEE

- **Governance Board**

- One Trust Board Director from each member city + Two Trust Board Directors representing housing experts.

- **Trust Staff**

- Option 1: SBCCOG Employees
- Option 2: Contracted Consulting Firm
- Organization Chart

- **Advisory Committee Framework**

- Purpose and Role
- Membership Composition
- Meeting frequency and output
- Benefits to the Trust



TRUST FORMATION & IMPLEMENTATION GOALS

1. Secure initial capital funding commitments.
2. Establish transparent, accountable, and sustainable governance.
3. Promote regional collaborative and shared solutions.
4. Strengthen local capacity through technical assistance.
5. Establish performance metrics and evaluation tools.
6. Building the Trust's brand and demonstrating early impact.
7. Design and launch housing funding programs



SOUTH BAY CITIES
COUNCIL OF GOVERNMENTS

SOUTH BAY REGIONAL HOUSING TRUST
DRAFT JOINT EXERCISE OF POWERS
AGREEMENT

INTRODUCTION

- 2022 Legislation added to the CA Government Code section 6539.9 authorizing the creation of the South Bay Regional Housing Trust.
- Purpose: Receive and leverage public and private funding for planning and construction of housing of all types and tenures for persons and families of Extremely-Low, Very-Low, and Low-Income.
- Term – The Effective Date of the JPA will be the date of approval by the fourth city to join the Trust.

LIMITATION ON POWERS

- Regulate land use within the jurisdiction of any of the Parties;
- Levy, or advocate or incentivize the levying of, an exaction, including an impact fee, charge, dedication, reservation or tax assessment, as a condition of approving the funding for or approval of a development project;
- Require or incentivize inclusionary zoning requirements;
- Require the Parties to dedicate or assign funding for any SBRHT obligations or programs;
- Fund or approve a housing project or program that is not supported by the governing body of the jurisdiction (a city or the county) in which the proposed project is sited;
- Require the Parties to accept or provide any number of housing units as a prerequisite to joining or remaining a member of SBRHT; and
- Affect the individual power of each Party separately to implement affordable housing projects and programs generated within its jurisdictional boundaries.

TERMS OF THE JPA

- One elected official from each Trust member City, appointed by that City Council + Two Housing Experts appointed by the City Managers Committee.
- Withdrawal – anytime with written notice and executed copy of city resolution subject to notice received at least 90 days prior to start of fiscal year and payment of any administrative fees.