



BAHFA Oversight Committee: AB 1487: How It Works

April 13, 2023



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

2017-2019 CASA Compact: A Call to Action on the Bay Area's Housing Crisis

CASA'S TEN RECOMMENDATIONS

| | | | |
|---|---|----|--|
| 1 | Just-Cause Eviction Policy | 6 | Reforms to Housing Approvals Process |
| 2 | Rent Cap | 7 | Expedited Approvals and Financial Incentives for Select Housing Types |
| 3 | Rent Assistance and Access to Legal Counsel | 8 | Unlock Public Land for Affordable Housing |
| 4 | Remove Regulatory Barriers to ADUs | 9 | Raise \$1.5B Annually from a Range of Sources to Fund Contract Implementation |
| 5 | Minimum Zoning Near Transit | 10 | Establish a Regional Housing Enterprise |

Housing Remains A Regional Problem to Solve Together



At least **36,810 people experiencing homelessness** in 2022 in the region and as of 2019, **575,000 were at risk** of homelessness



The Bay Area has consistently fallen short of its housing targets: Between 2015-2020, **the region built only 25%** of the homes needed



The region needs to build **180,334 more affordable homes** to meet the number of homes required under the 2023-2031 Regional Housing Needs Allocation (RHNA)



Significant funding is needed: As of 2023, there are 32,944 affordable homes in predevelopment that **require financing**

AB 1487 Created BAHFA as a Key Part of the Solution

Legislative Focus: Address systemic challenges in affordable housing and housing stability across the 3Ps – **Production, Preservation, and Protections**

Principal Duties:

- Raise revenue
- Work regionally
- Provide support and technical assistance to local governments

Governance: The ABAG and BAHFA boards work together: MTC Commissioners comprise the BAHFA Board, and a nine-member Advisory Committee, all with 3P experience, provides program guidance

1487: Raising Revenue

4 Revenue Options Require Voter Approval

- General Obligation Bond
- Parcel Tax
- Per Employee “Head” Tax
- Gross Receipts Tax

5th Option: Commercial Linkage Fee

- Requires previously approved revenue measure
- ABAG Executive and BAHFA Boards must approve
- Regional Jobs & Housing Nexus Study establishes need

Funding Distribution

- 80% of funds return to county of origin for GO Bond, Parcel Tax and Gross Receipts Tax
- 50% of funds return to county for Head Tax
- BAHFA retains balance for regional investments
- BAHFA distributes commercial linkage fees to cities and counties consistently with the Nexus Study

1487: Additional Distribution Rules

80% to County of Origin

- Based on assessed value
- Counties decide which entity shall distribute (e.g., a housing department)

San Jose, Oakland and San Francisco Receive Direct Allocation

- Big cities create their own Expenditure Plans and submit to their counties

Counties Without a Big City Must Provide Direct Allocation Option For Their Cities with 30%+ of County's Lower Income RHNA Obligation

- Those cities may take the direct allocation (e.g., Santa Rosa, Napa)

Counties, Cities with direct allocations, and BAHFA may use 5% of their allocated funds for admin costs

1487: BAHFA's Steps to a GO Bond: Documents

Revenue Measure Documents

- ✓ Regional Expenditure Plan
- ✓ Ballot Question and other election materials
- ✓ Impartial Analysis (prepared by BAHFA General Counsel and reviewed by County Counsel of most populous county)
- ✓ Board Approvals

1487: BAHFA's Steps to a GO Bond: Approvals

Approval Steps

- ✓ Advisory Committee Recommends Expenditure Plan and Measure
- ✓ ABAG Executive Board Approves BAHFA adopting a Resolution to Call the Election and Submit the Bond Measure to the Voters
- ✓ BAHFA Board Adopts Resolution to Call the Election and Submit the Bond Measure to the Voters
- ✓ BAHFA files resolution in each county requesting consolidation with the next general election
- ✓ County Boards of Supervisors must call a special election on the Measure
- All use the exact Ballot Question, Impartial Analysis and Election Materials

BAHFA Ballot Measure Milestones to November 2024

PHASE 1

April 2022 –
December 2022

1. MTC/ABAG approved preparation for a 2024 housing revenue measure
2. BAHFA Business Plan development & Equity Framework*
3. Outreach to jurisdictions re: BAHFA and benefits of regional measure in 2024

PHASE 2

January 2023 –
May 2023

1. Presentation of Draft Business Plan Funding Programs & Equity Framework
2. Outreach to jurisdictions re: benefits of regional measure vs. local measures in 2024

PHASE 3

May 2023 –
September 2023

1. Equity Framework & Funding Programs completed; remainder of Business Plan nears completion
2. Public information sessions

PHASE 4

October 2023 –
December 2023

1. Business Plan adopted (December 2023)
2. Public information sessions
3. Expenditure Plan drafting

PHASE 5

January 2024 –
July 2024

1. Conduct final poll
2. Expenditure Plan and Election Materials Approval
3. BAHFA Advisory Committee recommends measure: March
4. Governing Boards consider Resolution (30 days): April
5. Governing Boards approve Resolution. Request County Boards to place measure on Ballot: May/June. Deadline to submit to the County is 8/9/24.

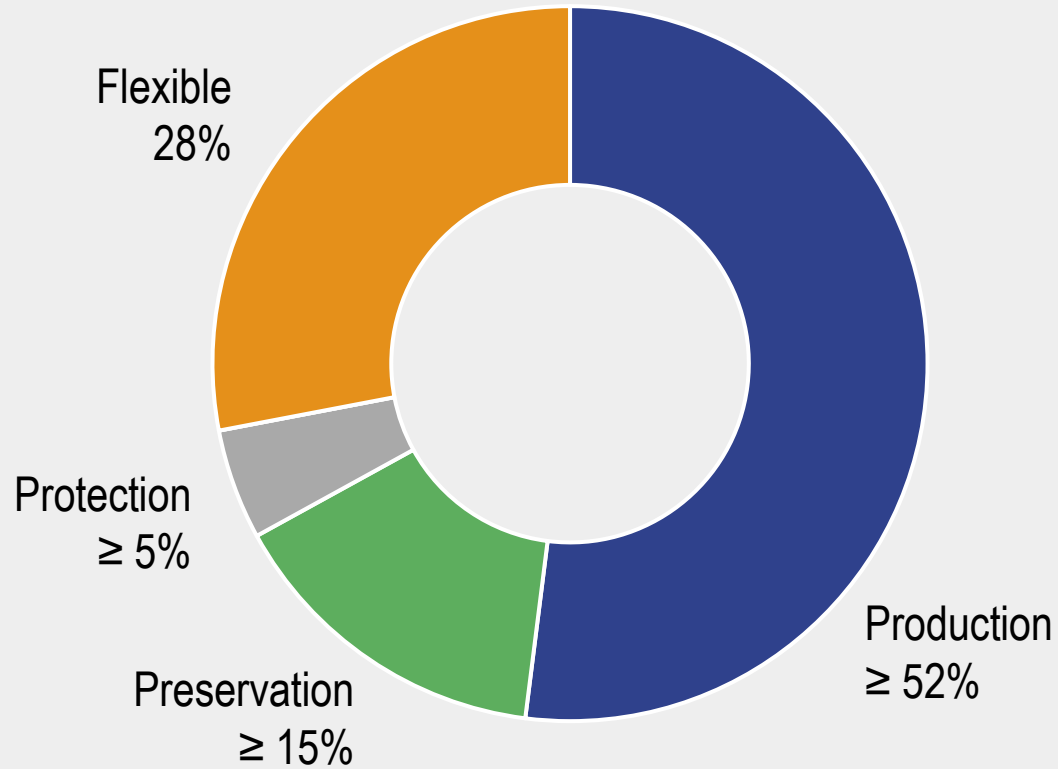
PHASE 6

July 2024 –
November 2024

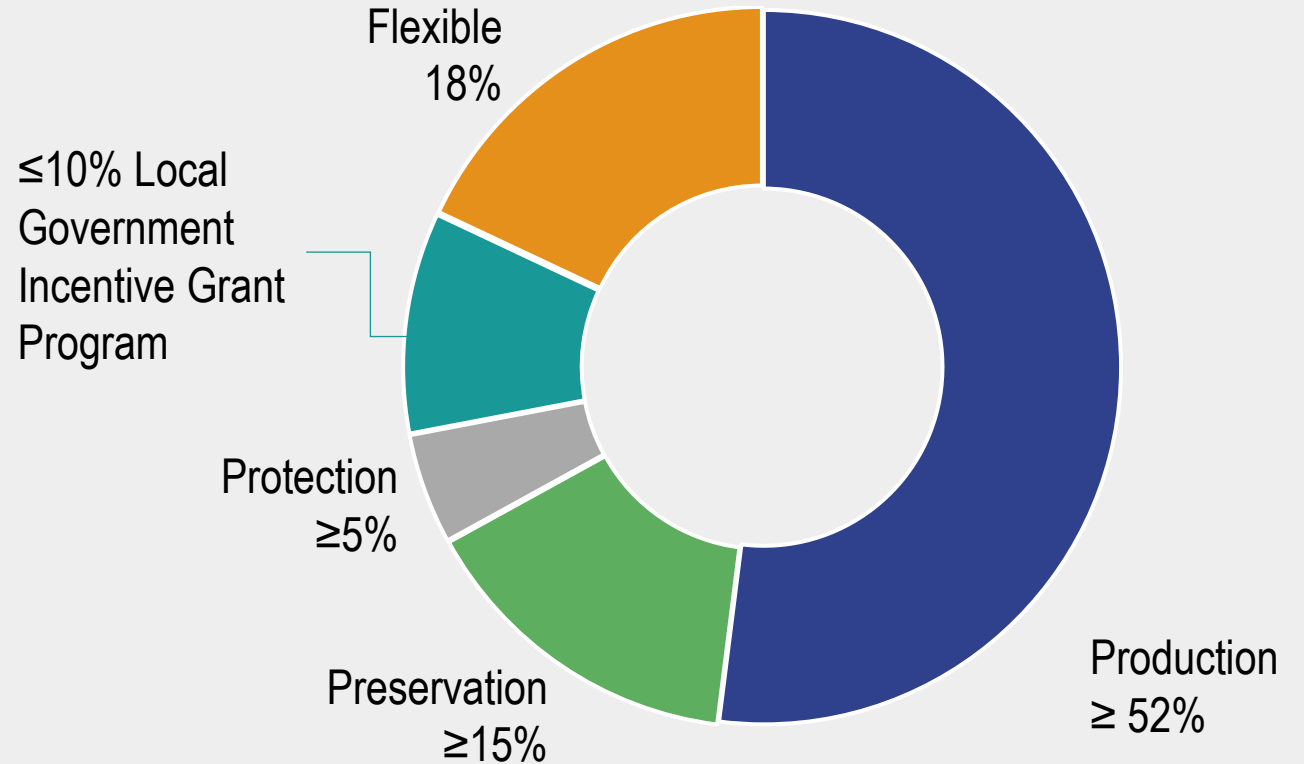
1. Public information provided as requested

1487: How GO Bonds Must be Spent

County and City: $\geq 80\%$



Regional Program $\leq 20\%$



1487: Cities' and Counties' Expenditure Plans

Expenditure Plans

- ✓ County governing boards must approve Plans at a noticed hearing
- ✓ Must include minimum 52% for production, 15% for preservation, 5% for protections
- ✓ Production should “prioritize” projects that help meet extremely low income, very low income, and low income Regional Housing Needs Allocation targets
- ✓ 28% Flexible Funds can be for housing and “housing-related uses”
- ✓ If Expenditure Plan meets these criteria, it is approved, triggering funding eligibility
- ✓ If ABAG Exec and BAHFA Boards vote that a Plan is incomplete, funding is withheld

1487: General Rules for Cities and Counties

General Rules

- ✓ All housing must be deed-restricted, but term of restriction is not defined
- ✓ All housing must be affordable, with cap of 120% AMI
- ✓ Rental, ownership and interim housing all eligible
- ✓ Everything must conform to Expenditure Plan

1487: BAHFA Rules

Production

- Rental only
- 55-year deed restriction
- 80% AMI Affordability Cap

Preservation

- Rental or ownership
- 55-year deed restriction
- 120% AMI Affordability Cap

Flexible Funds: 18%

- Production
- Preservation
- Protections

Tenant Protections

- Pre-eviction and eviction legal services, counseling, training and renter education
- Emergency rental assistance
- Relocation assistance
- Displacement tracking and data collection

Local Government Incentive Grant

- Housing and housing-related uses
- Technical assistance
- Infrastructure to support housing, like parks
- One-time homelessness assistance
- Affordable homeownership assistance

Significant funding to every community



| County & Direct City Allocations | \$10B GO Bond | \$20B GO Bond |
|---|---------------|---------------|
| Alameda County (excluding Oakland) | \$984 M | \$2.0 B |
| Oakland | \$383 M | \$765 M |
| Contra Costa County | \$925 M | \$1.9 B |
| Marin County | \$352 M | \$704 M |
| Napa County (excluding City of Napa) | \$100 M | \$200 M |
| City of Napa | \$79 M | \$158 M |
| San Francisco | \$1.2 B | \$2.4 B |
| San Mateo County | \$1.0 B | \$2.1 B |
| Santa Clara County (excluding San Jose) | \$1.2 B | \$2.4 B |
| San Jose | \$1.0 B | \$2.1 B |
| Solano County | \$248 M | \$497 M |
| Sonoma County (excluding Santa Rosa) | \$282 M | \$564 M |
| Santa Rosa | \$121 M | \$242 M |
| BAHFA | \$2.0 B | \$4.0 B |

1487: Reporting and Accountability

BAHFA

- Annual audits and financial reporting
- Annual report to the state legislature on allocations and expenditures

BAHFA, Cities and Counties

- Annual progress-to-date on meeting minimum 3P targets

ABAG Exec and BAHFA Boards and Advisory Committee

- Every 5 years after ballot measure approval, review implementation; monitor expenditures in coordination with jurisdictions

Changes By BAHFA Boards, in consultation with Advisory Committee

- May change regional 3P allocation requirements with 2/3rds vote
- May approve City/County request for 3P allocation change with 2/3rds vote

1487: Spending Timeline

Counties

- After committing funds to a specific project, they remain available for 3 years
- Funds can remain available beyond 3 years if pursuant to guidelines reviewed and adopted by the ABAG and BAHFA Boards, in consultation with Advisory Committee
- Counties can request that BAHFA administer their funds for the county

Cities

- Allocations must be committed to a specific project within 5 years
- Once committed, funds remain available for an additional 5 years
- If still not spent after 5 years, counties may extend deadline by 2 years if adequate progress is demonstrated; if not, funds return to county

Thank You



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