

SOUTHERN CALIFORNIA



**ASSOCIATION of
GOVERNMENTS**

Main Office

818 West Seventh Street
12th Floor
Los Angeles, California
90017-3435

t (213) 236-1800

f (213) 236-1825

www.scag.ca.gov

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MEETING OF THE

COMMUNITY, ECONOMIC & HUMAN DEVELOPMENT COMMITTEE

PLEASE NOTE TIME

Thursday, February 2, 2012

10:00 a.m. – 11:30 a.m.

**SCAG Main Office
818 W. 7th Street, 12th Floor
Policy Committee Room B
Los Angeles, CA 90017
(213) 236-1800**

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Deby Salcido at (213) 236-1993 or via email salcido@scag.ca.gov

Agendas & Minutes for the Community, Economic, and Human Development Committee are also available at:
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Community, Economic, and Human Development Committee

Membership – February 2012

Members

Representing

Chair*	1. Hon. Bill Jahn	Big Bear Lake	District 11
Vice Chair*	2. Hon. Paula Lantz	Pomona	District 38
	3. Hon. Sam Allevato	San Juan Capistrano	OCCOG
	4. Hon. Josue Barrios	Cudahy	GCCOG
	5. Hon. James Butts, Jr.	Inglewood	SBCCOG
	6. Hon. Don Campbell	Brawley	ICTC
	7. Hon. Carol Chen	Cerritos	Gateway Cities
	* 8. Hon. Ginger Coleman	Town of Apple Valley	SANBAG
	9. Hon. Laurie Ender	Santa Clarita	SFVCOG
	* 10. Hon. Margaret Finlay	Duarte	District 35
	11. Hon. Ron Garcia	Brea	OCCOG
	* 12. Hon. James Gazeley	Lomita	District 39
	13. Hon. Joseph J. Gonzales	South El Monte	SGVCOG
	14. Hon. Elba Guerrero	Huntington Park	GCCOG
	15. Hon. Julie Hackbarth-McIntyre	Barstow	SANBAG
	* 16. Hon. Jon Harrison	Redlands	District 6
	* 17. Hon. Steven Hofbauer	Palmdale	District 43
	18. Hon. Elaine Holmes	Indio	CVAG
	* 19. Hon. Sukhee Kang	Irvine	District 14
	* 20. Hon. Darcy Kuenzi	Menifee	WRCOG
	21. Hon. Randon Lane	Murrieta	WRCOG
	* 22. Hon. Joel Lautenschleger	Laguna Hills	District 13
	23. Hon. Mike Leonard	Hesperia	SANBAG
	* 24. Hon. Ronald Loveridge	Riverside	District 4
	* 25. Hon. Bryan A. MacDonald	Oxnard	District 45
	26. Hon. Charles Martin		Morongo Band of Mission Indians

Community, Economic, and Human Development Committee

Membership – February 2012

Members

Representing

* 27. Hon. Larry McCallon	Highland	District 7
28. Hon. Kathryn McCullough	Lake Forest	OCCOG
29. Hon. Susan McSweeney	Westlake Village	LVMCOG
30. Hon. John Mirisch	Beverly Hills	WSCCOG
* 31. Hon. Brad Mitzelfelt	San Bernardino County	SANBAG
* 32. Hon. Carl Morehouse	Ventura	District 47
33. Hon. Gene Murabito	Glendora	SGVCOG
* 34. Hon. Kris Murray	Anaheim	District 19
35. Hon. Ray Musser	Upland	SANBAG
* 36. Hon. John Nielsen	Tustin	District 17
37. Hon. Laura Olhasso	La Cañada/Flintridge	Arroyo Verdugo Cities
38. Hon. John Palinkas		Pechanga Band of Luiseño Indians
* 39. Hon. Linda Parks	Ventura County	VCOG
40. Hon. R. Rex Parris	Lancaster	North Los Angeles County
* 41. Hon. Jan Perry	Los Angeles	District 56
* 42. Hon. Andy Quach	Westminster	District 20
* 43. Hon. Ed Reyes	Los Angeles	District 48
44. Hon. Bob Ring	Laguna Woods	OCCOG
* 45. Hon. Deborah Robertson	Rialto	District 8
46. Hon. Gino Sund	Altadena	SGVCOG
47. Hon. Cathy Warner	Whittier	GCCOG

*Regional Council Member

COMMUNITY, ECONOMIC & HUMAN DEVELOPMENT COMMITTEE AGENDA FEBRUARY 2, 2012

The Community, Economic, and Human Development Committee may consider and act upon any of the items listed on the agenda regardless of whether they are listed as information or action items.

CALL TO ORDER & PLEDGE OF ALLEGIANCE

(Hon. Bill Jahn, Chair)

PUBLIC COMMENT PERIOD – Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Committee, must fill out and present a Public Comment Card to the Assistant prior to speaking. Comments will be limited to three (3) minutes per speaker provided that the Chair has the discretion to reduce this time limit based upon the number of speakers. The Chair may limit the total time for all public comments to twenty (20) minutes.

NOMINATIONS FOR CHAIR AND VICE-CHAIR

REVIEW AND PRIORITIZE AGENDA ITEMS

CONSENT CALENDAR

Time **Page No.**

Approval Item

- | | | |
|--|------------|---|
| 1. <u>Minutes of the January 5, 2012 Meeting</u> | Attachment | 1 |
|--|------------|---|

REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) SUBCOMMITTEE REPORT

(Hon. Bill Jahn, Chair)

INFORMATION ITEM

- | | | | |
|--|------------|----------|---|
| 2. <u>Elimination of Redevelopment Agencies and Its Implication of Housing Needs</u> | Attachment | 60 mins. | 9 |
|--|------------|----------|---|

CHAIR'S REPORT

STAFF REPORT

(Mark C. Butala, SCAG Staff)

FUTURE AGENDA ITEMS

Any Committee member or staff desiring to place items on a future agenda may make such a request.

ANNOUNCEMENTS

ADJOURNMENT

The next regular meeting of the CEHD Committee will be held on Thursday, March 1, 2012, at the SCAG Los Angeles Office.

COMMUNITY, ECONOMIC & HUMAN DEVELOPMENT COMMITTEE
of the
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

January 5, 2012
Minutes

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE COMMUNITY, ECONOMIC & HUMAN DEVELOPMENT COMMITTEE. AN AUDIO RECORDING OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING.

The Community, Economic & Human Development Committee held its meeting at SCAG's downtown Los Angeles office.

Members Present

Hon. Josue Barrios, City of Cudahy	GCCOG
Hon. Don Campbell, Brawley	ICTC
Hon. Carol Chen, Cerritos	GCCOG
Hon. Ginger Coleman, Town of Apple Valley	District 65
Hon. Margaret Finlay, Duarte	District 35
Hon. James Gazeley, Lomita	District 39
Hon. Joseph Gonzales, South El Monte	SGVCOG
Hon. Jon Harrison, Redlands	District 6
Hon. Steve Hofbauer, Palmdale	District 43
Hon. Elaine Holmes, Indio	CVAG
Hon. Bill Jahn, Big Bear Lake (Chair)	District 11
Hon. Sukhee Kang, City of Irvine	District 14
Hon. Darcy Kuenzi, Menifee	District 63
Hon. Paula Lantz, Pomona (Vice-Chair)	District 38
Hon. Joel Lautenschleger, Laguna Hills	District 13
Hon. Larry McCallon, Highland	District 7
Hon. Kathryn McCullough, Lake Forest	OCCOG
Hon. Carl Morehouse, San Buenaventura	District 47
Hon. Gene Murabito, Glendora	SGVCOG
Hon. Kris Murray, Anaheim	District 19
Hon. Ray Musser, Upland	SANBAG
Hon. Laura Olhasso, La Canada-Flintridge	Arroyo Verdugo COG
Hon. Ed Reyes, Los Angeles	District 48
Hon. Bob Ring, Laguna Woods	OCCOG
Hon. Deborah Robertson, Rialto	District 8
Hon. Gino Sund, Altadena	SGVCOG

Members Not Present

Hon. Sam Allevato, City of San Juan Capistrano	OCCOG
Hon. James Butts, Inglewood	SBCCOG

Members Not Present (Cont'd)

Hon. Ron Garcia, Brea	OCCOG
Hon. Elba Guerrero, Huntington Park	GCCOG
Hon. Randon Lane, Murrieta	WRCOG
Hon. Mike Leonard, Hesperia	SANBAG
Hon. Ronald Loveridge, Riverside	District 4
Hon. Bryan MacDonald, Oxnard	District 45
Hon. Scott Malsin, Culver City	WSSCOG
Hon. Charles Martin	Morongo Band of Mission Indians
Hon. Julie Hackbarth-McIntyre, Barstow	SANBAG
Hon. Brad Mitzelfelt	SANBAG
Hon. Susan McSweeney, Westlake Village	LVMCOG
Hon. John Nielsen, Tustin	District 17
Hon. John Palinkas	Pechanga Band of Luiseno Indians
Hon. Linda Parks	Ventura County
Hon. Rex Parris, Lancaster	North Los Angeles County
Hon. Jan Perry, Los Angeles	District 56
Hon. Andy Quach, Westminster	District 20
Hon. Cathy Warner, Whittier	GCCOG

CALL TO ORDER & PLEDGE OF ALLEGIANCE

Hon. Bill Jahn, Chair, called the meeting to order at 10:01 AM and asked the Hon. Carl Morehouse to lead the Committee in the Pledge of Allegiance.

The Chair introduced a new CEHD member, Hon. Ray Musser, Mayor of Upland, representing SANBAG.

PUBLIC COMMENT PERIOD

Hon. MaryAnn MacGillivray, Council Member with the City of Sierra Madre, expressed concern regarding the Supreme Court decision to dissolve redevelopment agencies and eliminate low/moderate income housing funds from those agencies, and what effect that will have on the RHNA allocations.

Huasha Liu, Director of Land Use and Environmental Planning, stated that staff will need to have further discussions with various redevelopment agencies in the region to determine exactly how the local redevelopment agencies are planning to move forward. Ms. Liu further stated that the Supreme Court action will have no direct impact on the overall regional RHNA numbers; however, with regard to the income distribution for later housing elements, staff will research this further and report back to the Committee.

REVIEW AND PRIORITIZE AGENDA ITEMS

There was no reprioritization of the agenda.

CONSENT CALENDAR

1. Minutes of November 3, 2011 Meeting

2. Information Regarding Receipt of Transfer Agreement Related to the Regional Housing Needs Assessment (RHNA)

A MOTION was made (Morehouse) to approve the Consent Calendar. The MOTION was SECONDED (Kuenzi) and UNANIMOUSLY APPROVED.

ACTION ITEMS

3. Proposed Policies for Regional Housing Needs Assessment (RHNA) Transfers Due to Annexations and Incorporations

Hon. Bill Jahn, Chair, stated that currently there are no official policies in place to guide the process to transfer RHNA units due to annexations and incorporations. He further stated that if there is an agreement between two parties, SCAG will accept the transfer agreement, but if there is a disagreement, either party may request that SCAG make the determination and SCAG will use the applicable RHNA methodology to make the determination.

A MOTION was made (Coleman) to recommend to the Regional Council the approval of the proposed policies for RHNA transfers due to annexations and incorporations. The MOTION was SECONDED (McCullough) and UNANIMOUSLY APPROVED.

4. Draft Regional Housing Needs Assessment (RHNA) Allocation Plan

Hon. Bill Jahn, Chair, stated that the action is to recommend to the Regional Council to approve the distribution of the draft RHNA Allocation Plan in February 2012.

Hon. Kathryn McCullough expressed similar concerns as Council Member MacGillivray regarding the dissolution of redevelopment agencies and the effect it will have on the RHNA allocations.

Huasha Liu stated that staff will do further research and bring the item back to the next CEHD meeting. Ms. Liu further stated that if at all possible, she will have appropriate HCD staff at the meeting to help answer the Committee's questions. Additional comments were made by staff and Committee members to address Hon. McCullough's concerns.

A MOTION was made (Kuenzi) to recommend to the Regional Council approval of the distribution of the draft RHNA Allocation Plan in February 2012. The MOTION was SECONDED (Morehouse) and UNANIMOUSLY APPROVED.

5. Regional Housing Needs Assessment (RHNA) Procedures for Revision Requests, Appeals, and Trade & Transfers

Hon. Bill Jahn, Chair, stated that once the draft RHNA is distributed, SCAG will begin the revision requests and appeals processes.

Ma'Ayn Johnson, Senior Regional Planner, explained that the revision request process must be based on AB 2158 factors, which are the local planning factors that were surveyed and addressed in the RHNA methodology, per state housing law; whereas the

appeals process may be based on RHNA methodology, change of circumstance, and AB 2158 factors.

Hon. Carl Morehouse and Hon. Larry McCallon, who both served on the revisions and appeals body in the last RHNA cycle, advised the current Subcommittee to be aware of the difficulties in considering revision requests and appeals due to the legal constraints. Both Hon. Morehouse and Hon. McCallon concurred that it is important for jurisdictions to understand the legal basis for the two processes.

Joann Africa, Chief Counsel, provided an overview of the timeline with respect to the RHNA process. This timeline was included on Page 58 in the Agenda Packet.

Hon. Darci Kuenzi requested that the RHNA timeline be emailed to the members once it is approved, so it can be forwarded to their respective cities. Hon. Paula Lantz suggested that it be included as part of the Regional Council report.

Hon. Ginger Coleman requested that staff include each city's calculation when they send out the numbers to the individual cities to make it easier to see how the final numbers were arrived at with the methodology. Huasha Liu referred to the agenda report and stated that staff included specific methodology calculations, which indicates the numbers specifically in relationship to the formula. Ms. Liu stated that staff will have these numbers plugged into the formula and sent to each city after the Regional Council approves the distribution.

Several members expressed their appreciation to the RHNA Subcommittee for doing such an excellent job, and members of the Subcommittee acknowledged SCAG staff for their contributions and making their job easier.

A MOTION was made (McCallon) to recommend to the Regional Council approval of the procedures for addressing RHNA revision requests, appeals, and trade & transfers. The MOTION was SECONDED (Finlay) and UNANIMOUSLY APPROVED.

INFORMATION ITEM

6. Draft 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) and Program Environmental Impact Report (PEIR) Process – Next Steps

Doug Williford, Deputy Executive Director of Plans and Programs, stated that the statute requires SCAG to hold twelve workshops – two in each county, and three public hearings. Mr. Williford further stated that although the law requires only three public hearings, SCAG will hold one in each county, for a total of six public hearings. Mr. Williford referred to the schedule of workshops and public hearings, which is included in the CEHD agenda packet. Mr. Williford stated that the workshops are specifically intended by state law to be directed toward elected officials, and SCAG staff is making a special effort to invite elected officials. Mr. Williford encouraged the members to invite their City Council colleagues and Supervisor Board members to attend these workshops. Mr. Williford further stated that it is an excellent opportunity for both elected officials and the public to make comments on the RTP/SCS and the PEIR.

CHAIR'S REPORT

There was no Chair's Report.

STAFF REPORT

Mark Butala, Manager of Comprehensive Planning, announced that staff is accepting nominations for the 6th Annual Compass Blueprint Recognition Awards, and encouraged members to take one of the nomination packets. Mr. Butala stated that the nominations are due February 8th and the award winners will be honored at the April General Assembly. Mr. Butala also announced that the draft PEIR was posted to the SCAG website on December 30th.

FUTURE AGENDA ITEM

Dissolution of redevelopment agencies will be agendized for the next meeting.

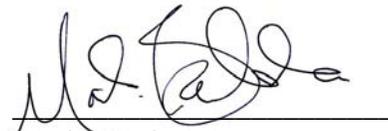
ANNOUNCEMENTS

There were no announcements.

ADJOURNMENT

The Chair adjourned the meeting at 10:52 AM.

Minutes Approved By:

A handwritten signature in black ink, appearing to read 'M. Butala', written over a horizontal line.

Mark Butala, Manager,
Comprehensive Planning

Community, Economic & Human Development Committee Attendance Report

2012

X = County Represented

X = Attended ■ = No Meeting NM = New Member EA = Excused Absence

Member (including Ex-Officio) LastName, FirstName	Representing	X = County Represented						X = Attended ■ = No Meeting NM = New Member EA = Excused Absence											
		IC	LA	OC	RC	SB	VC	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Allevato, Sam	OCCOG			X															
Barrios, Josue	Gateway Cities		X					X											
Butts, James	SBCCOG		X																
Campbell, Don*	ICTC	X						X											
Chen, Carol	Gateway Cities		X					X											
Coleman, Ginger	Apple Valley (Dist. 65)					X		X											
Ender, Laurie	SFVCOG		X																
Finlay, Margaret*	Duarte (District 35)		X					X											
Garcia, Ron	OCCOG			X															
Gazeley, James*	Lomita (District 39)		X					X											
Gonzales, Joseph J.	SGVCOG		X					X											
Guerrero, Elba	Gateway Cities		X																
Harrison, Jon	District 6					X		X											
Hofbauer, Steve	Palmdale (District 43)		X					X											
Holmes, Elaine	CVAG				X			X											
Jahn, Bill* Chair	SANBAG (District 11)					X		X											
Kang, Sukhee*	City of Irvine (District 14)							X											
Kuenzi, Darcy	WRCOG				X			X											
Lane, Randon	WRCOG				X														
Lantz, Paula* Vice-Chair	Pomona (District 38)		X					X											
Lautenschleger, Joel	District 13			X				X											

Community, Economic & Human Development Committee Attendance Report

2012

X = County Represented

X = Attended ■ = No Meeting NM = New Member EA = Excused Absence

Member (including Ex-Officio) LastName, FirstName	Representing	2012						Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
		IC	LA	OC	RC	SB	VC												
Leonard, Mike	SANBAG					X													
Loveridge, Ronald*	Riverside (District 4)				X														
MacDonald, Bryan*	Oxnard (District 45)						X												
Malsin, D. Scott	Westside Cities COG		X																
Martin, Charles	Morongo Indians				X														
McCallon, Larry*	Highland (District 7)					X	X												
McCullough, Kathryn	OCCOG			X			X												
Hackbarth-McIntyre, Julie	SANBAG																		
McSweeney, Susan	Las Virgenes/Malibu COG		X																
Mitzelfelt, Brad*	SANBAG					X													
Morehouse, Carl*	VCOG (District 47)						X	X											
Murabito, Gene	SGVCOG		X					X											
Murray, Kris*	Anaheim (District 19)							X											
Musser, Ray	SANBAG					X	X												
Nielsen, John*	Tustin (District 17)			X															
Olhasso, Laura	Arroyo Verdugo		X					X											
Palinkas, John	Pechanga Indians				X														
Parks, Linda*	Ventura County						X												
Parris, Rex	North L.A. County Subregion		X																
Perry, Jan	Los Angeles		X																
Quach, Andy*	Westminster (District 20)			X															

Community, Economic & Human Development Committee Attendance Report

2012

X = County Represented

X = Attended ■ = No Meeting NM = New Member EA = Excused Absence

Member (including Ex-Officio) LastName, FirstName	Representing	IC	LA	OC	RC	SB	VC	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Reyes, Ed*	Los Angeles		X					X											
Ring, Bob	OCCOG			X				X											
Robertson, Deborah*	Rialto (District 8)					X		X											
Sund, Gino	L. A. County (District 5)		X					X											
Warner, Cathy	Gateway Cities COG		X																

Regional Council Member*

DATE: February 2, 2012

TO: Community, Economic & Human Development Committee (CEHD)

FROM: Joann Africa, Chief Counsel, 213-236-1928, africa@scag.ca.gov

SUBJECT: Elimination of Redevelopment Agencies and Its Implication of Housing Needs

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:
For Information Only; No Action Required.

EXECUTIVE SUMMARY:
The CEHD Committee requested to include as part of this month's meeting agenda, information regarding the impact of the California Supreme Court's recent ruling upholding the dissolution of redevelopment agencies ("RDAs") under ABX1 26 upon low-income housing units and on the RHNA allocation. Staff and Asst. Deputy Director Glen Campora from the State Department of Housing and Community Development ("HCD") will provide information regarding the elimination of RDAs on local jurisdictions and its impacts upon affordable housing.

STRATEGIC PLAN:
This item supports SCAG's Strategic Plan; Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a: Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

BACKGROUND:
In California Redevelopment Assn. v. Matosantos, the Court determined that by February 1, 2012, designated successor agencies of former redevelopment agencies will take over the management of dissolved RDA obligations. The Court's decision requires RDAs to stop ongoing programs such as homebuyer loans and rental assistance and to remit the balance of the Low and Moderate Income Housing Fund to the county auditor-controller to be disbursed in proportionate shares to local taxing entities. Successor agencies may not enter into new affordable housing obligations and there will be no future affordable housing funds or requirements on RDAs to produce affordable housing after February 1 when the agencies are officially dissolved. However, successor agencies are required to continue to make payments and perform existing obligations that were made by December 31, 2010, including administering legally binding and enforceable contracts and agreements relating to housing matters that were previously entered into by the former RDA, that are included in Recognized Obligation Payment Schedules.

Legally, ABX1 26 will not affect the affordability restrictions on existing units because RDAs generally provided direct financing for assisted housing developments in the form of loans which were secured by

recorded deeds of trust in order to protect RDA investments. These deeds of trust and accompanying promissory notes should have adequately defined the covenants and conditions of the loan, including the length of term for affordability restrictions (also known as “affordability covenants”). As such, implementation of ABX1 26 is unlikely to affect the expiration terms in existing loan agreements for low-income housing. Existing grant agreements containing conditions regarding the continued use of the site would be similarly unaffected.

In addition, because ABX1 26 does not affect the expiration terms of current, enforceable agreements for housing developments funded under former RDA programs, the process for allocating housing units in the 5th Cycle RHNA also remains unaffected by the Court’s ruling. The Integrated Growth Forecast, which served as the foundation for the 5th Cycle RHNA Allocation Methodology, did not address the conversion of low-income units into market rate housing and therefore was not a part of SCAG’s Allocation Methodology. Instead, SCAG provided statistics on the potential loss of units in assisted housing developments to local jurisdictions, giving local jurisdictions the discretion to adequately plan for the loss of at risk units in preparing their housing elements. SCAG recognizes that the loss of RDA funding may hamper attainment of RHNA goals in updated local housing elements. SCAG will defer to HCD in any determinations regarding the impact of ABX1 26 upon updated housing elements.

However, staff recognizes that the practical impacts of ABX1 26 upon existing funding obligations are yet to be determined and may put some housing projects at risk. Ambiguity of the terms of a particular agreement with a former RDA may result in private party discussions or litigation to enforce negotiated rights. Moreover, although successor agencies are tasked with monitoring and enforcing developments funded by the former RDAs, successor agencies may not have the adequate resources to carry out these functions. Because successor agencies will have no access to the unencumbered housing funds slated to be transferred to the taxing entities, sponsoring jurisdictions may have little incentive to assume existing housing obligations. In light of the potential for costly liabilities, sponsoring jurisdictions that elect not to become the successor housing agency would pass that obligation to the housing authority in the territorial jurisdiction of the former RDA, or alternately to the State HCD where no housing authority exists in that territorial jurisdiction.

Finally, it should be noted that SB 654 (Steinberg) is currently pending before the Senate and seeks to make changes to the ABX 26 to allow successor agencies to retain the low & moderate income housing funds (“L&M funds”) from a former RDAs for the continued provision of affordable housing.

Specifically SB 654, an urgency measure, would:

- Authorize a city, county, or city and county that authorized the creation of a redevelopment agency to retain the funds on deposit in a dissolving agency's L&M funds and require the city or county to expend those funds in compliance with the housing provisions of the Community Redevelopment Law.
- Authorize the local housing authority to retain L&M funds and housing responsibilities if the successor entity opts-out of these activities.

REPORT

- Require HCD to retain these funds and activities, if neither the successor entity nor the local housing authority retains responsibility.
- Require, rather than permit, an entity assuming the housing functions of an agency to enforce affordability covenants on affordable housing properties.
- Expand the definition of an "enforceable obligation" to include two additional types of loan agreements between a RDA and its host city or county: (1) a loan that was executed within two years of the date of creation of a project area, if the loan is specific to that project area; and (2) a loan to fund the agency's 2009-10 SERAF payment to schools.

This bill is intended to preserve the outstanding balances in the L&M funds maintained by former redevelopment agencies throughout the state for affordable housing. In the absence of this legislation, those funds not otherwise dedicated to existing obligations will be liquidated and distributed as property tax revenues to other entities such as special districts, and schools. SB 654 passed unanimously out of the Senate Appropriations Committee and is currently headed for the Senate floor for passage. SCAG's Legislative/Communications and Membership Committee is recommending to the Regional Council today that SCAG support SB 654. SCAG staff will continue to monitor any changes in the law and legislative developments.

FISCAL IMPACT:

Work associated with this item is included in the current FY 11-12 General Fund Budget (12-800.0160.03: RHNA).

ATTACHMENT:

None.