

Bay Area Housing Finance Authority

Advisory Committee

February 23, 2023

Agenda Item 10.a.

Attachment A:

Summary of AB 1487 Clean-Up Legislation

The major provisions of the bill, as currently contemplated, are outlined below.

- 1) Constitutional Conformity: Conform several provisions in BAHFA enabling statute to the California Constitution as it may be amended by the voters. These amendments would allow BAHFA to take advantage of additional flexibility being sought through a potential 2024 state ballot measure to lower the voter approval threshold for local and regional housing bonds and expand allowable uses of the proceeds.
- 2) Real Property Purchases: Clarify BAHFA's authority to buy land and buildings to advance the agency's established objectives.
- 3) Authority to Own Property and Create Limited Liability Companies: Facilitate BAHFA's ability to structure joint powers authorities for the purpose of developing mission-driven, middle-income housing.
- 4) Revenue Bond Authority: Clarify that BAHFA's lending authority includes the ability to issue bonds backed by rent and mortgage payments.
- 5) Administrative Costs: Specify that implementation of any commercial linkage fee allows coverage of administrative expenses.
- 6) Tenant Protection Programs: To reflect current best practices, expand eligible expenditures to include emergency financial assistance, supportive services, and housing problem-solving. This would allow BAHFA to assist people who don't hold a lease, e.g., someone who is couch surfing.
- 7) Administrative Efficiency: For administrative actions that don't impact the environment – e.g., creating a funding program or issuing a notice of funding availability (NOFA) – give BAHFA the same blanket California Environmental Quality Act (CEQA) exemption that applies to the state Department of Housing and Community Development. An explicit CEQA exemption for BAHFA clarifies that the CEQA analysis will occur at the individual project level and streamlines BAHFA's administrative actions.

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- 8) Ballot Measure Materials: Clarify what BAHFA's material submission to voters shall be, given counties' and cities' creation of expenditure plans comes after voters pass a revenue measure.
- 9) Technical changes: Other technical changes are proposed, such as allowing counties to allocate funds to multiple entities with expertise in the full range of services envisioned under the statute and explicitly stating that BAHFA has authority to levy a tax to repay bonds authorized by voters in order to ease property tax administration at the county level.