

Bay Area Housing Finance Authority Advocacy

Subject:

Update on potential federal funding opportunity for the Bay Area Housing Finance Authority (BAHFA).

Overview:

The Bay Area has been a national leader in adopting a regional approach to housing. Since MTC and ABAG began joint Washington, D.C. advocacy trips in 2017, our federal partners have increasingly been interested in the potential for the Bay Area's approach to serve as a national model. However, federal housing programs aren't currently structured to address regional-scale affordable housing challenges.

Following our June 2022 Washington D.C. advocacy visit during which ABAG and MTC leadership advocated for new Housing and Urban Development (HUD) funding to be made available for regional housing agencies, provisions in the fiscal year (FY) 2023 Senate Transportation, Housing and Urban Development, and Related Agencies (THUD) bill would open the door for BAHFA and other regions similarly seeking to coordinate across city and county boundaries to address affordable housing challenges.

Specifically, the Senate THUD bill includes \$200 million for a new "Yes in My Backyard Incentive Grant Program" that would expressly allow regional agencies like BAHFA to compete for these proposed new Department of Housing and Urban Development (HUD) grant funds. Encouragingly, the Senate THUD subcommittee bill also includes language that directs HUD to support regional-scale housing efforts more broadly. The legislative language for both provisions is included as Attachment A.

Next Steps and Timing:

Inclusion in the Senate THUD bill is a first step, but advocacy will be required to keep this new \$200 million program intact as the bill moves through the Senate and over to the House, because it is not included in the House Appropriations Committee-passed THUD bill. Though we expect Senate and House THUD committee staff will begin at least informal negotiations this fall, timing of a final FY 2023 THUD appropriations bill is uncertain.

Disagreements between the Chairs and Ranking Members of the House and Senate Appropriations Committees over relative increases in defense and non-defense outlays and the role of government spending during an inflationary economy are hindering negotiations on the broader FY 2023 spending bill. Without these topline numbers, it's challenging for THUD negotiators to finalize individual components of their spending bills. If an agreement is not reached soon, Congress will likely prepare a Continuing Resolution in the fall, the passage of which would allow for more time for negotiations over a final FY 2023 spending package. Staff will share a verbal update of any late breaking appropriations news at your September committee meeting.

Recommendation:

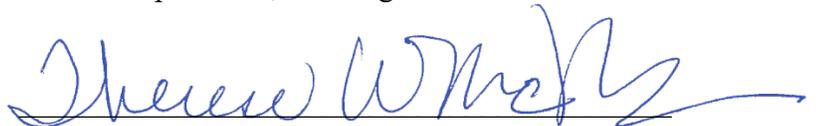
Information

Issues:

None identified.

Attachments:

- Attachment A: Bay Area Housing Financing Authority (BAHFA) -Supportive Provisions in Fiscal Year 2023 Senate Transportation, Housing and Urban Development (THUD) Bill



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