

CASE STUDY: San Gabriel Valley Housing Trust Fund

12%

Growth of homeless
population in L.A. County in
2018

24%

Growth of homeless
population in the San
Gabriel Valley in 2018

Background

In 2020, the San Gabriel Valley Regional Housing Trust (RHT) as a Joint Powers of Authority (JPA) that shares powers with cities within the San Gabriel Valley with the purpose of raising and allocating funding for the planning and production of affordable and homeless housing throughout the region.

From 2016 to 2019, the San Gabriel Valley (SGV) experienced a rapid increase in the rate of homelessness. According to the Los Angeles Housing Authority (LAHSA), in that period, the region saw a consecutive yearly rise in homelessness that was among the highest rate countywide. To put this demographic growth into perspective, Los Angeles County saw an overall population growth of 12% in 2018. By contrast, SGV saw its unsheltered population increase by double that amount – 24%.

The RHT targets funding for projects that accelerate housing production for individuals experiencing homelessness and for households that are classified as low, very-low, or extremely low-income.

CASE STUDY

San Gabriel Valley Housing Trust Fund



Enabling Legislation

In response to a growing crisis, the San Gabriel Valley Council of Governments (SGVCOG), a regional planning agency, asked Senator Susan Rubio (D-Baldwin Park) who represented California's 22nd Senate District to sponsor legislation to create a housing trust fund. In 2019, with support from Los Angeles County Board Supervisor Hilda Solis and from SGV's local governments, Senator Rubio proposed Senate Bill (SB 751) to establish the JPA. The bill passed with bi-partisan support in the legislature and was signed into law on October 10, 2019 by Governor Gavin Newsom.

Establishing the Trust

Trust Functions

After SB 751 passed, SGVCOG was selected as its administrative body and the RHT held Board Meetings from January to July 2020 to set priorities and clarify which types of projects the funds would support, to establish by-laws and to fill positions within its governance structure. Generally, the RHT was empowered to apply for, accept, receive and disburse grants, loans and other aids from Federal, State or local programs. However, the RHT was not allowed to fund or otherwise approve housing projects without the approval of the local jurisdiction where the project is to be located.

Governing Board

The Board is comprised of nine (9) members, seven (7) of whom are representatives from one of SGVCOG's member cities. The remaining two (2) represent appointed regional housing experts. With 2-year terms, one of the major responsibilities of the Board is to select, prioritize and approve projects for funding.

Membership

Participation in the RHT is open to the members of SGVCOG. The City Councils of each member agency must execute a resolution to join the JPA. As of June 2020, 24 members executed the JPA to join the RHT or expressed an intent to join.

As a condition of membership, cities are required to pay annual administrative fees that range from \$10,000 to \$35,000 based on their jurisdiction's proportional population size. The RHT also allowed cities to symbolically support its mission by contributing between \$2,000 and \$5,000, based on population size, as an affiliate member. Affiliate members, however, hold no voting power on the RHT Governing Board and, thus, do not play a role in selecting projects for funding.

Operating the Trust

Beyond the Board of Directors and General Counsel that provide guiding direction to the RHT, SGVCOG staff support the RHT's administration and operations. Currently the RHT has three staff including an Executive Director, a Trust Administrator, and a Finance Director/ Treasurer.

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Securing Funding

The RHT received \$1.35 million in seed funding to begin operations. These dollars were a part of a larger funding package in the amount of \$5.625 million that Senator Rubio successfully petitioned to have earmarked within California's FY 2019-2020 budget in support of a broad range of housing and homelessness programs and services throughout the region which included landlord education, capacity-building, and rental and foreclosure assistance.

Ongoing revenue will come from administrative fees from member agencies and from grants from various funding sources such as Los Angeles County's Measure H and the Homeless Innovation Funds. In addition, the RHT has pursued funding from the California Department of Housing and Community Development (HCD) for grants such as the Permanent Local Housing Allocation (PLHA) Program and the Local Housing Trust Fund (LHFT) Program.

Selecting & Awarding Housing Projects

SGVRHT established a low-interest loan financing program to reduce the cost of borrowing for affordable housing developers interesting in new construction in the region. The Governing Board of the RHT selects projects based on a competitive application process. Eligible activities included the production or rehabilitation of multi-family rental units and the construction of housing for special needs populations, especially homeless individuals, such as supportive housing.

In June 2020, with help from a consultant, SGVRHT released its first Notice of Funding Availability (NOFA), or call for proposals, to solicit applications from regional housing and community organizations that met its eligibility requirements.

By July 2020, the RHT expressed an intent to fund three winning projects which included the West Mission Family Apartments Project, the Vista Del Monte Affordable Project and the 956 Baseline Road Project. Each of these projects would be financed on the condition that the RHT successfully secured the state LHFT funds for which it applied in August 2020. The requested funding amounts for the three projects ranged from \$500,000 for an 11-unit project to \$1.2 million for a 45-unit development.