

# Metropolitan Transportation Commission and Association of Bay Area Governments Joint MTC Executive Committee and ABAG Administrative Committee

June 12, 2020

Agenda Item 6.a.

## Expanded Regional Housing Portfolio

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**Subject:** Report on Initial Strategic Framework for Expanded Regional Housing Portfolio

Discussion of an initial framework for a regional housing strategy that expands the housing portfolio currently held by ABAG and MTC and preliminary overview of potential guiding principles for a regional housing strategy and a three-phased implementation plan to align potential future initiatives with available funding and thorough planning.

**Overview:** In discussions about AB 1487 implementation in their May meetings, the ABAG Executive Board and the Metropolitan Transportation Commission deferred consideration of a regional affordable housing revenue measure and instead directed staff to explore expanding the regional housing portfolio absent a ballot measure.

Staff has developed an initial strategic framework for an expanded regional housing portfolio and seeks feedback from policymakers. The foundation for the strategic framework is a strong partnership between ABAG and MTC, including through the incubation of the Bay Area Housing Finance Authority (BAHFA) as a shared initiative of the two agencies. This multi-agency partnership is designed to enable consideration of all policy, programming, and financing tools at the region's disposal to address the scale and severity of the housing crisis, while also leaning into the leadership role that ABAG has played in regional housing policy.

The proposed initial strategic framework has two parts. The first is a proposed list of guiding principles to reflect shared understandings of the future direction for the regional housing portfolio as it is developed through an iterative, collaborative process. The second is a three-phased implementation plan with a proposed near-term work plan.

### **Guiding Principles**

The proposed guiding principles are:

1. **Collaborative, Multi-agency Strategy.** Pursue a strategy rooted in partnership between ABAG, MTC, and BAHFA—with ABAG in a leading role.
2. **Advance the “3Ps” Framework.** Ensure the expanded housing portfolio comprehensively addresses the need to protect current residents from

displacement, preserve existing housing, and produce new affordable housing.

3. **Embrace Innovation and Creativity.** Craft innovative approaches to overcome persistent challenges in the region's housing ecosystem.
4. **Multi-Sector Partnerships.** Cultivate partnerships that leverage other public and private efforts on housing; focus on value-add activities that complement, scale up, and/or fill gaps in existing approaches.
5. **Equity-Focused Approach.** Prioritize communities that are most impacted by the region's affordability crisis, especially low-income communities and communities of color.
6. **Achieve Scale.** Strive for housing strategies that meet the scale of the region's housing problems.
7. **Ensure Financial Sustainability.** Right-size new programs to available resources to ensure sustainable fiscal health of the agencies along with any expansion of activities.

### **Phased Implementation Plan**

The initial strategic framework is structured in three phases:

1. **Phase 1 – Planning (next 3 months).** The first phase involves extensive planning to explore potential revenue sources and lay the foundation for corresponding additional activities. A key component of Phase 1 is to support the administrative infrastructure for an expanded housing portfolio, including the establishment of a new ABAG Housing Committee and the BAHFA Board. Another critical task in Phase 1 is to initiate a Regional Housing Portfolio Business Plan to evaluate methodically any significant future housing activities, including the possibility of accepting land donations and the feasibility of issuing project revenue bonds. A more detailed Phase 1 Work Plan is included in Attachment A.
2. **Phase 2 – Early Stage Pilot Activities (3-12 months).** The second phase will continue to advance the work from Phase 1 and also introduce new pilot activities, subject to funding availability and policy direction from the governing boards. The goal of these pilot activities is to swiftly make a meaningful, measurable impact on the region's housing challenges and simultaneously to build the agencies' housing-related capacity. A preliminary list of potential Phase 2 activities is included in Attachment A.

3. **Phase 3 – Expand Upon Early Successes (12 months and beyond).**

Details of Phase 3 activities will be developed during planning activities, including the Business Plan, in Phases 1 and 2.

**Recommendation:** Staff recommends that the ABAG Administrative Committee and the MTC Executive Committee accept the report and recommend approval of the initial strategic framework for an expanded regional housing portfolio, including the proposed Phase 1 Work Plan, by the ABAG Executive Board and Metropolitan Transportation Commission, respectively.

- Attachments:**
- A. Memo on an Initial Strategic Framework for an Expanded Regional Housing Portfolio
  - B. Letter from Bay Area Housing for All
  - C. Overview of Local Affordable Housing Revenue Measures
  - D. Overview of Recent Housing Commitments from Private Sector



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