

Agenda Report

March 27, 2023

TO: Honorable Mayor and City Council

FROM: Housing Department

SUBJECT: APPROVAL OF THE JOINT EXERCISE OF POWERS AGREEMENT FOR THE ESTABLISHMENT OF THE BURBANK-GLENDALE-PASADENA REGIONAL HOUSING TRUST FUND, A JOINT POWERS AGENCY, CREATED PURSUANT TO SENATE BILL NO. 1177

RECOMMENDATION:

It is recommended that the City Council take the following actions:

- 1) Find that the recommended action does not have a significant effect on the environment and has been determined to be categorically exempt from environmental review pursuant to the California Environmental Quality Act ("CEQA"), State CEQA Guidelines Section 15320 (changes in organization of local agencies); and
- 2) Approve the Joint Exercise of Powers Agreement ("JPA") to establish the Burbank-Glendale-Pasadena Regional Housing Trust as described in the agenda report and attached to the agenda report, and authorize the City Manager to execute any and all documents necessary to effectuate the staff recommendation.

BACKGROUND

During the 2021-2022 legislative session, State Senator Anthony Portantino introduced Senate Bill (SB) 1177, a bill authorizing the creation of the Burbank-Glendale-Pasadena Regional Housing Trust (BGPRHT). This joint powers authority/agency, formed by and between the cities of Burbank, Glendale, and Pasadena, will provide a new funding source for affordable housing in the tri-city area and will have the ability to fund affordable housing for the homeless population and for extremely low, very low, low, and moderate income households.

SB 1177 was passed by the California State legislature and signed into law by the Governor in August 2022. The bill authorizes the BGPRHT to receive public funds, to fund the planning and construction of housing, and to authorize and issue bonds for the purposes of funding affordable housing.

In addition, a budget appropriation of \$23 million was approved in the Governor's 2022-2023 budget for the BGPRHT.

The legislation allows Burbank, Glendale, and Pasadena to enter into a Joint Exercise of Powers Agreement ("JPA") and to develop an operating agreement and bylaws for the BGPRHT. Staff of all three of the cities have worked collaboratively to propose a JPA (Attachment A) for the approval by each respective City Council.

KEY TERMS OF THE JPA

The JPA contains the specific legal parameters of the BGPRHT as set forth in SB 1177. The key terms of the JPA are discussed in this section.

The JPA establishes the BGPRHT per State law under the following categories:

1. Creation and Purpose;
2. Term of the BGPRHT;
3. Powers and Duties;
4. Members;
5. Board of Directors;
6. Additional Officers and Employees;
7. Financial Provisions;
8. Amendment Procedures;
9. Non-Liability for Obligation Provisions;
10. Withdrawal of Parties Provisions;
11. Notices; and
12. Miscellaneous Provisions.

Once established, the BGPRHT can be terminated by agreement of all parties, subject to the retirement of all outstanding loans and bonds. If terminated, the assets of the BGPRHT would be distributed to the members in proportion to contributions.

In addition to funding and financing affordable housing, the BGPRHT has the ability to:

1. Enter into contracts;
2. Contract and hire staff and consultants;
3. Sue and be sued;
4. Receive funding;
5. Invest funding;
6. Apply for letters of credit;
7. Incur debt;
8. Employ legal counsel and other professional services;
9. Enforce affordable housing covenants;
10. Rent space; and
11. Acquire, hold, or dispose of property.

Additionally, the BGPRHT cannot:

1. Regulate land use;
2. Incentivize or exact impact fees;
3. Require Inclusionary Zoning;

4. Fund a project that is not supported by the Party whose jurisdiction the project is proposed to be located in; and
5. Require housing quotas on the Parties.

The debt, liabilities, and obligations of the BGPRHT are not considered debts, liabilities, and obligations of any of the JPA members. Establishment of the BGPRHT does not preclude the individual cities from pursuing their respective independent housing projects or preclude them from obtaining direct allocation of affordable housing funding.

The BGPRHT will be governed by a Board of Directors, which shall be comprised of three (3) Directors, one from each member City. Mayor Victor M. Gordo was appointed on October 24, 2022 to serve as the City of Pasadena's appointee. Burbank named its appointee, Councilmember Nikki Perez, on February 28, 2023 and Glendale is expected to name its appointee by March 31, 2023. All Directors will serve for a two-year term and serve without compensation. Meetings of the BGPRHT will be held and conducted in accordance with the Brown Act.

Once the BGPRHT Board is in place and bylaws are adopted, the Board will develop and adopt an Operations Agreement to formalize, among other things, the funding allocation between each city, criteria for distributing funds, and BGPRHT program management and staffing.

Next Steps

Once all members are appointed to the BGPRHT Board, the first meeting will be scheduled by staff. The following is a tentative timeline for the continued formation of the BGPRHT.

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| Spring 2023: | 1) First BGPRHT Board Meeting
2) Appointment of Chairperson and Vice Chairperson
3) Possible selection of a consultant |
| Summer 2023: | Development and adoption of the Operations Agreement |
| Fall 2023: | First Round of Projects Funded |

ENVIRONMENTAL ANALYSIS:

The recommended actions to approve the JPA do not have the potential to cause a significant effect on the environment and has been determined to be categorically exempt from environmental review pursuant to the California Environmental Quality Act (CEQA), State CEQA Guidelines Section 15320 (changes in organization of local agencies). This exemption applies whenever local governmental agencies are organizing and this organization does not change the geographical area in which previously existing powers are exercised, and include as an example, the creation of a subsidiary organization or consolidation of organizations having identical powers. As envisioned, the JPA falls under both examples.


COUNCIL CONSIDERATION:

The proposed action is consistent with the City's General Plan - Housing Element and the Five-Year Consolidated Plan. It also supports and promotes the quality of life and the local economy -- a goal of the City Council's Strategic Plan.


FISCAL IMPACT:

Approval of the recommended actions will have no fiscal impact on the City's General Fund. Any activity undertaken by BGPRHT in the course of its operations that result in a fiscal impact to the City will be brought to City Council for consideration at that time.

Respectfully submitted,


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Approved by:


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Attachment A: Joint Exercise of Powers Agreement