BAY AREA HOUSING FINANCE AUTHORITY BUSINESS PLAN
DRAFT EQUITY FRAMEWORK

APPENDICES

DRAFT

JANUARY 2023

CONTENTS

Appendix A

Definitions

Housing Affordability Levels

Most federal and state housing assistance programs set maximum incomes for eligibility to live in subsidized housing, and maximum rents and housing costs that may be charged to eligible residents, usually based on "Area Median Income" (AMI). AMI refers to the median family income, adjusted for family size, of a geographic area of the state, as annually estimated by the United States Department of Housing and Urban Development. Affordability levels for subsidized housing are based on four AMI bands:

- Extremely low-income (ELI): 0-30% of AMI
- Very low-income (VLI): 30% to 50% of AMI
- Low- or lower-income (LI): 50% to 80% of AMI (the term may also be used to mean 0% to 80% of AMI)
- Moderate-income: 80% to 120% of AMI

Community-based Developers

California Department of Housing Community Development's (HCD) Multifamily Housing Program (MHP) sets experience guidelines for entities applying as Community-Based Developers, which include demonstration of community knowledge, commitment to long-term community investment, and population-specific cultural competency, all through a combination of the following: receipt of grant funds for services within the relevant neighborhood or community, cultural and linguistic competency on staff, a record of hiring from the community, and membership in or recruitment from a local Urban League (or substantially equivalent) organization. More detailed information is available in the 2021 Multifamily Housing Program Final Guidelines.

BIPOC-led Developers

"BIPOC" means Black, Indigenous, and Other People of Color. HCD's MHP also sets experience guidelines for entities applying as Emerging BIPOC Developers. To be considered a qualifying BIPOC nonprofit organization, the entity must have a BIPOC Executive Director/Chief Executive Officer and 51% of the organization's board must be BIPOC. For purposes of this paragraph, People of Color means "a person who checked the Black or African American, American Indian and Alaska Native, Asian, or Native Hawaiian and Other Pacific Islanders race category or who answered yes to the Hispanic Origin question on the 2020 United

States Census or, if that data is not yet publicly available, the 2010 United States Census. More detailed information is available in the [2021 Multifamily Housing Program Final Guidelines](#).

Emerging Developers

HCD's MHP also sets experience guidelines for entities applying as Emerging Developers. Entities, including Tribal Entities, applying as Emerging Developers must have developed, owned, or operated at least one (1) but not more than three (3) Affordable Housing Developments that are equivalent to the proposed Affordable Housing Development in size, scale, amenity, and target population. More detailed information is available in the [2021 Multifamily Housing Program Final Guidelines](#).

Community Ownership and Community-Owned Developers

Community Ownership is a category of tenure – separate from traditional, single-household rental and ownership tenures – that combine the legal and financial characteristics of both owning and renting. Community ownership encompasses multiple tenure types, including community land trusts, limited equity cooperatives, resident self-managed rental housing and non-equity cooperatives. These housing models, also referred to as "community-controlled housing" and included within a broader category of social housing, strive for permanent affordability, democratic resident control, and social inclusivity.[1] The Equity Framework refers to organizations that produce or preserve housing through community ownership models as "community-owned developers."

Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs)

R/ECAPs are defined by the US Department of Housing and Urban Development as census tracts with populations that are 50 percent or more persons of color and 40 percent or more of individuals living at or below the poverty line. [For more details on the use of R/ECAPs, see HCD's *Affirmatively Furthering Fair Housing: Guidance for All Public Entities and for Housing Elements.*](#)

Racially Concentrated Areas of Affluence (RCAAs)

HCD developed a regionally-normalized version of RCAAs which reflect predominantly white areas with high income relative to regions. HCD encourages local jurisdictions to use both R/ECAPs and RCAAs in their housing element analyses. [For more details on the use of RCAAs, see HCD's *Affirmatively Furthering Fair Housing: Guidance for All Public Entities and for Housing Elements.*](#)

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[1] Ham, K., Strominger, M., & Gordon, L. (2022). *Advancing Community-Controlled Housing Preservation through the New Bay Area Housing Finance Authority*. https://www.urbanhabitat.org/resources

Transit Priority Areas (TPAs)

A TPA is defined in California Public Resource Code, Section 21099 as an area within one-half mile of a major transit stop that is existing or planned, if the planned stop is scheduled to be completed within the planning horizon included in a Transportation Improvement Program or applicable regional transportation plan.

Estimated Displacement Risk (EDR)

The EDR "Overall Displacement" model was developed by the Urban Displacement Project and identifies varying levels of displacement risk for low-income renter households in California while controlling for regions. UDP defines displacement risk as a census tract with characteristics which are strongly correlated with more low-income population loss than gain. For the broader purpose of this metric, all categories forecasting displacement risk for extremely-low, very-low, and low-income households should be combined into a singular category representing at-risk neighborhoods. For more details on the EDR methodology, see HCD's Affirmatively Furthering Fair Housing Data and Mapping Resources.

Equity Priority Communities (EPCs)

EPCs are identified as census tracts with a significant concentration of historically underserved populations, including (but not limited to) people with low incomes, people of color, seniors, people with disabilities, single-parent families and severely rent-burdened households. More detailed information on Equity Priority Communities can be found in the Plan Bay Area 2050 Equity Analysis Report.

High-Opportunity Areas (HOAs)

HOAs are derived from the TCAC Opportunity Map, which identifies areas in every region of the state whose characteristics have been shown by research to support positive economic, educational, and health outcomes for low-income families—particularly long-term outcomes for children. More detailed information is available in the Opportunity Mapping Methodology. Opportunity mapping is a way to measure and visualize place-based characteristics linked to critical life outcomes, such as educational attainment, earnings from employment, and economic mobility.

Priority Development Areas

MTC/ABAG define two types of PDAs, both within one-half mile of quality transit: 1) Transit-Rich PDAs, which have high-quality transportation infrastructure already in place to support additional growth, and 2) Connected Community PDAs, which offer basic transit services and have committed to policies that increase mobility options and reduce automobile travel. More detailed information of PDAs is available from MTC/ABAG's PDA page.

Appendix B

Equity Working Group

The Equity Working Group is comprised of 11 individuals:

- **Aboubacar "Asn" Ndiaye,** PowerSwitch Action*
- **Allie Cannington,** The Kelsey
- **Andy Madeira,** East Bay Local Asian Development Corporation
- **Anthony Carrasco,** UC Berkeley*
- **Debra Ballinger,** Monument Impact
- **Duane Bay,** East Palo Alto Community Alliance & Neighborhood Development Org.
- **Katie Lamont,** Tenderloin Neighborhood Development Corporation
- **Melissa Jones,** Bay Area Regional Health Inequities Initiative
- **Poncho Guevara,** Sacred Heart Community Service
- **Raquelle "Kelly" Myers,** National Indian Justice Center
- **Steve King,** Oakland Community Land Trust

* organizational affiliation listed for identification purposes only

The Othering & Belonging Institute, with input from the consultant team and BAHFA staff, developed the following criteria for the selection of Equity Working Group members.

The Equity Working Group includes representatives from organizations who:

1. Explicitly name racial and/or social equity as part of their mission statement and/or guiding principles;

2. Are embedded in and accountable to impacted communities through at least one of the following:

   a. Formal decision-making structures that directly involve people from marginalized communities with lived experience of racial or social inequities in housing, or

   b. Leadership (board, staff) and membership bases that are made up of at least a majority people directly impacted by racial or social inequities.

3. Approach housing from a holistic lens (in relationship to other racial equity issues, e.g. health or broader community development);

4. Have direct experience producing or preserving housing, or protecting people facing various forms of housing instability;

5. Add diversity in representation across the following dimensions:

    a. Geography - major parts of the region (North Bay, East Bay, South Bay/Silicon Valley, San Francisco), urban/large city and suburban/small or mid-sized cities

    b. 3Ps - production, preservation, protection

    c. Marginalized populations and racial groups - including Black, Indigenous, Latinx, Asian and Pacific Islander communities, and people with disabilities

    d. Sector - including nonprofit advocacy & organizing; legal & support services, and community-based development.

6. If representing a membership organization, must be able to respond to potential recommendations within the schedule described in Equity Working Group Scope;

7. On balance, the Working Group should embody all the criteria listed above and also have experience working with public institutions in government processes, especially those with formal public decision-making processes.

Appendix C

Stakeholder Engagement Report

Introduction

Development of the Draft Equity Framework involved an iterative, year-long process of broad community engagement and co-creation with the BAHFA Equity Working Group. This Stakeholder Engagement Report, which serves as a companion to the Draft Equity Framework, provides a comprehensive summary of the feedback received through the stakeholder engagement process. Any adoption or implementation of a recommendation forwarded by stakeholders by BAHFA will be done in accordance with federal and state law.

The recommendations documented here include those presented in the Draft Equity Framework (under each of the four "Challenges and Opportunities" sections of the main report) alongside additional themes and recommendations not covered in the main report.

The Equity Framework Stakeholder Engagement Process

To create the Draft Equity Framework, a team led by the Othering and Belonging Institute at UC Berkeley (OBI) facilitated a planning process designed to achieve broad public access and be deeply informed by the communities who have been most impacted by housing insecurity. This planning process included:

- **Interviews:** over 20 interviews with housing and equity leaders involved in housing production, preservation, and protection.

- **Public Listening Sessions:** three public listening sessions held in June 2022, during which 138 residents discussed and provided recommendations on draft goals, objectives, and metrics. Invitations for the sessions were distributed to over 300 stakeholders and 175 local government staff working across all 3Ps.

- **Equity Working Group Engagement:** several meetings with a group of 11 leaders from across the region between May and December 2022. The Equity Working Group used a consensus-based decision-making process to co-create the Draft Equity Framework, drawing from their extensive experience related to housing preservation, production,

protection, and social equity as well as relationships to the communities and places most impacted by the housing crisis. For a list of Equity Working Group members and criteria used in their selection, see Appendix B.

The Equity Framework is currently in draft form, and stakeholder engagement will continue to inform the next phase of revisions before the final draft of the Equity Framework is considered for adoption, currently slated for spring 2023.

Key Themes

Stakeholder recommendations presented in this report are organized into five sections:

- Defining Equity
- Cross-Cutting Challenges and Opportunities
- Production Challenges and Opportunities
- Preservation Challenges and Opportunities
- Protection Challenges and Opportunities

Defining Equity

Stakeholders emphasized the importance of setting a clear definition of equity as a foundation for BAHFA's Equity Framework and organizational practice. The following are key elements of how stakeholders defined equity and described opportunities for BAHFA to make equity actionable.

- **Directing resources to the most critical community needs and most vulnerable populations**. BAHFA can achieve this by prioritizing solutions to homelessness, displacement and housing instability through targeted, race-conscious interventions (to the extent legally permissible) that directly respond to the unique ways in which structural inequity is experienced by different groups.

- **Repairing legacies of structural racism, wealth extraction, and other forms of harm** perpetuated through housing policies and practices that have historically driven underinvestment and disenfranchisement of Black, Indigenous and other People of Color (BIPOC) and other marginalized communities. BAHFA can take steps toward this by leading with a rigorous "problem definition" that the region must solve for, grounded in a structural analysis of disparities shaped by housing inequality as well as the root causes (both historic and current) of these disparities.

- **Transforming public systems and structures** so that they are designed to ensure that all people's needs are cared for and met, enabling individuals to determine their own future and, as integral members of their communities, shape the future of the region. Structural transformation needed for equity cannot be achieved by BAHFA alone, but BAHFA has the opportunity to set a bold vision for what this transformation can look like and coordinate with its partners to make inroads toward this vision.

- **Establishing pathways for resident engagement** that prioritize the voices of people who have been excluded from decision-making spaces. Numerous stakeholders envision a form of governance that involves direct participation of people from marginalized communities, with equal representation of stakeholders from each of the 3Ps. While operationalizing this form of participatory decision-making would need to be explored, BAHFA can begin "meeting people where they're at" by building new institutional connections and direct relationships with established community organizations and networks. Forming such partnerships should start with deep listening and creating transparency and accessibility of information.

Cross-Cutting Opportunities and Challenges

Capacity Building for Underrepresented Developers

Stakeholders reported a need for capacity building opportunities geared toward developers based in marginalized communities, including emerging developers who face high barriers to entry into the affordable housing industry. Capacity building for underrepresented developers is seen as a fundamental part of a broader strategy to expand, diversify and strengthen the capacity of the region's housing ecosystem. Without growing the field, the region cannot deliver the wider range, in addition to a greater volume, of housing choices that communities need.

While the need for capacity building is large, AB 1487 and regulations governing the use of general obligation bond revenue limit BAHFA's ability to fund organizational capacity building or enterprise level funding for developers. Moreover, BAHFA alone cannot meet the full range of community-based developers' funding needs, but it can play a leadership role in advancing strategic coordination among the many other institutions throughout the region who are dedicating resources and support toward advancing projects led by BIPOC, Emerging, Community-Based and Community-Owned Developers.

Stakeholder Recommendations

- Create programs that are designed to address the unique funding gaps faced by BIPOC, Emerging, Community-Based and Community-Owned Developers, especially for alternative, community-stewarded housing models. One model to consider is a "catalyst fund" dedicated to helping BIPOC emerging developers scale up by providing resources for organizational capacity building and pre-development capital.

- Ensure BIPOC-led, Emerging, Community-Owned and Community-Based developers receive information about NOFAs, engagement and partnership opportunities, and available land.

- Maintain engagement with underrepresented developers to understand structural barriers to accessing resources as the funding landscape evolves. Conduct regular surveys of organizations that are categorically eligible for funding, and/or have placed themselves on a notification list, and which did not apply for funding, to understand why they did not apply.

- Facilitate partnerships between emerging and established developers, as well as between developers and local governments, designed to build capacity across all participants. These relationships could be aimed at mutual learning as well as joint development projects, and while they should be encouraged, they should not necessarily be a requirement of funding.

- Explore the creation of a cohort-based institute or incubator program that supports emerging developers in building capacity needed to become eligible for BAHFA funding. This type of program would be beneficial not just for the developers, but also for the local jurisdictions they are interfacing with, by ensuring that the projects that come forward are well designed, feasible, and sustained over the long term.

- Support or collaborate with existing capacity building programs designed to meet specific needs of emerging developers (e.g. California Community Land Trust Network Real Estate Institute, LISC Housing Development Training Institute).

- For capacity building needs that BAHFA cannot directly provide, explore developing a coordinated funding strategy with philanthropic institutions that may be better positioned to meet these needs through grant funding.

Individual and Community Wealth Building

Closing the racial wealth gap is a priority of many stakeholders. Stakeholder conversations

highlighted the importance of strategies for both individual economic wealth building and collective wealth building that uplifts communities as a whole.

Requirements set by AB 1487 present a challenge to the objective of supporting wealth building for historically marginalized people. The legislation requires that regional housing revenue directly administered by BAHFA for production is utilized for rental housing only, not individual or collective homeownership opportunities.

Stakeholder Recommendations

- Pursue amending AB 1487 in the future to enable regional programs targeted toward individual and collective homeownership.

- Encourage counties and other direct allocation jurisdictions (which can use revenue for local homeownership programs) to develop production funding portfolios with an appropriate mix of rental and wealth building programs. In addition to programs that create opportunities for first-time homebuyers, stakeholders recommended program concepts aimed at sustaining homeownership, such as accessory dwelling unit (ADU) production support to provide stabilizing revenue for low-income homeowners, foreclosure prevention education and assistance, and financial assistance for improvements and repairs that enable homeowners to age in place.

- Explore how BAHFA can play a role in the development of a regional social housing and community wealth building strategy that moves land into public or nonprofit community control. Strategies to consider include land banking, facilitating disposition of surplus/underutilized public land, and designing financing products that enable Community or Tenant Opportunity to Purchase Act (COPA/TOPA) acquisitions. One model program to explore is LA Metro's transit-oriented development and land banking programs.

- Support wealth building through affordable housing industry practices and jobs. For example, BAHFA could advance workforce and economic development in marginalized communities through requirements for Disadvantaged Business Enterprise and Small Business Enterprise contractors for affordable housing contracts. BAHFA can also look to community plans such as the Golden Gate Village Resident Council Revitalization Plan for Golden Gate Village in Marin City, which includes green renovation and job training programs that will provide residents with opportunities to become skilled tradespeople.

- Explore the possibility of transferring portions of regional revenue to community-controlled funds or BIPOC-led CDFIs as a way for these institutions to build their own capital cycles.

- Advance the use of community ownership tenure models as a means for collective wealth generation. One model is the community land ownership model of the Agua Caliente Band of Cahuilla Indians, which holds legal title to 28,000 acres of land in the Coachella Valley and generates collective wealth through leasing portions of their land.

Regional Public Sector Leadership

Achieving BAHFA's Equity Objectives will only be possible if BAHFA works closely with the housing sector as a whole to increase its capacity and take bold, coordinated action to solve the housing crisis. Stakeholder feedback related to this theme is incorporated into the "Regional Leadership and Technical Assistance" section of the Equity Framework.

Stakeholder Recommendations

- Provide capacity building and technical assistance to local jurisdictions that helps them align with a clearly defined regional vision for housing equity. Many local officials are seeking to apply an equity lens to their work, but they require additional resources and guidance to implement equitable policies and practices. Stakeholders noted the following as potential forms of support: spaces for peer learning on race and equity for local government staff and elected officials, grants to increase staffing capacity, and resources that clarify best practices for local implementation of housing programs.

- Serve as a centralized resource for data collection and reporting on regional housing trends. Provide local jurisdictions with data and other research that can support officials in creating equitable housing policies.

- Work with equity-oriented organizations to develop a toolkit for local governments on how to assess racial equity impacts of program implementation and make real-time course corrections to address inequitable program outcomes.

- Serve as a leader in advancing a regionalist approach to housing equity; facilitate region-wide, cross-sector efforts to advocate with one voice at higher levels of government to ensure that the Bay Area has the resources necessary for advancing equity.

Production Opportunities and Challenges

Extremely Low-Income and Permanent Supportive Housing

Creating stable housing opportunities for extremely low-income households, including permanent supportive housing, is a top priority of many stakeholders. Production of ELI housing presents two main challenges: the tradeoff of providing fewer units in order to create deeper affordability, and especially in the case of permanent supportive housing, the need to secure ongoing funding for operating subsidies and supportive services. The need for supportive services arises from the focus on serving the most vulnerable members of our communities, including formerly homeless individuals and families, who face multifaceted and compounding effects of poverty and marginalization. Supporting these residents to remain housed for the long term often requires the right package of services as well as trauma-informed property management practices – all of which increases the cost of providing these specialized housing types. Adding to this challenge is the fact that currently bond proceeds cannot be used to support ongoing services, and thus BAHFA's most likely source of near-term revenue would need to be paired with other sources to make these projects feasible – and there is a severe shortage of funding for operating subsidies and supportive services.

Stakeholder Recommendations

- Establish set-asides or preferences for projects that include a minimum percentage of ELI housing or other projects that meet criteria aligned with Equity Objectives. The County of Santa Clara's Measure A Program, which prioritizes funding for ELI developments, is one model for BAHFA to consider.

- Explore the potential of mixed-income housing models that use rents generated from higher- income units to cross-subsidize ELI units. Facilitating the creation of mixed-income housing and integrated housing for people with disabilities (rather than segregating ELI units and accessible housing in separate buildings) is also an important strategy for advancing equal access to choice and opportunity.

- Explore partnerships with local housing authorities, which control the most reliable sources of funding for operating subsidies, to coordinate investments.

- Serve as a regional leader to promote evidence-based best practices for supportive services and trauma-informed property management. This can help ensure that residents of BAHFA-funded properties stay successfully housed and avoid retraumatization that

comes with evictions or additional periods of homelessness – which can have a particularly detrimental impact on families with children and people with disabilities.

Balancing Social Mobility and Community Reinvestment Strategies

BAHFA seeks to address systemic racism in housing by advancing a "both/and" approach that increases affordable housing opportunities in historically disinvested communities facing displacement as well as in historically exclusionary communities. To deliver new affordable housing at the necessary scale in all of these place types, BAHFA must leverage its funds with existing housing production programs, the largest of which by far is the Low Income Housing Tax Credit (LIHTC) program. However, LIHTC funds and other state and federal programs often come with their own explicit geographic targeting criteria (e.g., TCAC's "Opportunity Map") or implicitly favor certain geographies over others (e.g., by privileging low cost areas).

The priorities set by these state or federal programs may not always coincide with BAHFA's "both/and" approach yet will influence BAHFA's expenditures to the extent that BAHFA seeks to take advantage of the leverage they offer. Furthermore, regular changes to these other funding programs create a level of uncertainty that presents a challenge for BAHFA to design its own programs in a way that complements or enhances the sources of leverage.

Stakeholder Recommendations

- To respond to the constantly evolving landscape of affordable housing finance, BAHFA will need to regularly evaluate its own program outcomes and adjust as needed to more effectively advance the Equity Framework objectives – especially ensuring an appropriate mix of investments that can redress the lingering impacts of systemic racism as those manifest in different place types.

- Join with affordable housing partners throughout the region to advocate for changes to state affordable housing funding programs that would advance equity through a "both/and" approach.

Holistically Designed Housing

Numerous stakeholders articulated their vision for affordable housing that is designed according to far different standards than the status quo. Instead of buildings and units designed to be competitive for LIHTC funding, many envision homes that are designed first and foremost to

meet the holistic needs of residents. This requires listening to and engaging community members in the design process, rather than assuming what residents want and need.

Stakeholder Recommendations

- To expand possibilities for affordable housing design, include funding programs that do not rely on leveraging LIHTC funds within BAHFA's portfolio. Design funding sources to enable elements of holistically designed housing, such as incorporation of community serving amenities (meeting and gathering places, ground floor spaces for community-based anchor and cultural institutions), integration with broader community development (walkability and proximity to essential services, transit and employment opportunities) and alignment with equitable design standards (Housing Design Standards for Accessibility and Inclusion, Crime Prevention Through Environmental Design, LEED, and National Green Building Standards).

- Prioritize the uniqueness of developers that are co-designing concepts with communities who are most impacted by housing unaffordability. For example, design NOFAs and RFPs to award points for projects that were designed through participatory or community-led processes that center the voices of marginalized residents. One model is a NOFA released by the City of Oakland in 2020 for the Bond Measure KK Acquisition & Conversion to Affordable Housing Program, which awards points for projects with tenant involvement.

Equity in Resident Selection and Property Management

Equity in BAHFA's Production Programs ultimately hinges upon who is able to move in and stay in newly built affordable housing units. It will be important for BAHFA to track resident characteristics (race, age, family size, income, disability status, etc.) at move-in to identify and address potential disparities in access.

Stakeholder Recommendations

- Where disparities in accessing new affordable housing opportunities exist, examine barriers that are causing people in need to "fall through the cracks."

- Ensure that information about new affordable housing opportunities as they come online are shared widely and made accessible. Partner with community-based organizations to conduct intentional outreach to marginalized populations, including people of color, immigrants and refugees, and domestic violence survivors, as new affordable housing

opportunities arise. Because applying for affordable housing can be an unfamiliar process that requires the disclosure of highly sensitive personal information, this form of outreach and application support is best conducted through trusted community-based institutions. Encourage affordable housing developers and managers to partner with community anchor and legal aid organizations serving marginalized populations to facilitate outreach and greater understanding of community needs throughout the housing application process.

● Create data collection practices that affordable housing applicants and residents can trust. Make disclosure of sensitive information voluntary, and implement rigorous privacy and data security protections for any personal information collected by BAHFA and housing providers as part of housing application and program evaluation processes. Work with trusted community anchor and legal aid organizations to develop data security practices and gather resident data.

● Encourage the formation of democratic, resident-led property management structures and equitable resident engagement processes in affordable housing developments.

Preservation Opportunities and Challenges

Embracing Innovation and Risk

Very few funding sources exist for the preservation of unsubsidized housing, especially for the conversion of unsubsidized units to community-controlled or shared equity models that are deed-restricted as permanently affordable. While these models have not been deployed at scale, they are an effective means of preventing displacement, maintaining the existing affordable housing stock, and advancing community self-determination, especially for marginalized groups who have been historically excluded from homeownership opportunities. Because these types of development are less familiar to financing institutions and also have a variety of financing challenges distinct from new affordable housing construction, regional leadership is needed to expand funding programs designed for them. BAHFA can lead the sector in designing innovative preservation programs, including those specifically for community-controlled housing.

Innovation requires accepting and planning for risk. Too often, investment in emerging developers embedded in BIPOC communities is deemed too great of a risk because they have not yet established enough of a track record for development. Stakeholders reported that this dynamic fails to recognize the value of community-controlled development organizations, and

reinforces the structural barriers that limit the self-determination of BIPOC and other impacted communities.

Stakeholder Recommendations

- Actively monitor the capacity of the preservation community and the demand for preservation resources, and seek to create a greater balance in funding allocated to each of the 3Ps.

- Create a preservation funding program and financial products that are specifically designed to work with community ownership models and/or small sites, separate from programs that are designed for a broader range of tenure and building types. For financial products designed for broader purposes, include terms that are accessible for community ownership models.

- Design funding programs to allow for greater flexibility around risk. For example, build in a loan loss reserve to underwrite promising nascent organizations and plan ahead a small percentage of potential loss, or explore partnering with CDFIs or other institutions to increase the availability of loan guarantees.

- See also recommendations regarding "Capacity Building for Underrepresented Developers," under "Cross-Cutting Opportunities and Challenges" above.

Defining and Advancing Community Priorities

Stakeholders emphasized the importance of advancing equity-focused, community self-determination by investing in housing production and preservation developments that are identified by BIPOC and impacted communities as priorities. It is important to note that defining "community priorities" and assessing what projects have meaningful community support is a challenge. BIPOC and impacted communities are not monoliths, and groups within them may hold different, even conflicting, priorities. As BAHFA seeks to prioritize the needs of communities most impacted by housing unaffordability, BAHFA will need to develop a rigorous methodology for making equitable determinations about which projects most represent the widest held or highest impact, equity-focused community priorities and meaningfully advance community self-determination.

Stakeholder Recommendations

- Explore setting community engagement standards for proposed projects and scoring criteria that award points based on community involvement or sponsorship by a

community institution. As previously noted, one model is the City of Oakland's 2020 NOFA for the Bond Measure KK Acquisition & Conversion to Affordable Housing Program, which awards points for projects with tenant involvement.

● Create structures and pathways through which communities can formally determine and articulate their priorities. Allocate funding to community planning and needs assessment initiatives led by organizations embedded in and accountable to BIPOC and other marginalized communities, which provide a foundation for future housing production and preservation project proposals. Invest in support for equitable community engagement experts, who can provide technical assistance to developers on community engagement or directly run community engagement processes themselves. An opportunity here is for BAHFA to collaborate with MTC and ABAG on their programs related to community planning and engagement.

● Support Community/Tenant Opportunity to Purchase policies (COPA/TOPA) and coordinate a regional COPA/TOPA strategy; incentivizing adoption Community/Tenant Opportunity to Purchase policies through preservation funding programs.

● Experiment, assess, and iterate on BAHFA's approach to identifying and uplifting community priorities through equitable community engagement practices and decision-making structures. Directly reach out to marginalized communities to identify community priorities, and create opportunities for community leaders to participate in evaluating and selecting project proposals for funding.

Additional Recommendations

The following are additional stakeholder recommendations related to preservation:

● Integrate environmental sustainability objectives into preservation projects by incentivizing electric upgrades or other decarbonization strategies, pairing funding for preservation projects with funding for transit and walkability improvement.

● Provide funding for piecemeal rehabilitation work, including upgrades for accessibility and safety, in unsubsidized homes.

● Examine and address barriers to accessing preservation funding for projects in specific marginalized geographies with unique conditions, such as the Bayview in San Francisco, which consists of predominantly single-family homes.

Protection Opportunities and Challenges

Limited Funding to Match the Need and Urgency for Protections

Growing unaffordability, compounded by the lasting impacts of the Covid-19 pandemic, has elevated the region's already critical need for protection programs. AB 1487 revenue requirements specify that protection funding must account for, at minimum, 5 percent of BAHFA's revenue spending. With protection comprising the smallest percentage of BAHFA's funds, securing enough funding to match the need is a challenge.

This challenge is further complicated by regulations that prohibit the use of certain forms of revenue, including those generated by a general obligation bond, for most types of tenant protections. BAHFA must therefore prioritize strategies and financing products that generate revenue that can be reinvested in its protection programs, while also pursuing funding opportunities for which tenant protections are an eligible expense (e.g., philanthropic donations, federal/state grants, etc.).

Stakeholder Recommendations

- While focusing limited resources for maximum impact, also create protection programs that span a range of needs. In addition to emergency assistance for tenants at risk of displacement, the region needs protections for individuals living without permanent housing (people who are unhoused as well as people who are precariously housed and living in hotels, garages, or transitional housing) as well as "upstream" interventions for tenants. Upstream interventions include permanent housing subsidies, shallow subsidies, expanded outreach and education programs that raise awareness of tenants' rights as well as available financial and legal resources, and overall strengthening of the region's institutional infrastructure (across public, nonprofit, and legal services agencies) to deliver these and other essential forms of support. It is important to note that in addition to limitations on the use of general obligation bond revenues for protection programs, some upstream interventions – such as long-term or permanent housing subsidies for ELI households who are not seniors – are limited by AB 1487 itself.

- Pursue and support actions that eliminate or mitigate existing constitutional prohibitions on the use of general obligation bonds for tenant protections and related services. In addition, consider pursuing related amendments to AB 1487 that would expand eligibility of general obligation bond revenue to take full advantage of a potential constitutional change, as well as to enable a comprehensive suite of upstream as well as emergency interventions to protect against displacement and homelessness.

- Explore opportunities for impact through pilot initiatives that leverage existing resources and expertise throughout the region. For example, create a platform for disseminating existing training and educational materials developed by legal aid organizations, which can be used to inform property owners and managers of their responsibilities to their tenants. Stakeholders reported a need for additional education for landlords and property managers on complying with fair housing and tenant protection laws, providing accommodations for and respecting the dignity of tenants with disabilities, and protecting tenants who are domestic violence survivors. Additionally, support local jurisdictions by providing guidance and convening peer learning spaces on how to most effectively deploy existing local funds for homelessness intervention and prevention programs.

Regional Leadership on Protection Policies

Many stakeholders emphasized the importance of pairing regional protection programs with local protection policies – specifically rent stabilization, just cause for eviction, and anti-harassment policies. While BAHFA does not have the authority to compel local governments to adopt these policies, it can lead the region by elevating the urgency of these specific policies as it coordinates with other regional agencies (e.g., MTC and ABAG) as well as local jurisdictions to, where possible, incentivize and support their adoption.

Stakeholder Recommendations

- Promote best practices and emerging trends in tenant protections policies, such as pairing rent stabilization and just cause policies together, and limiting no-fault evictions of families with school-age children during the academic year.

- Support multijurisdictional and multisectoral collaboration on protection program administration to achieve greater economies of scale and strengthen the region's tenant protection infrastructure.

- Provide funding and technical assistance to local jurisdictions and community-serving institutions to support their efforts to strengthen enforcement of existing tenant protection policies. The Alameda County Housing Secure Program, through which Centro Legal de la Raza provides legal services to residents in addition to technical assistance to Alameda County, is one model to explore.

- Explore collaborating with MTC on implementation of the Transit Oriented Communities Policy, which leverages transportation funding to incentivize housing policy adoption including tenant protections. Because construction of transportation infrastructure,

particularly freeways, has produced racial exclusion and displacement, stakeholders expressed that it is appropriate for transportation funding to be leveraged to address inequities and benefit BIPOC communities.

Data Collection and Analysis

To effectively target interventions, BAHFA will need to ground its program design process in evidence-based analysis of the underlying causes of homelessness and housing insecurity that different populations face.

Stakeholder Recommendations

- Examine the unique, intersectional barriers to affordable housing faced by marginalized groups, such as transition-aged foster youth and domestic violence survivors.

- Conduct a survey of affordable housing residents that tenants can participate in anonymously and comment on their experiences and concerns as residents.

- Establish a regional rent registry for both subsidized and unsubsidized rental units that tracks rents, evictions, lengths of tenancy, and ownership (e.g. units owned by LLCs or other corporate entities, number of units owned per landlord). Make registry data publicly available (with personal tenant information de-identified) to allow stakeholders and policymakers to conduct their own analysis of the data.

Additional Recommendations

The following are additional stakeholder recommendations related to Protection:

- Require or incentivize tenant protections in BAHFA-supported developments, and track tenant evictions and complaints in affordable housing developments to ensure that residents are treated equitably.

- Explore options for immediate or near-term action to support tenants at-risk of displacement following the lifting of Covid-19 eviction moratoria.

- In addition to emergency rental assistance, provide financial assistance for security deposits and relocation assistance for people who are displaced due to code enforcement and habitability issues.

- For a holistic approach to homelessness prevention, pair financial assistance programs with legal assistance and additional supportive services (such as mental and behavioral health services).

Next Steps

The Equity Framework stakeholder engagement process will continue in early 2023, and additional feedback received will inform the next phase of revisions before the Final Equity Framework is considered for adoption in spring 2023. Members of the public are invited to provide comments on the Draft Equity Framework at upcoming public workshop(s). Timing of the workshop(s) will be posted on the BAHFA webpage. This Stakeholder Engagement Report will be updated to reflect additional feedback during the public workshop(s).

Appendix D

Guiding Questions for Program Development and Design

This set of guiding questions is a planning tool to help generate ideas and evaluate housing program strategies that further the Equity Objectives in the BAHFA Equity Framework. The guide provides open-ended questions designed to provoke analysis of how the potential program could best meet Equity Objectives. The guide is not a scoring system or checklist. It is intended to help BAHFA answer questions such as, "Which Equity Objectives can X program best achieve, and how?"

The guide has three parts: Part 1 sets the context for the program design by asking a couple of questions to identify any key limits or requirements related to the potential program, based on the likely funding source, BAHFA authority, or other factors. Part 2 asks questions about how the program is expected to perform on the relevant metrics and how it could be designed to meet the Equity Objectives. Part 3 asks about which metrics are most relevant to the program, and whether there is data or precedents showing how similar programs have performed according to these metrics.

Part 1. Limits and Requirements

- What is currently known about which funding source(s) are likely to be used?

- What requirements and limits would there be related to the likely funding sources? For example, what types of developers or organizations can we expect would be able to access these funds? What types of projects would be eligible and competitive for any assumed source of leverage?

- What limits or requirements are important to note that relate to BAHFA's legal authority and mandate?

Part 2. Alignment with Equity Objectives

2a. Global Questions about Expected Program Outcomes

- Which Equity Objective(s) is this program intended/designed to meet? To the extent that the program is designed to meet multiple Equity Objectives, is one or more Objectives prioritized over the others?

- How is the program expected to perform on each of the relevant metrics?

  - How many people/families can we expect the program to serve?

  - How many housing units will the program provide? At what affordability level? Over what time frame?

  - For innovative programs (e.g. Innovation Fund), is there a multiplier effect if the innovation is more broadly adopted in the sector?

- How might this program affect or support BAHFA's efforts to meet other equity objectives that it is not designed for? For example:

  - Does this program complement other BAHFA programs' ability to deliver on the Equity Objectives? For example, does it advance specific Equity Objectives that the other programs do not?

  - Does this program help to mitigate any unintended consequences or undesirable benefits/burdens from the other programs?

  - What potential undesirable benefits/burdens might this program create, and how will these be mitigated by the program's design or by other programs?

  - For Production/Preservation programs, does this program generate revenue that can be used to support other Equity Objectives?

  - For Protection programs, could this program be paired with or designed to complement BAHFA's Preservation or Production Funding Programs to strengthen anti-displacement goals?

2b. 3Ps Objectives

Part 2b provides questions related to the objectives under each of the 3Ps (Production, Preservation and Protection). Refer only to the questions under the program track(s) that are relevant to the program being considered.

Production

1.1. Produce more affordable housing, especially for extremely low-income (ELI) households
   ● What communities (geographic, demographic, household type) will be specifically targeted to benefit from this program?
   ● How will the program be designed to generate the targeted benefits (e.g. incentives, threshold requirements, or other mechanisms such as points or set-asides)?

1.2. Invest in historically disinvested areas
   ● What program elements will function to prioritize projects with demonstrated support from impacted communities?
   ● How will the program support investment in lower-resource communities and other areas subject to historic disinvestment?

1.3. Create affordable housing opportunities in historically exclusionary areas
   ● How will the program support new affordable housing opportunities in existing areas of opportunity?

1.4. Create programs that address homelessness
   ● How will the program be designed to ensure that people without housing benefit from the homes this program produces?
   ● How will the costs unique to permanent supportive housing be covered?

1.5. Achieve regional climate and environmental justice goals
   ● How will the program be designed to support projects with climate/environmental justice criteria (e.g. TPA or PDA location, LEED design)?

Preservation

2.1. Preserve expiring use affordable housing to prevent displacement
2.2. Preserve existing unsubsidized housing and convert to permanently affordable housing

   For Objectives 1 and 2 (answer separately for each type of program, if relevant):

- What types of projects would be eligible and competitive for these funds? Considerations: How might this be shaped by requirements of other funding sources that would need to be leveraged?
- What types of developers can we expect would be able to access these funds? Considerations: How are these types of developers distributed across the region?
- What communities (geographic, demographic, household type) will be specifically targeted to benefit from this program?

2.3. Target preservation investments for most impacted residents
- How can/will the program be designed to ensure that ELI households and people at risk of homelessness benefit from the homes this program preserves (e.g. by creating deeper affordability compared to market rate rents)?

2.4. Create opportunities for community-owned housing
- How can/will the program be designed to support projects that enable community control and/or equity growth, especially in EPCs and for households facing discriminatory and/or structural barriers to homeownership?
- What program elements will function to prioritize projects with demonstrated support from impacted communities?

Protection

3.1. Increase access to tenant services
- How can/will the program increase access to tenant services that prevent displacement and homelessness?

3.2. Support tenant education and advocacy
- How can/will the program empower tenants through enhanced training, education, outreach and/or community resources?

3.3. Prioritize protections and investments in households and communities facing the greatest housing precarity
- How can/will the program reach and meet the particular needs of ELI, residents of Equity Priority Communities, and other communities facing the greatest housing precarity?

3.4. Ensure adequate funding for tenant protections
- To what degree would the program meet the regional needs for protection services?

- How can the program leverage new revenue streams?

3.5. Elevate the urgency of tenant protections through regional leadership
- What research, coordination, or communications will occur through the program that elevate the urgency of tenant protections and adoption of best practices in the region?

2c. Cross-Cutting Objectives

4.1. Support community-based and community-owned organizations and developers
- How will inclusion be achieved for Community-Based and Community-Owned Organizations and Developers (e.g. complementary capacity building, set-asides, DBE/SBE requirements, accessible baseline requirements for developers, accessible program terms)? Could the program be designed to be more inclusive?

4.2. Support individual and community wealth building
- How will the program support historically marginalized people and residents historically excluded from homeownership to build wealth and access home ownership?

4.3. Serve as a regional leader on local equitable programs and practices
- How do jurisdictions need to be aligned with BAHFA's objectives for this program to be successful? What types of jurisdictions need to be aligned?
- What incentives, requirements or other mechanisms could be included in the program to encourage participation of local jurisdictions in achieving the equity objectives?
- Is the program designed to incentivize counties and other direct allocation jurisdictions to advance the Equity Objectives? If so:
    i. Which objectives?
    ii. What incentives, requirements or other mechanisms will be used to encourage participation of these local jurisdictions in achieving the program's equity objectives?
- What form(s) of technical assistance and/or model practices can be offered to support local jurisdictions' alignment with the Equity Objectives?

4.4. Commit to ongoing, meaningful, and equitable engagement

- What processes could be devised for historically marginalized community members to be involved in program design and/or evaluation?
- To what extent does the program respond to priorities, opportunities and challenges communicated by stakeholders through the Equity Framework public engagement process? Could the program be designed to be more responsive?

4.5. Secure more flexible and unrestricted funding
- Can/should the program generate new revenue that can be used for unmet Equity Objectives? If so, what features of program design would be necessary and what are the trade-offs?
- Will this program be able to access any flexible or unrestricted funding generated through other programs or funding sources? How can other programs or sources be designed to secure additional resources for this program?

4.6. Target most flexible BAHFA funding to accelerate AFFH
- Can/should the program be woven together with the 10% Local Government Incentive Program to address Affirmatively Furthering Fair Housing? If so, what features of program design would be necessary?

Part 3. Knowledge Base on Relevant Metrics

Refer to the metrics associated with the relevant Program Track(s). What lessons can be learned from existing data, precedents, or other evidence about how programs similar to the proposed program have performed on any of the Equity Framework metrics that are relevant to this program?

Appendix E

Data Sources for Metrics

Equity Goal	Metric	Data source
Core Metrics	% cost burdened renter households by race/ethnicity, income level, disability status	California Housing Partnership, American Housing Survey
	# and % of overall population experiencing homelessness by race/ethnicity, # and % of overall population and K-12 student population experiencing homelessness by race/ethnicity	CA Homeless Data Integration System, CA Department of Education
	% homeowners by race/ethnicity	American Community Survey
	Affordable housing shortfall	California Housing Partnership
	Wealth by race/ethnicity	TBD
1. Choice and Opportunity	# and % of population by race/ethnicity and neighborhood resource level	American Community Survey, CA Tax Credit Allocation Committee/Housing and Community Development
	% extreme commuters by race/ethnicity, poverty level, mode of transportation, and housing tenure	American Community Survey, Bay Area Equity Atlas
2. Stable, Affordable Housing for All	% of homes meeting the American Housing Survey (AHS) Definition of physical adequacy	American Housing Survey, Comprehensive Housing Affordability Strategy data
	% of households living in overcrowded homes (more than 1 occupant per room)	American Community Survey

	% of regional housing supply accessible to people with disabilities	American Housing Survey
3. Security, Safety and Belonging	TBD	TBD. Evaluating progress towards this goal is likely best accomplished using qualitative methods.
4. Neighborhood Stabilization and Cultural Placekeeping	% of low-income households by race/ethnicity across areas with Estimated Displacement Risk (EDR)	American Community Survey, Metropolitan Transportation Commission HCD Affirmatively Furthering Fair Housing Data and Mapping Resources
	Metro comparison of displacement risk (Bay Area compared to other metros)	Metropolitan Transportation Commission
	Change in number and share of BIPOC populations within Equity Priority Community (EPCs)	Metropolitan Transportation Commission
5. Community Self-Determination and Participation	% of elected officials by race/ethnicity	Bay Area Equity Atlas
	# of units stewarded by community-owned housing organizations	California CLT Network
	Voter turnout by race/ethnicity	Bay Area Equity Atlas
	Voter turnout for affordable housing ballot measures	Statewide Database
6. Repair	% of tracts designated as Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs)	CA Dept. of Housing and Community Development
	% of tracts designated as Racially Concentrated Areas of Affluence (RCAAs)	CA Dept. of Housing and Community Development
7. Environmental Health and	% of population by race/ethnicity and pollution burden quintile	American Community Survey, CalEnviroScreen

Justice		
	% sensitive populations (elderly, children, people with disabilities, etc) by environmental exposure (air quality, sea level rise, wildfires, etc.) and adaptive capacity	Climate Change & Health Vulnerability Indicators for California
	% of population by race/ethnicity and Healthy Places Index quintile	American Community Survey, Public Health Alliance of Southern California
8. Prevention	% of population protected by rent stabilization and just cause for eviction policies.	American Housing Survey
	# of households receiving Housing Choice Vouchers or other permanent housing subsidies	American Housing Survey

Data Challenges and Limitations

While the Equity Framework metrics – related to both the Objectives as well as the broader Social Equity Goals – will be vital to the design and evaluation of BAHFA's program strategies, there are inherent challenges and opportunities related to data and metrics that are important to note.

Data unavailability, geographic inconsistencies of available data, and infrequency in new data made available by existing sources all represent challenges to BAHFA leveraging the Equity Framework metrics to advance equity. Additionally, indicators of progress, especially towards the longer-term goals, will be influenced by external factors that are beyond BAHA's direct control.

Other challenges are related to notions which are central to the Equity Framework, such as "community self-determination," "cultural placekeeping," and "belonging." These multidimensional concepts were identified as critical to an equitable housing future in the Bay Area during the Equity Framework's development and stakeholder engagement process, but nevertheless can be difficult to define and thus also difficult to measure quantitatively.

Despite these challenges, BAHFA has the opportunity to be an innovator in data collection and equity measurement for the region. Components of the Equity Framework that may be difficult to measure quantitatively may be better evaluated through qualitative methods such as interviews and listening sessions with residents and equity leaders. For some quantitative measures where data is lacking, such as wealth by race/ethnicity, BAHFA may consider partnering with other entities, such as the Federal Reserve Bank of San Francisco, to produce this data at the scale necessary to track the reduction of racial disparities in wealth across the region, similar to the methodology used in the Federal Reserve Bank of San Francisco 2016 report, "The Color of Wealth in Los Angeles."[2]

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[2] Data revealing persistent racial disparities in wealth (difference between gross assets and debt) are available through the Federal Reserve's 2019 Survey of Consumer Finances. However, data are not currently available at the metro level. One opportunity to consider is partnering with the Federal Reserve Bank of San Francisco to produce similar data that facilitates the tracking of racial disparities in wealth across the Bay Area.