ITEM# IX A 3

Arroyo Verdugo Communities Joint Powers Authority

DATE: **October 30, 2025**

TO: Governing Board

FROM: **Sheila Rossi, Council Member, City of South Pasadena**

SUBJECT: **SCAG Community, Economic, & Human Development Report**

RECOMMENDATION:

Information Only- No Action Required

BACKGROUND

Summary of the Southern California Association of Governments Community, Economic, and Human Development (CEHD) Committee September 4, 2025 meeting.

Agenda Item 2: Connect SoCal 2050

Regional Council adopted the Subregional Sustainable Communities Strategy Framework & Guidelines for use in the development of the 2028-2050 Regional Transportation Plan/Sustainable Community Strategy (RTP/SCS).

Agenda Item 3: Panel on Shared Equity Homeownership Models

Connect SoCal 2024 includes a regional planning policy that calls for promoting innovative strategies and partnerships to increase homeownership opportunities. Panel included a discussion on increasing affordable home ownership and presentations from two shared-equity homeownership programs.

Shared-equity programs use public investments to provide homeownership opportunities for income-qualifying families at a reduced purchase price. Such programs often require the owner to share a portion of the home's appreciation when the property is refinanced or re-sold, or it restricts the resale price to maintain affordability for future income-qualifying buyers.

Co-operative Affordable Homeownership

The first presentation focused on the work of ***Urban Homesteading Assistance Board (UHAB***), which provides shared and limited equity Co-operative homeownership models primarily for tenants of existing multi-family rental properties. Their model includes:

UHAB Model:

- Utilization of TOPA/COPA policies and subsidies to support acquisition of existing rental properties into tenant owned co-ops.
- Conversion: Support conversion of distressed buildings into healthy affordable homes
- Foundational Training: Co-op governance, physical maintenance, and financial training.
- On-going Monitoring and Technical Assistance: Oversight, regulatory compliance, financial management, budgeting, and bookkeeping services.
- Co-op Improvement Program: Troubleshooting physical and financial distress, develop structured work-out plans, explore renewable energy and electrified heat conversions.
- Financing: Offers smaller sized, low-cost loans specifically designed for purchasers in affordable co-ops.

- Co-operative Cooperation: Pooled fuel and insurance bulk purchasing power for network of co-ops. Knowledge sharing, peer-to-peer support.

Model Supports:

- Preservation of existing naturally affordable housing stock.
- Opportunities for lower-income and underserved populations to become homeowners at lower price points.
- Increased community stability and prevention of displacement in gentrifying markets.
- Skill and knowledge development to retain ownership.

Role of Municipal Government in Affordable Cooperative Housing:

- Setting policy goals (who does the program serve, affordability, equity, and populations served).
- Creating regulatory structure to achieve policy goals: requiring regulatory agreements in connection with tax exemptions or loans.
- Subsidizing development.
- Providing real estate tax exemptions

Affordable Single-Family Homeownership Model

The second presentation focused on the work of ***Grounded Solutions Network*** which provides an investment strategy for scalable market-based single-family homeownership.

GSN Model

- Utilizes catalytic impact investments to acquire single-family homes in low-cost markets with high growth potential at scale.
- Leverages scale to efficiently rent homes for up to 10 years. (Not a rent-to-own).
- Transfers homes to local non-profit housing partners for below-market sale to low-income buyers, using home price appreciation to subsidize sales.

Municipal Role:

GSN's current model does not work in California, which is a high-cost market. For expansion into California, their platform would require municipal support in the form of:

- Vouchers to support higher rents.
- Property Tax exemptions.
- Portfolio sales at favorable terms.
- Municipal issuance for senior debt or soft loan into capital stack.
- Cash subsidies for acquisition or homebuyer assistance.

Additional Information on TOPA and COPA Policy Models

TOPA and COPA are two policy models designed to preserve affordability and give tenants or community organizations a stronger role in property sales that might otherwise lead to displacement.

Tenant Opportunity to Purchase Act (TOPA)

Goal: Prevent displacement, promote resident control, and convert rental housing into **affordable homeownership or cooperative ownership**. Gives tenants the **first right to purchase** their building if the owner decides to sell.

- When a landlord wants to sell, they must first notify the tenants.

- Tenants (individually or as a tenant association/co-op) get a window of time to organize financing and make an offer.
- If tenants can't or don't want to buy, they can assign their rights to a nonprofit housing provider, community land trust (CLT), or another affordable housing entity.

Community Opportunity to Purchase Act (COPA)

Goal: Expand the stock of **community-owned affordable housing** by empowering nonprofits/CLTs to acquire properties before speculative buyers do. Gives **qualified nonprofits or community land trusts** the first right of offer (and sometimes a right of first refusal) when a property is up for sale.

- Owners must notify a list of pre-approved nonprofits when they plan to sell.
- Those nonprofits have a set period (often 30–60 days) to make an offer.
- If the owner accepts another offer, the nonprofit often retains a right to match it.

TOPA vs COPA: Comparison & Affordable Homeownership Role

- **TOPA** centers tenants, giving them direct power to buy or partner with nonprofits to stay in their homes. It can lead to **cooperatives or limited-equity ownership models**.
- **COPA** centers nonprofits/CLTs, giving them a streamlined way to purchase properties for long-term stewardship. Tenants don't directly purchase, but benefit from **stable, permanently affordable rental or ownership options**.
- Together, they are often seen as **complementary tools**:
  - TOPA → tenant-driven path to ownership.
  - COPA → nonprofit/land trust-driven path to community-controlled housing.
  - Hybrid → Tenants get the first right (TOPA). If they decline or cannot purchase, qualified nonprofits/CLTs (COPA) get the opportunity.

TOPA & COPA Policy Frameworks

	TOPA (Tenant Opportunity to Purchase Act)	COPA (Community Opportunity to Purchase Act)
Primary Stakeholders	Tenants (individually, as an association, or through a tenant-created cooperative/LLC).	Qualified nonprofits, affordable housing developers, and community land trusts (CLTs).
Trigger Event	Property owner decides to sell a rental property.	Property owner decides to sell (typically multifamily or larger rental buildings).
Notification Requirement	Owner must notify tenants first, before marketing or selling the property.	Owner must notify a registry of qualified nonprofits before accepting offers from private buyers.
First Right of Offer / Refusal	Tenants have the *first right to purchase* the property. They can also assign this right to a nonprofit/CLT.	Nonprofits/CLTs have the *first right to make an offer* and sometimes a *right of first refusal* to match private bids.
Decision/Response Timeline	Varies by jurisdiction (commonly 30–60 days for tenants to express interest, 90–120 days to secure financing).	Varies by jurisdiction (commonly 30 days to respond, 60–90 days to close after acceptance).

Financing Needs	Tenants often need technical assistance, predevelopment loans, and gap financing to compete with private buyers.	Nonprofits/CLTs need access to acquisition funds, mission-aligned lenders, and subsidies to preserve long-term affordability.
Affordability Mechanism	Often results in limited-equity cooperatives, condo conversions with affordability covenants, or nonprofit partnerships.	Ensures permanent affordability via nonprofit/CLT ownership with resale restrictions or long-term affordability covenants.
Legal Considerations	Strong tenant organizing rights; requires clear timelines and enforcement mechanisms; may face landlord/real estate industry opposition.	Needs a transparent nonprofit qualification process; must balance owner rights with public interest; usually less disruptive to market.
Administrative Burden	Higher: requires city staff or a technical assistance hub to support tenants, review contracts, and enforce timelines.	Moderate: requires monitoring of nonprofit registry, notices, and transaction compliance.
Equity Outcomes	Empowers tenants directly; builds resident wealth and stability through cooperative ownership.	Builds community wealth and long-term affordability through nonprofit/CLT stewardship.
Scalability	Works best in markets with strong tenant organizing capacity and access to financing.	Works best in markets with strong nonprofit/CLT ecosystem and access to public/private acquisition funds.

Agenda Item 4: SCAG Demographic Data Update

The committee received a brief update on the most-up-to-date population and housing information for the SCAG region's six counties.

- January 2025 Demographics
- Mid-Year Housing Production

Demographic Data

In Los Angeles County, there has been a slight rebound in population following five straight years of decline (2018-2022), including a steep pandemic related decrease between 2020-2021.

- The pandemic related decline was attributed to a *decrease* in Foreign Immigration and *increase* in Net Domestic Migration.
- Both Foreign Immigration and Net Domestic Migration stabilized in 2023 & 2024.
- Foreign Immigration (Net) has been a primary driver of regional population growth over the past 15 years as birth and death rates have remained relatively stable during that same period.
- Immigration Projection Uncertainty:
  - 2024 Congressional Budget Office's estimates (projections) began to diverge from previous 2023 census estimates when it began using a DHS dataset on Southwest border encounters resulting in release or parole.
  - The 2024 data appeared to explain the discrepancy between the 2023 census projections and California's payroll jobs through 2024.
  - California Border Encounters resulting in release or parole dropped precipitously beginning in mid-2024.
  - Considerable uncertainty related to changes in immigration policy.

Annual Housing Production

Annual housing production has remained fairly stable over the past five years

- In Los Angeles County, annual housing production has consistently exceeded population growth.
- The growth in Los Angeles has been primarily driven by a production of new Multifamily Developments (83,372) and Accessory Dwelling Units (47,188).

- Riverside County's growth has been driven by a production of Single Family Homes (34,960).

2028-2050 RTP/SCS Preliminary Growth Projections

- Currently in development
- Will consider seven major inputs
  - Employment Growth, Births, Deaths, Immigration, Domestic Migration, Labor Force Participation, Household Formation (Headship)

FISCAL IMPACT:

There is no fiscal impact.