

Bay Area Housing Finance Authority

Advisory Committee

April 23, 2026

Agenda Item 7.a.

BAHFA's Enabling Legislation

Subject:

Update on the stakeholder engagement process to develop a policy framework for potential amendments to BAHFA's enabling statute and introduction of draft principles to guide the process

Background

In March 2026, following completion of BAHFA's Strategic Planning process, the BAHFA Oversight and ABAG Housing Committees as well as the BAHFA Advisory Committee (collective "the Committees") reviewed and affirmed a stepwise approach to continue exploration of a potential regional housing revenue measure as early as 2028. The three phases are:

- **Phase 1: Stakeholder Engagement** (now through ~Oct 2026) – collaborative with external partners to launch a set of multi-sector tables to build alignment and develop a policy framework to inform possible legislative amendments to BAHFA's enabling statute.
- **Phase 2: Legislative Advocacy** (Oct 2026 – Sept 2027) – incorporate the policy framework into proposed legislative language and advocate for passage in Sacramento.
- **Phase 3: Potential Ballot Measure** (Fall 2027 – Nov 2028) – consider a regional revenue measure guided by the legislative amendments, subject to future conditions and decisions.

During the March meetings, the Committees discussed the purpose and scope of Phase 1, emphasizing that the process should: (1) move at the speed of trust; (2) engage a broader and more diverse set of stakeholders earlier than in prior efforts; (3) address a defined set of unresolved policy issues necessary to inform legislation; and (4) preserve appropriate roles for BAHFA and ABAG as public agencies. The Committees also expressed support for a hybrid structure, in which BAHFA and ABAG actively participate in policy development while enabling stakeholders to exercise meaningful leadership and shared ownership of portions of the process.

This item provides an update on staff's work to operationalize the Committees' direction by outlining the proposed engagement approach and presenting a draft set of high-level principles to guide the stakeholder process.

Phase 1 Stakeholder Engagement Hybrid Approach

BAHFA and ABAG Roles

A primary design objective for Phase 1 is to ensure appropriate involvement and oversight by BAHFA and ABAG policymakers while enabling stakeholders to meaningfully shape the proposed policy framework. Under the hybrid model discussed by the Committees in March,

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BAHFA and ABAG will remain actively engaged in identifying guiding principles, providing input, and making key decisions, while day-to-day consensus-building is incubated in an external stakeholder process designed to incorporate additional voices into the policy development process.

Staff propose several distinct avenues for BAHFA and ABAG policymaker involvement. First, the BAHFA Oversight and ABAG Housing Committees will play an active role in developing the policy framework through multiple touchpoints at public meetings during 2026, aligned with key milestones in Phase 1. These Committee meetings will provide opportunities for a broad set of policymakers to receive updates, discuss emerging policy proposals, and provide direction before the process advances to subsequent stages.

This reflects a different approach than prior multistakeholder processes such as CASA and the Transportation Revenue Select Committee. In those processes, new formal agency bodies were established temporarily to develop proposals that eventually returned back to the relevant MTC and ABAG standing committees. The staff proposal seeks to leverage the BAHFA Oversight and ABAG Housing Committees' familiarity with the lessons learned from Regional Measure 4 and BAHFA's recently completed strategic plan in order to streamline input on policy proposals during Phase 1's ambitious timeline.

Second, staff propose that BAHFA and ABAG commit to a local elected official engagement strategy, recognizing that county- and city-level leaders will play a critical role in shaping regional outcomes. Staff propose attending county-based Mayors' Conferences or similar gatherings in each of the nine counties during Phase 1. To strengthen alignment, these presentations can include joint participation by staff and elected or appointed officials from BAHFA and ABAG from the relevant counties. Going out to each of the counties, rather than expecting local officials to attend regional meetings, is designed to rebuild trust by "meeting people where they are at" and to provide consistent and accessible opportunities for dialogue beyond formal Committee settings.

Third, BAHFA and ABAG will establish a set of guiding principles that the agencies can use to evaluate proposals in the policy framework during Phase 1, and to guide staff during legislative negotiations in Phase 2. An initial set of draft guiding principles is discussed in greater detail below.

Finally, BAHFA and ABAG will have "seats at the table" as the external stakeholder structure (described below) is finalized. Because BAHFA and ABAG policymakers will have significant opportunities to provide input as noted above, agency participation in the external stakeholder tables must be carefully calibrated to allow space for other perspectives to enter the dialogue. It is anticipated that staff will primarily serve in this capacity to ensure an active feedback loop between the external stakeholder conversations and input from policymakers at the regional and local levels.

Together, these layers are intended to ensure that BAHFA and ABAG have meaningful visibility, influence, and oversight throughout Phase 1, while also allowing an external stakeholder

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process to function with sufficient independence. At the same time, this multi-layered structure is designed to broaden opportunities for input while remaining attentive to capacity limitations across BAHFA, ABAG, local governments, and external partners, so that engagement remains both effective and sustainable over the course of 2026.

External Stakeholder Engagement Structure

Since last year, staff have coordinated with external partners who have been engaged in independent yet aligned efforts to galvanize conversations among the stakeholder community in the wake of Regional Measure 4. These stakeholders have self-organized into a nascent formation that already has broader participation than some of the coalition efforts leading up to the 2024 election cycle, including business representatives and labor organizations. These external efforts have begun to solidify into a stakeholder structure that can complement the agency roles described above by bringing together a broad cross-section of interest groups to help develop and vet proposals for the Phase 1 policy framework.

A recent milestone for these external efforts is the naming of three Co-Chairs to help rally participation among the stakeholder community and to steward conversations happening outside of the public agencies. The Co-Chairs are: Maria Noel Fernandez (Executive Director, Working Partnerships USA), Jennifer Martinez (Vice-President, San Francisco Foundation), and Ann Silverberg (President and CEO of Related California Affordable). The Co-Chairs were selected by a multisector planning group of stakeholders and have been tasked with providing strategic direction and lending credibility to the external process. Their role reflects the “shared leadership” concept discussed with Committees in prior meetings and is intended to reinforce stakeholder ownership of their portions of the process – working to incorporate one of the key lessons from Regional Measure 4 as well as the success of Measure A in Los Angeles in 2024.

An important first step for the Co-Chairs is to establish a regional housing stakeholder committee, which would serve as the primary representative stakeholder body across sectors and geographies. The stakeholder committee would strive to build consensus on key policy issues while engaging their respective constituencies. This distributed engagement model is intended to broaden input without requiring every stakeholder to participate in every meeting, which is responsive to capacity limitations among many potential partners.

The substantive work of the regional housing stakeholder committee is expected to focus on specific policy issues. As discussed in March, staff have identified at least four policy issues raised by stakeholders during BAHFA's strategic planning process that could require amendments to BAHFA's enabling legislation:

- Revenue Mechanism(s)
- Labor Standards
- Revenue Distribution
- Eligible Uses

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Additional topics may emerge as the stakeholder conversations move forward. The precise configuration of the external stakeholder process, recruiting members for the stakeholder committee, and naming conventions for the various components of the process are still being refined by the Co-Chairs in coordination with other external partners and staff.

The anticipated final product of the external stakeholder process is a written policy framework that will include documentation of the level of support from the stakeholder committee members. While the stakeholder committee will serve as the primary cross-sector body for external stakeholders, it is important to note that (1) the structure will be designed to incorporate many other voices in the policy development process, including BAHFA and ABAG policymakers, and (2) ultimately, the policy framework document will serve as an input for BAHFA and ABAG policymakers to consider when the agencies decide whether to sponsor legislation in 2027.

Overall, the proposed approach is designed to balance inclusivity with manageability, provide clear avenues for influence, and maintain alignment with BAHFA and ABAG's institutional responsibilities.

Draft Guiding Principles

Prior feedback from the Committees emphasized the importance of establishing a set of agency-approved guiding principles so that development of the policy framework proceeds in alignment with BAHFA's institutional interests.

These draft principles are intended to frame discussion and prioritize outcomes, not to predetermine specific policy solutions. The guiding principles could serve as a shared set of expectations within which policymakers and stakeholders can explore options, assess tradeoffs, and develop a policy framework to inform potential legislative amendments. Once finalized, the guiding principles will be provided to the Co-Chairs who could then devise appropriate ways to incorporate them into the external stakeholder process. The guiding principles can also serve as criteria upon which BAHFA and ABAG can evaluate the proposed policy framework at the end of Phase 1.

The draft principles include:

- **Be Passable:** The policy framework should be informed by data-driven analysis, including public opinion research, and remain attuned to voter sentiment while retaining flexibility to adapt to changing conditions over time.
- **Achieve Scale:** Revenue should be sufficient to drive outcomes at scale, reflecting the added impact that comes from working together across jurisdictions rather than through fragmented local efforts.
- **Innovate to Add Value and Meet Needs:** Use of funds should complement existing sources and/or deploy innovative, cost-effective models that address unmet needs and fill gaps in the current housing finance ecosystem.

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- **Ensure Financial Sustainability:** Any future approach should help position BAHFA to become operationally self-sustaining while delivering a new, durable source of financing for the region, drawing on best practices from leading housing finance entities nationally and internationally.
- **Advance Fairness:** Participating counties and their cities should view a regional approach as fair, with benefits that are transparent, credible, and appropriately distributed across geographies.
- **Deliver on the “3 Ps”:** The policy framework must advance BAHFA’s statutory mandate to protect tenants and prevent homelessness, preserve existing affordable housing, and produce new housing, recognizing that long-term impact requires a comprehensive approach.
- **Be Administrable:** Any approach should be capable of efficient and effective administration by BAHFA, with clear implementation pathways and manageable operational complexity.

These draft principles can be used to orient Phase 1 discussions and help maintain alignment with BAHFA and ABAG’s institutional responsibilities as the stakeholder process proceeds. Staff will seek Committee member feedback on the draft guiding principles. Staff anticipate refining the principles in response to the feedback and returning to the Committees with updates as appropriate.

Issues:

None

Recommended Action:

Information

Attachments:

- A. Presentation

Reviewed:



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