



Bay Area Metro Center  
375 Beale Street  
Suite 700  
San Francisco, California

## Meeting Agenda - Final

### ABAG Housing Committee

*Chair, Lori Wilson, Mayor, City of Suisun City*  
*Vice Chair, Carlos Romero, Mayor, City of East Palo Alto*

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Thursday, April 29, 2021

2:00 PM

Board Room -- 1st Floor (REMOTE)

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**Association of Bay Area Governments  
Housing Committee  
Joint Meeting with the BAHFA Oversight Committee**

The ABAG Housing Committee will be meeting on April 29, 2021, 2:00 p.m., in the Bay Area Metro Center (Remotely). In light of Governor Newsom's State of Emergency declaration regarding the COVID-19 outbreak and in accordance with Executive Order N-29-20 issued by Governor Newsom on March 17, 2020 and the Guidance for Gatherings issued by the California Department of Public Health, the meeting will be conducted via webcast, teleconference, and Zoom for committee, commission, or board members who will participate in the meeting from individual remote locations.

A Zoom panelist link for meeting participants will be sent separately to committee, commission, or board members.

The meeting webcast will be available at: <https://abag.ca.gov/meetings-events/live-webcasts>

Members of the public are encouraged to participate remotely via Zoom at the following link or phone number:

Please click the link below to join the webinar:

<https://bayareametro.zoom.us/j/85283420360>

Or One tap mobile :

US: +14086380968,,85283420360# or +16699006833,,85283420360#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 408 638 0968 or +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 312 626 6799 or +1 646 876 9923 or +1 301 715 8592 or 877 853 5247 (Toll Free) or 888 788 0099 (Toll Free)

Webinar ID: 852 8342 0360

Detailed instructions on participating via Zoom are available at:

<https://abag.ca.gov/zoom-information>

Committee members and members of the public participating by Zoom wishing to speak should use the "raise hand" feature or dial "\*9".

In order to get the full Zoom experience, please make sure your application is up to date.

Members of the public may participate by phone or Zoom or may submit comments by email at [info@bayareametro.gov](mailto:info@bayareametro.gov) by 5:00 p.m. the day before the scheduled meeting date. Please include the committee or board meeting name in the subject line. Due to the current circumstances there may be limited opportunity to address comments during the meeting. All comments received will be submitted into the record.

The ABAG Housing Committee may act on any item on the agenda.

The meeting is scheduled to begin at 2:00 p.m.

Agenda, roster, and webcast available at <https://abag.ca.gov>

For information, contact Clerk of the Board at (415) 820-7913.

#### Roster

Jesse Arreguin, Nikki Fortunato Bas, David Canepa, Cindy Chavez, Pat Eklund, Maya Esparza, Gordon Mar, Karen Mitchoff, Belia Ramos, Carlos Romero, Lori Wilson

### 1. Call to Order / Roll Call / Confirm Quorum / Compensation Announcement

### 2. Public Comment

*Information*

### 3. Committee Member Announcements

*Information*

### 4. Chairs' Reports

- 4.a. [21-0394](#) Joint ABAG Housing Committee and BAHFA Oversight Committee  
Chairs' Report for April 29, 2021

Action: Information

Presenter: Lori Wilson and Libby Schaaf

### 5. Executive Director's Report

- 5.a. [21-0395](#) Executive Director's Report for April 29, 2021

Action: Information

Presenter: Therese W. McMillan

### 6. ABAG Housing Committee Consent Calendar

- 6.a. [21-0396](#) Approval of ABAG Housing Committee Minutes of January 7, 2021

Action: Approval

Presenter: ABAG Clerk of the Board

Attachments: [06a Minutes 20210107 Draft.pdf](#)

### 7. Expanded Regional Housing Portfolio

- 7.a. [21-0397](#) Update on Expanded Regional Housing Portfolio-Report summarizing the last six months of work to launch the Expanded Regional Housing Portfolio and the Bay Area Housing Finance Authority (BAHFA)

**Action:** Information

**Presenter:** Daniel Saver

**Attachments:** [07a - 1 Summary Sheet Expanded Regional Housing Portfolio.pdf](#)  
[07a - 2 Attachment A - Business Plan RFP Prelim Scope of Work.pdf](#)  
[07a - 3 Attachment B - Concept Paper.pdf](#)  
[07a - 4 Attachment C - Bay Area Delegation Budget Request Letter.pdf](#)  
[07a - 5 Attachment D - Housing Coalition Support Letter.pdf](#)  
[07a - 6 Attachment E - Briefer on State Budget Request.pdf](#)  
[07a - 7 Attachment F - MTC Res. 4454 BAPP.pdf](#)  
[07a - 8 Attachment G - Presentation.pdf](#)

## 8. Regional Impact Council

- 8.a. [21-0398](#) Overview of the Regional Impact Council-a multi-stakeholder group convened by All Home to develop a regional approach to end homelessness in the Bay Area

**Action:** Information

**Presenter:** Daniel Saver and All Home staff

**Attachments:** [08a - 1 Summary Sheet Regional Impact Council.pdf](#)  
[08a - 2 Attachment A - Regional Impact Council Roster.pdf](#)  
[08a - 3 Attachment B - RAP Report.pdf](#)  
[08a - 4 Attachment C - All Home Presentation.pdf](#)

## 9. Regional Housing Technical Assistance Program

- 9.a. [21-0399](#) Report on New Regional Data Tools for Local Housing Planning-Overview of regional data tools developed to assist local jurisdictions with adopting compliant Housing Elements

**Action:** Information

**Presenter:** Somaya Abdelgany and Michael Ziyambi

**Attachments:** [09a - 1 Summary Sheet Regional Housing Data Tools.pdf](#)  
[09a - 2 Attachment A - Regional Housing Data Tools Presentation.pdf](#)  
[Regional Data Framework \(Link\)](#)

## 10. Adjournment / Next Meeting

*The next joint meeting of the ABAG Housing Committee and BAHFA Oversight Committee will be announced. The next special meeting of the ABAG Housing Committee is on May 13, 2021.*

**Public Comment:** The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

**Meeting Conduct:** If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

**Record of Meeting:** Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site ([mtc.ca.gov](http://mtc.ca.gov)) for public review for at least one year.

**Accessibility and Title VI:** MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

**可及性和法令第六章:** MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者, 請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知, 以滿足您的要求。

**Acceso y el Titulo VI:** La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

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Attachments are sent to Committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.





# Metropolitan Transportation Commission

375 Beale Street, Suite 800  
San Francisco, CA 94105

## Legislation Details (With Text)

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**File #:** 21-0394      **Version:** 1      **Name:**

**Type:** Report      **Status:** Informational

**File created:** 2/22/2021      **In control:** ABAG Housing Committee

**On agenda:** 4/8/2021      **Final action:**

**Title:** Joint ABAG Housing Committee and BAHFA Oversight Committee Chairs' Report for April 29, 2021

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
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Joint ABAG Housing Committee and BAHFA Oversight Committee Chairs' Report for April 29, 2021

Lori Wilson and Libby Schaaf

Information



# Metropolitan Transportation Commission

375 Beale Street, Suite 800  
San Francisco, CA 94105

## Legislation Details (With Text)

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**File #:** 21-0395      **Version:** 1      **Name:**  
**Type:** Report      **Status:** Informational  
**File created:** 2/22/2021      **In control:** ABAG Housing Committee  
**On agenda:** 4/8/2021      **Final action:**  
**Title:** Executive Director's Report for April 29, 2021  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:**

Date	Ver.	Action By	Action	Result
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Executive Director's Report for April 29, 2021

Therese W. McMillan

Information



# Metropolitan Transportation Commission

375 Beale Street, Suite 800  
San Francisco, CA 94105

## Legislation Details (With Text)

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**File #:** 21-0396      **Version:** 1      **Name:**  
**Type:** Report      **Status:** Committee Approval  
**File created:** 2/22/2021      **In control:** ABAG Housing Committee  
**On agenda:** 4/8/2021      **Final action:**  
**Title:** Approval of ABAG Housing Committee Minutes of January 7, 2021  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [06a Minutes 20210107 Draft.pdf](#)

Date	Ver.	Action By	Action	Result
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Approval of ABAG Housing Committee Minutes of January 7, 2021

ABAG Clerk of the Board

Approval



Bay Area Metro Center  
375 Beale Street  
Suite 700  
San Francisco, California

## Meeting Minutes - Draft

### ABAG Housing Committee

*Chair, Lori Wilson, Mayor, City of Suisun City*  
*Vice Chair, Carlos Romero, Vice Mayor, City of East Palo Alto*

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Thursday, January 7, 2021

1:00 PM

Board Room -- 1st Floor (REMOTE)

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#### Association of Bay Area Governments Housing Committee

The ABAG Housing Committee may act on any item on the agenda.

The meeting is scheduled to begin at 1:00 p.m.

Agenda, roster, and webcast available at <https://abag.ca.gov>

For information, contact Clerk of the Board at (415) 820-7913.

#### Roster

Jesse Arreguin, David Canepa, Cindy Chavez, Pat Eklund, Maya Esparza, Karen Mitchoff,  
Gordon Mar, Belia Ramos, Carlos Romero, Lori Wilson

#### 1. Call to Order / Roll Call / Confirm Quorum

Chair Wilson called the meeting to order at about 1:01 p.m. Quorum was present,

**Present:** 9 - Arreguin, Canepa, Chavez, Eklund, Esparza, Mar, Mitchoff, Romero, and Wilson L

**Absent:** 1 - Ramos

#### 2. Public Comment

#### 3. Committee Member Announcements

The following made announcements: Pat Eklund, Carlos Romero.

#### 4. Election of Housing Committee Chair and Vice Chair

##### 4.a. [21-0157](#) Election of Housing Committee Chair and Vice Chair

Upon the motion by Arreguin and second by Romero, the ABAG Housing Committee elected Wilson as Chair and Romero as Vice Chair and recommended ABAG Executive Board confirmation of the election. The motion passed unanimously by the following vote:

**Aye:** 9 - Arreguin, Canepa, Chavez, Eklund, Esparza, Mar, Mitchoff, Romero, and Wilson L

**Absent:** 1 - Ramos

## 5. Chair's Report

- 5.a. [21-0041](#) ABAG Housing Committee Chair's Report for January 7, 2021  
Chair Wilson gave the report.

## 6. Executive Director's Report

- 6.a. [21-0042](#) Executive Director's Report for January 7, 2021  
Therese W. McMillan gave the report.

## 7. Consent Calendar

**Upon the motion by Eklund and second by Esparza, the Consent Calendar was approved. The motion passed unanimously by the following vote:**

**Aye:** 9 - Arreguin, Canepa, Chavez, Eklund, Esparza, Mar, Mitchoff, Romero, and Wilson L

**Absent:** 1 - Ramos

- 7.a. [21-0043](#) Approval of ABAG Housing Committee Minutes of November 13, 2020

## 8. Regional Early Action Planning Grants

- 8.a. [21-0044](#) Allocation of \$4.2 million in Regional Early Action Planning funds to Regional Planning Collaboratives  
Heather Peters gave the report.

The following gave public comment: Kristi Corley.

**Upon the motion by Arreguin and second by Mitchoff, the ABAG Housing Committee recommended ABAG Executive Board approval of the allocation of \$4.2 million in Subregional Early Action Planning funds to Regional Planning Collaboratives. The motion passed unanimously by the following vote:**

**Aye:** 9 - Arreguin, Canepa, Chavez, Eklund, Esparza, Mar, Mitchoff, Romero, and Wilson L

**Absent:** 1 - Ramos

## 9. Adjournment / Next Meeting

Chair Wilson adjourned the meeting at about 1:55 p.m. The next meeting of the ABAG Housing Committee is on April 1, 2021.



ABAG

# Metropolitan Transportation Commission

375 Beale Street, Suite 800  
San Francisco, CA 94105

## Legislation Details (With Text)

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**File #:** 21-0397      **Version:** 1      **Name:**

**Type:** Report      **Status:** Informational

**File created:** 2/22/2021      **In control:** ABAG Housing Committee

**On agenda:** 4/8/2021      **Final action:**

**Title:** Update on Expanded Regional Housing Portfolio-Report summarizing the last six months of work to launch the Expanded Regional Housing Portfolio and the Bay Area Housing Finance Authority (BAHFA)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [07a - 1 Summary Sheet Expanded Regional Housing Portfolio.pdf](#)  
[07a - 2 Attachment A - Business Plan RFP Prelim Scope of Work.pdf](#)  
[07a - 3 Attachment B - Concept Paper.pdf](#)  
[07a - 4 Attachment C - Bay Area Delegation Budget Request Letter.pdf](#)  
[07a - 5 Attachment D - Housing Coalition Support Letter.pdf](#)  
[07a - 6 Attachment E - Briefer on State Budget Request.pdf](#)  
[07a - 7 Attachment F - MTC Res. 4454 BAPP.pdf](#)  
[07a - 8 Attachment G - Presentation.pdf](#)

Date	Ver.	Action By	Action	Result
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Update on Expanded Regional Housing Portfolio-Report summarizing the last six months of work to launch the Expanded Regional Housing Portfolio and the Bay Area Housing Finance Authority (BAHFA)

Daniel Saver

Information

April 29, 2021

Agenda Item 7.a.

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**Expanded Regional Housing Portfolio**

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**Subject:** Update on Expanded Regional Housing Portfolio—Report summarizing the last six months of work to launch the Expanded Regional Housing Portfolio and the Bay Area Housing Finance Authority (BAHFA)

**Background:** In October 2020, the ABAG Housing Committee and MTC Executive Committee received a report to transition to Phase 2 of a three-phase implementation plan for the Expanded Regional Housing Portfolio and BAHFA. The Committees supported several new activities designed to strengthen regional capacity across the “3 Ps” (Protection, Preservation, and Production) and lay the foundation for successful implementation of potential future capital resources. The proposed activities included elements to complement and fortify the efforts of local governments, as well as the launch of five potential pilot projects:

1. Support a regional affordable housing application platform,
2. Develop an affordable housing pipeline database,
3. Strengthen regional preservation programs,
4. Strengthen the network of anti-displacement service providers and disseminate best practices, and
5. Support the design of a regional homelessness prevention system.

Launching the proposed pilot projects is contingent upon securing new resources. Staff has focused on advancing activities that do not require significant new resources while also developing a funding plan to secure the resources necessary to launch the full expanded portfolio.

**Report:** Since October 2020, staff has made the following progress on Phase 2 implementation activities:

**Business Plan** – On February 10, 2021, the agencies released the Request for Proposals (RFP) for the Expanded Regional Housing Portfolio and Bay Area Housing Finance Authority Business Plan. The Preliminary Scope of Work for the RFP is included as Attachment A. The RFP has an initial not to exceed budget of \$500,000 and includes three core tasks:

April 29, 2021

Agenda Item 7.a.

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**Expanded Regional Housing Portfolio**

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1. Develop a strategic, equity-focused framework and corresponding measurable outcomes.
2. Identify and design innovative funding and financing tools.
3. Design an effective structure and operations for the Expanded Regional Housing Portfolio and BAHFA.

The deadline for submissions to the RFP closed on April 15, 2021. Staff anticipates seeking Committee approval for a recommended consultant team in July.

**Concept Paper** – In February, ABAG and MTC jointly released a report titled *“Momentum for Lasting Solutions: Launching the Bay Area Housing Finance Authority and the Expanded Regional Housing Portfolio”* (Attachment B). The report describes the context and origin of the Expanded Regional Housing Portfolio, the transformative impact envisioned by the Portfolio and BAHFA, and the five near-term pilot projects. The report provides a comprehensive, public-facing narrative to ensure that stakeholders can easily track the agencies’ discussion and progress to date.

**State Budget Appropriation Request** – In December 2020 as part of ABAG and MTC’s joint advocacy program, the ABAG Executive Board and the Commission authorized a request for a one-time, \$18.5 million appropriation from the state budget to launch the five pilots. In March 2021, the Bay Area Delegation submitted a letter in support of the budget request (Attachment C), and staff continue to collaborate with legislators and housing-sector partners to advance the request within the budget process. A letter of support submitted on behalf of local jurisdiction and housing sector partners is included as Attachment D. A briefer that staff has provided to legislators that includes one-page descriptions of each of the pilots is included in the packet as Attachment E.

**Private Sector Fundraising** – ABAG and MTC/BAHFA leadership have collaborated with housing-sector partners to develop a private sector fundraising plan to supplement the state budget appropriation request. The fundraising plan includes two steps. Step One involves preliminary conversations with philanthropic and corporate partners to explore potential alignment around the five pilots. Step Two will kick off once the outcome of



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April 29, 2021

Agenda Item 7.a.

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**Expanded Regional Housing Portfolio**

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the state budget request is more certain and will involve seeking commitments from potential partners.

**Pilot Development** – Though new resources are necessary to launch the pilots, staff has worked to lay the foundation necessary for the pilots to launch swiftly and successfully upon receipt of funds. The last six months included several key milestones. In February 2021, the Commission approved amendments to the Bay Area Preservation Pilot (BAPP) to more efficiently deploy previously authorized funds, including lowering the leverage ratio from 5:1 to 3:1 and converting up to \$6 million of the MTC funds to be available as subsidy. The updated BAPP program guidelines are included in Attachment F, and additional information is available in the February 10, 2021 Programming and Allocations Committee packet. Additionally, roughly a dozen ABAG and MTC policymakers and staff have participated in the Regional Impact Council, a multistakeholder initiative convened by the nonprofit All Home to develop regional solutions to the homelessness crisis. The Regional Impact Council recently completed its first phase, resulting in a comprehensive report known as the Regional Action Plan. All Home staff has been invited to present on this work to the Committees as Agenda Item 8.a.

**Issues:**

None

April 29, 2021

Agenda Item 7.a.

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**Expanded Regional Housing Portfolio**

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**Recommended Action:** Information

- Attachments:**
- A. Expanded Regional Housing Portfolio and Bay Area Housing Finance Authority Business Plan RFP, Appendix A, Preliminary Scope of Work
  - B. *Momentum for Lasting Solutions* report
  - C. Bay Area Delegation letter dated March 19, 2021 in support of one-time budget appropriation request
  - D. Local jurisdiction and housing-sector organization letter in support of one-time budget appropriation request
  - E. Brief on State Budget Appropriation Request
  - F. MTC Resolution No. 4454, Amendment of the Bay Area Preservation Pilot Fund Principles of Agreement
  - G. Presentation

**Reviewed:**

  
Therese W. McMillan

## **APPENDIX A PRELIMINARY SCOPE OF WORK**

The successful Proposer's preliminary scope of work is listed below. All required services shall be authorized by Task Order, initiated and developed according to the Task Order Process described in Attachment A-2, of *Appendix D*, MTC Standard Consultant Contract. Task Orders shall include, at a minimum, a detailed description of the work to be performed, a completion date for performance, a maximum payment amount, payment terms (deliverables-based or time-and-materials) and subconsultant participation (if any), in a completed form as shown in Attachment A-2, Task Order Form of *Appendix D*, MTC Standard Consultant Contract, attached hereto and incorporated herein by this reference.

As the Expanded Regional Housing Portfolio and BAHFA are newly created, the Consultant's scope of work will be based largely on the content of the successful Proposal and is expected to evolve in consultation with MTC over the course of the engagement.

MTC has established an initial not to exceed budget of five hundred thousand dollars (\$500,000) for this effort. MTC, ABAG, and BAHFA are actively seeking additional funds to supplement the initial \$500,000 budget for this RFP, however additional funds are not guaranteed. Any additionally secured funding may be available subject to approval of future budgets. If a cost proposal exceeds \$500,000 with respect to the tasks identified in *Appendix A*, Preliminary Scope of Work, the Proposer should propose a prioritized list of services that do not exceed the initial \$500,000 budget.

Proposals may also include descriptions of additional proposed services and pricing beyond those specifically listed in Tasks 1-4 in *Appendix A*, Preliminary Scope of Work. The pricing of any additional proposed services as Task 5 or beyond will not be considered when scoring proposals. However, the substance of any such additional proposed services may be considered in scoring the Proposer's Understanding and Approach to completing the Project in accordance with Section VIII, Proposal Evaluation, Subarticle C, Evaluation Panel and Evaluation Criteria.

Moreover, during the course of any contract resulting from this RFP, MTC may identify supplemental tasks related to the establishment of the Expanded Regional Housing Portfolio and BAHFA to achieve the overall objectives in *Appendix A*, Preliminary Scope of Work. MTC may engage the Consultant to complete any such supplemental tasks at MTC's sole discretion and subject to the availability of funding.

MTC seeks an expert Consultant that can provide in-depth expertise to design the Expanded Regional Housing Portfolio and BAHFA to tackle the Bay Area's housing crisis at scale and begin to deliver on bold regional housing outcomes that advance social and racial equity. The signature effort of the Consultant is to develop an outcomes-driven regional housing strategy ("Business Plan") that:

- Articulates and integrates a strategic, equity-focused framework and corresponding measurable outcomes (Task 2 below),
- Identifies and designs innovative funding and financing tools (Task 3 below), and
- Designs effective structure and operations for BAHFA and the Expanded Regional Housing Portfolio (Task 4 below).

MTC expects the relative weight of the three primary components of the Business Plan to correspond to the following proportions of the overall project budget:

Areas of Work	Share of Budget
Develop a Strategic, Equity-Focused Framework (Task 2)	10-20%
Identify and Design the Funding Program (Task 3)	55-65%
Recommend a Design for the Structure and Operations of the Expanded Regional Housing Portfolio and BAHFA (Task 4)	20-30%

Creating this Business Plan will require close collaboration with Bay Area Metro staff and policymakers, local jurisdictions, and external stakeholders. The Consultant will essentially serve as an extension of Bay Area Metro staff during the contract period.

Because of the breadth and depth of the Business Plan Preliminary Scope of Work, it is anticipated that successful teams of Proposers will include experts in strategic planning for programs and policies that advance social and racial equity, organizational development in the public sector, housing finance, asset management, public finance, bond counsel, and tax and administrative law.

Proposals shall include, but not be limited to, a description of how the Proposer would accomplish the tasks listed below.

### **Task 1 – Project Kick-Off Meeting**

Consultant will meet with MTC staff for a project kick-off meeting. The agenda, prepared by the consultant, will include review and discussion of: 1) project objectives, 2) proposed project approach and parameters, 3) work plan and schedule, 4) roles and relationships, 5) communication protocols, and 6) project management plan, which Consultant shall incorporate into a formal Project Management Plan submitted to MTC.

#### ***Task 1 Deliverables:***

- 1.1 Kick-off Meeting with agenda
- 1.2 Project Management Plan

### **Task 2 – Develop a Strategic, Equity-Focused Framework**

Task 2 will involve developing a strategic, equity-focused framework (the “Equity Framework”) that operationalizes the policy vision for the Expanded Regional Housing Portfolio into clear goals, objectives, and measurable outcomes. It is critical that the Equity Framework centers the guiding principles approved by MTC and ABAG policymakers and detailed in Section I, Subarticle B, Project Description, notably the focus on the 3Ps and the explicit centering of social and racial equity. The Equity Framework should also align with the MTC-ABAG Equity Platform, available here: <https://mtc.ca.gov/about-mtc/what-mtc/mtc-abag-equity-platform>. The Equity Framework should consider how the Equity Framework can also be advanced through county and local governments, given that AB 1487 dictates that 80 percent of the revenue from a future regional ballot measure (and 50 percent from a commercial linkage fee) will return to the county or city of origin.

Work produced as part of Tasks 3 and 4 (below) should be developed, assessed, and refined based on the Equity Framework.

The Equity Framework will include, but is not limited to the four components outlined below, which should be informed by engagement with external stakeholders:

1. Clear goals, objectives and measurable outcomes for the Expanded Regional Housing Portfolio and BAHFA that affirmatively address racial and social inequities;
2. A set of specific metrics to evaluate success in meeting the goals, objectives, and outcomes, including quantitative and qualitative community, program, and policy data;
3. Criteria and/or guiding questions to assess who will benefit or be burdened by different activities, including examining the potential unintended consequences and developing strategies to mitigate unintended negative consequences; and
4. Proposed approach(es) to working with local jurisdictions that will receive a direct allocation from a future regional ballot measure that balances the need to meet regional equity metrics while respecting some variation in local priorities.

### ***Task 2 Deliverables:***

- 2.1 In consultation with MTC staff, produce an engagement strategy to facilitate stakeholder feedback on the formation of the Equity Framework. The engagement strategy must include meetings with stakeholders representing all 3Ps, including at least one meeting with lower-income tenants from communities of color.
- 2.2 Produce a written Equity Framework that incorporates the four components listed above.
- 2.3 Produce a slide presentation that summarizes the Equity Framework.

### **Task 3 – Identify and Design the Funding Program**

Task 3 will involve an assessment of which finance tools, functions and authorities are available, appropriate, and optimal to include within the Expanded Regional Housing Portfolio. Through the deliverables associated with Task 3, the Business Plan will identify and explore in greater depth the key funding and finance strategies (“Funding Program”) that can best meet the goals and objectives outlined in the Equity Framework and develop tools to implement those strategies. The Funding Program should be viewed as the implementation plan for the Equity Framework that incorporates the 3Ps. The Funding Program should be action-oriented to facilitate implementation swiftly upon receipt of resources. As a new authority, BAHFA has the opportunity to pursue innovative funding and finance strategies that meet unmet needs in the region, unlock new opportunities, and advance equity in a more systematic and affirmative way.

The Funding Program should be phased to account for various fiscal scenarios, including current resources, potential small- or moderate-scale additional resources (including non-capital funding), and a future ballot measure that will generate significant revenue.

Successful Proposers will have expertise in designing new protection, preservation and production funding and finance tools. All suggested activities should be vetted as appropriate by experienced legal counsel with expertise in public finance, tax-related issues (such as tax-exempt bond financing) and/or administrative law. The Funding Program will be developed in consultation with the BAHFA Advisory

Committee, MTC and ABAG policymakers, and other external stakeholders. The Funding Program must conform to BAHFA's authorizing legislation as well as the legal and policy obligations of other Bay Area Metro tools such as ACFA and BayREN to the extent that they are included. Emphasis should be placed on meeting the outcomes identified in the Equity Framework and incorporate all 3Ps.

The Funding Program must incorporate the following five elements and key considerations across the 3Ps and across the full range of Bay Area affordable housing needs, from permanent supportive housing to housing affordable to moderate-income households (up to 120% of area median income):

1. Financing Analysis. The Financing Analysis should reference and build upon existing work created by regional stakeholders that describe local, regional, state and federal funding programs and financing authorities currently in use and/or available in the Bay Area. The Consultant should focus the majority of the Financing Analysis on succinctly identifying gaps and insufficiencies in the existing affordable housing finance ecosystem that the Expanded Regional Housing Portfolio and the tools available to BAHFA could fill, and should include:
  - a) Capital funding for new production, preservation of existing affordable housing, and acquisition and rehabilitation of market-rate housing or other adaptive reuse or conversion projects for affordable housing;
  - b) Operating subsidy programs; and
  - c) Tenant and low-income homeowner protection programs, including mortgage and rental assistance, foreclosure prevention, and legal assistance.
2. Funding Program Recommendations. Identify how BAHFA and other regional housing portfolio tools can best fund and finance housing production, preservation, and tenant protections. Develop recommendations that are complementary to and not duplicative of existing resources, and which direct funds where they are most needed. Emphasis should be placed on meeting the gaps and inefficiencies identified in the Financing Analysis and meeting the outcomes identified in the Equity Framework.

The Consultant Team is encouraged to explore innovative financing options beyond typical private activity bond/Low Income Housing Tax Credit (LIHTC) funding structures such as:

- a) Use of Project Revenue, 501c3, and essential governmental services bonds;
  - b) Loan guaranties;
  - c) Mixed-income models that cross-subsidize to serve extremely low-income households;
  - d) Enterprise-level financing for both organizations and jurisdictions;
  - e) Self-sustaining pooled resources similar to those created by the New York City Housing Development Corporation; and
  - f) Leveraging opportunities during periods of real estate market valuation decreases.
3. Funding Program Implementation Tools. Develop underwriting guidelines and other documentation (term sheets, etc.) for loans, grants, loan guarantees, and other financing tools recommended in the Funding Program. Working with Bay Area Metro staff and other stakeholders, the Consultant should design these implementation tools to ensure efficient deployment of resources and facilitate leveraging of additional funds as efficiently as possible, while also advancing regional goals. The implementation tools should include draft guidelines for funds transferred to county and city governments for local administration.

4. Donations. As necessary, develop guidance materials describing mechanics of and specific legal or regulatory considerations for accepting donations, which may include:
  - a) Land donations from public and private sources, including land subject to the Surplus Land Act;
  - b) Grants from private interests including private companies and philanthropy;
  - c) State and federal government funding; and
  - d) Below-market loans.
5. Revenue Analysis. BAHFA's authorizing legislation explicitly identifies types of revenue it has the authority to generate, including through ballot measures as well as a commercial linkage fee. The Consultant will produce a Revenue Analysis that includes:
  - a) A phasing plan for the Funding Program that encompasses pre-ballot strategies and long-term funding opportunities subsequent to a successful ballot measure and/or appropriations;
  - b) Clear articulation regarding the limits of general obligation bond funding relative to the 3Ps and/or functions of the regional housing portfolio, such as the provision of technical assistance and funding for non-capital programs like tenant protections. Develop strategies to generate sufficient revenue for all relevant programs and uses, including non-capital uses; and
  - c) Strategies that will lead to financial self-sustainability for BAHFA.

### ***Task 3 Deliverables:***

- 3.1 In consultation with MTC staff, produce an engagement strategy to ensure that local government staff and 3Ps stakeholders can provide input on the design of the Funding Program.
- 3.2 Produce a written Financing Analysis as described above.
- 3.3 Produce written Funding Program Recommendations as described above.
- 3.4 Produce Funding Program Implementation Tools as described above.
- 3.5 As necessary, produce guidance materials regarding donations as described above.
- 3.6 Produce a written Revenue Analysis as described above.
- 3.7 Produce a written Funding Plan that incorporates the deliverables from Tasks 3.2 to 3.6 and includes recommendations for a phased approach that accounts for various fiscal scenarios.
- 3.8 Produce a slide presentation summarizing the recommended Funding Program, including the five components from Tasks 3.2 to 3.6

### **Task 4 – Recommend a Design for the Structure and Operations of the Expanded Regional Housing Portfolio and BAHFA**

The Business Plan will outline the structure and operations needed to realize the vision outlined in the Equity Framework and carry out the diverse programs and activities of the Expanded Regional Housing Portfolio, including staffing, reporting and compliance, community engagement, and strategies for sustainability. It is critical that this plan prepares BAHFA with the capacities and structures necessary for it to successfully manage significant funds raised through a future regional ballot measure and other sources.

The Consultant shall identify the following components of a successful and sustainable operating structure for BAHFA, including:



1. Programmatic support for developing Bay Area Metro's role regarding tenant protections. Programs related to the "protections" category of the 3Ps will differ significantly from financing programs related to production and preservation. Such programs may include, but not be limited to, mortgage and rental assistance, foreclosure prevention, know-your-rights and other education/outreach activities, legal assistance, and homelessness prevention systems and services. The Consultant shall work with Bay Area Metro staff, with input from policymakers and external stakeholders, to identify and design the most appropriate value-add protection and other non-capital programs to include in the Expanded Regional Housing Portfolio;
2. Technical staffing needs (e.g., underwriting, compliance, asset management, financial operations, technical assistance, etc.);
3. Necessary staffing levels for each phase of the phased Funding Program (e.g., pre- and post-ballot measure);
4. Assessment of areas of work best outsourced rather than assumed in-house;
5. Parameters and organizational infrastructure required to meet community engagement requirements and cultivate ongoing partnerships with regional stakeholders;
6. Organizational infrastructure required for BAHFA to best position itself to receive grants and other funding from state, federal, and private sources;
7. BAHFA compliance obligations for reporting, monitoring, and audits, including BAHFA's oversight role of funds distributed to other grant-making and financing entities (e.g., city and county governments), with recommendations for efficiencies. Explore pros and cons, as well as recommended staffing and structure required, for BAHFA to support local jurisdictions with their compliance obligations, whether through directly assuming local jurisdiction compliance responsibilities or some other method;
8. Recommendations to ensure BAHFA's seamless integration into and with other existing authorities and functions of MTC and ABAG;
9. An annual staffing and operations budget both pre and post revenue generating ballot measure and/or appropriations; and
10. Strategies to facilitate financial sustainability.

***Task 4 Deliverables:***

- 4.1 Produce written recommendations for the structure and operations of the Expanded Regional Housing Portfolio and BAHFA, including the ten components described above.
- 4.2 Produce a slide presentation summarizing the structure and operations recommendations

**Other Tasks – TBD**

Additional tasks related to the establishment of the Expanded Regional Housing Portfolio and BAHFA above may be included during the term of the contract.





# MOMENTUM FOR LASTING SOLUTIONS

*Launching the Bay Area Housing Finance Authority  
and the Expanded Regional Housing Portfolio*

February 2021



ASSOCIATION OF BAY AREA GOVERNMENTS  
METROPOLITAN TRANSPORTATION COMMISSION



## Table of Contents

<b>Executive Summary</b>	<b>1</b>
<b>Sections:</b>	
1. The Current Moment: Challenge and Opportunity	4
2. The Origins of the Expanded Regional Housing Portfolio and BAHFA	7
3. What is the “Expanded Regional Housing Portfolio” and What Can It Offer the Region?	9
4. The Next Phase: Readyng the Region for Transformational Change	12
5. Regional Pilot Projects and Expected Impact	14
a. Support the Design and Rollout of a Homelessness Prevention System	
b. Strengthen the Regional Rental and Mortgage Assistance Network	
c. Enhance Preservation Financing Tools and Provide Technical Assistance	
d. Support a Regional Affordable Housing Application Platform	
e. Build and Maintain a Regional Affordable Housing Pipeline Database	
6. Conclusion	21
Appendix: ABAG and MTC’s Existing Housing Programs	22



## Executive Summary

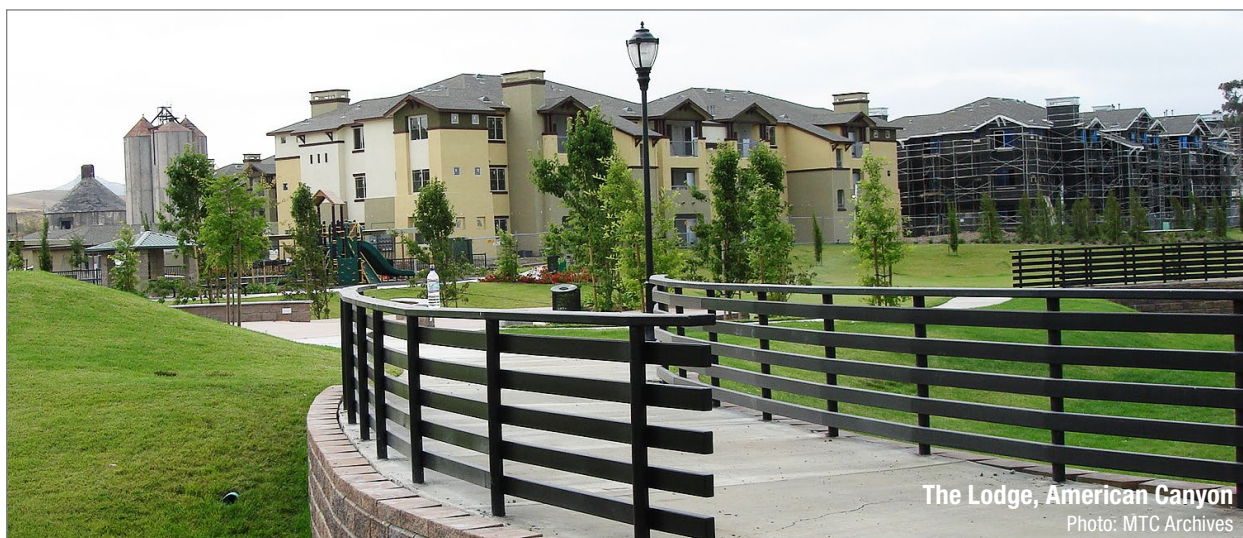
The COVID-19 pandemic and ensuing economic downturn have created a new urgency to solve the San Francisco Bay Area's longstanding housing affordability crisis. Many residents — especially Black, indigenous and other people of color — have been hit particularly hard both by the pandemic and by untenable housing costs, forcing all Bay Area residents to grapple with the legacy of decades of discriminatory housing policies and disproportionate impacts on communities of color. As the Bay Area seeks to pursue a just recovery from the pandemic, the region must also come together on a path towards a new future where every resident enjoys the bedrock of strong, vibrant communities: a safe, stable and affordable home.

As governing bodies for the nine-county Bay Area, the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) – served by a single, consolidated staff (known as the “Bay Area Metro” staff) – are launching a new initiative to tackle the region's housing crisis head on.

The **Expanded Regional Housing Portfolio** represents a new cross-sector, collaborative approach to address the region's housing challenges through comprehensive, data-driven, and equity-focused programs and strategies. A central pillar of this effort is the **Bay Area Housing Finance Authority (BAHFA)**, established by Assembly Bill 1487 (Chiu, 2019). BAHFA is the first state-approved regional housing finance authority in California. BAHFA

provides the region with a powerful new set of financing tools that can raise significant new housing revenue from a variety of sources, including a regional ballot measure, state or federal appropriations, as well as philanthropic and corporate contributions.

The Expanded Regional Housing Portfolio is guided by the “**3Ps**” framework: **protect** current residents from displacement, **preserve** existing affordable housing, and **produce** new housing to secure long-term affordability. The 3Ps framework recognizes that there is no silver bullet to resolve the region's housing problems. Just as the causes and impacts of the region's housing crisis are complex and multifaceted, the Expanded Regional Housing Portfolio must deploy a multipronged package







Marshall Apartments, Redwood City

Photo: ©Noah Berger

of solutions that leverages available tools at the region's disposal. Combining protection, preservation and production into a complementary and mutually reinforcing strategy will enable the Expanded Regional Housing Portfolio to maximize impact for a wide range of residents across each of the Bay Area's nine counties.

Ultimately, the goal of the Expanded Regional Housing Portfolio is to transform the Bay Area's housing systems so that all residents can enjoy a safe, stable and affordable home. This outcome will require substantial new capital resources. Moreover, change of this scale must be cultivated over time.

As an intermediate step, the Expanded Regional Housing Portfolio over the next two to four years will focus on **readying the region for transformational change** in the housing sector. This paper outlines three components to this near-term phase:

1. **Plan for and Secure New Funding:** raise substantial new funding for capital and programmatic investments from a variety of

sources, including federal or state appropriations, or a regional funding measure placed on the ballot by BAHFA.

2. **Complement and Fortify 3Ps Capacity in Local Governments:** amplify the impact of local housing staff on the front lines of program implementation by building a robust network for cross-jurisdictional collaboration and dissemination of best practices.
3. **Launch Regional Pilot Programs:** invest in catalytic pilots designed to make a meaningful difference for housing and homelessness while also building the capacity of Bay Area Metro staff to deliver game-changing protection, preservation and production programs once significant new resources are secured.

This Concept Paper proposes five new regional pilot programs to be developed in partnership with stakeholders representing all 3Ps:

- **Support the Design and Rollout of a Homelessness Prevention System.**

Partner with the Regional Impact Council, an emergent multi-stakeholder initiative, to help design a regional homelessness prevention system and explore BAHFA's potential role in implementation. Such a system could spur regional adoption of evidence-based best practices and equip existing county and local homelessness service programs with new tools and resources.

- **Strengthen the Regional Rental and Mortgage Assistance Network.** Develop a network of rental and mortgage assistance providers to ensure efficient deployment of eligible philanthropic, local, state and federal funds. This would involve regularly convening local government and nonprofit providers, developing standardized best practices, and facilitating region-wide data collection, sharing and evaluation.

- **Enhance Preservation Financing Tools and Provide Technical Assistance.** Restructure and coordinate existing regional housing preservation finance programs, including MTC's Bay Area Preservation Pilot (BAPP) and ABAG's Bay Area Regional Energy Network (BayREN), to maximize their



impact. Develop a housing preservation technical assistance program by supporting two new regional collaboratives, one for local jurisdictions looking to implement preservation policies and programs, and another for developers and community-based organizations pursuing acquisition-rehab projects.

- **Support a Regional Affordable Housing Application Platform.** Expand San Francisco’s successful affordable housing search and application platform (DAHLIA), which centralizes available affordable housing opportunities for those seeking affordable units. Partner with “Doorway,” an existing effort to replicate DAHLIA in other jurisdictions, including Alameda County, San Mateo County and San Jose.
- **Build and Maintain a Regional Affordable Housing Pipeline Database.** Create and maintain a database of affordable housing projects in the development pipeline, including units in early development (pre-development) and those in the later stages of development (entitled, funding and tax credits secured). A reliable understanding of the affordable housing pipeline could improve efficiency of the production system by increasing predictability as well as helping to prioritize local, regional and state funding.

The launch of the Expanded Regional Housing Portfolio coincides with other significant housing initiatives. Federal and state lawmakers have included housing as a key part of several COVID relief packages, with a particular emphasis on eviction protections and rental assistance. In the Bay Area, public and private sector leaders have come together in

the newly formed Regional Impact Council to undertake a multi-year, blue-ribbon process to advance bold solutions to end homelessness. The Expanded Regional Housing Portfolio will overlap with some of these efforts and provide a necessary complement to others. In the coming years, Bay Area Metro staff will engage with partners at the federal, state, and regional levels to ensure that the Expanded Regional Housing Portfolio and BAHFA leverage parallel efforts and add value to the evolving housing ecosystem.

Once the necessary funding is secured and partnerships are established, the activities proposed in this Concept Paper will lay the foundation for a comprehensive and collaborative regional strategy that will provide new tools to deliver an equitable future for the Bay Area. A future where safe and affordable homes allow every Bay Area resident to thrive. A future where all workers can afford to live near their workplaces, reducing traffic, GHGs, and congestion for everyone. A future where residents from all walks of life – teachers, first responders, and service workers; families, veterans, and people with disabilities – are free to pursue their dreams, feel connected to their neighborhoods, and can access the amenities that make the Bay Area such a great place to live. A future where the Bay Area’s racial and ethnic diversity is preserved and recognized as one of its core strengths, where everyone – Black and white, Latinx and Asian, and indigenous – can comfortably call the Bay Area home. The launch of the Expanded Regional Housing Portfolio is one step on the path towards this vision of shared prosperity for all the Bay Area’s current and future residents.





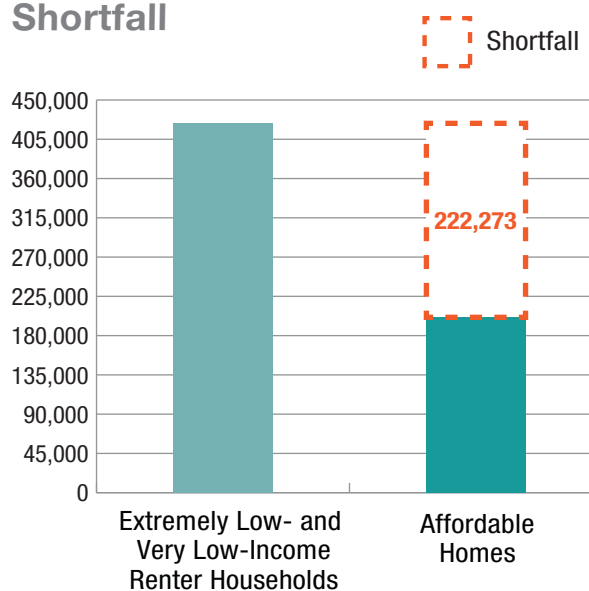
# 1. The Current Moment: Challenge and Opportunity

California, and the San Francisco Bay Area<sup>1</sup> in particular, face an affordable housing crisis that has built up over decades. The Bay Area faces a shortfall of over 220,000 homes<sup>2</sup> affordable to its poorest residents.<sup>3</sup> Roughly 45% of Bay Area renter households spend more than 30% of their income on housing (meeting the definition of “cost-burdened”),<sup>4</sup> while roughly 23% spend over 50 percent of their income (meeting the definition of “severely cost burdened.”)<sup>5</sup> The reality is even bleaker for those at the lowest end of the income spectrum: nearly 85% of extremely low-income residents and 61% of low-income residents are cost burdened, while 69% of extremely low-income and 15% of low-income residents face severe cost burdens.<sup>6</sup>

Market rents in the Bay Area increased by 36% from 2010 to 2015 while inflation-adjusted median earnings actually decreased over the same period.<sup>7</sup> Between 2012 and 2017, the Bay Area lost roughly 32,000 unsubsidized affordable homes per year, an indicator of rapidly increasing housing costs and the displacement of long-time residents.<sup>8</sup> Over 55% of Bay Area

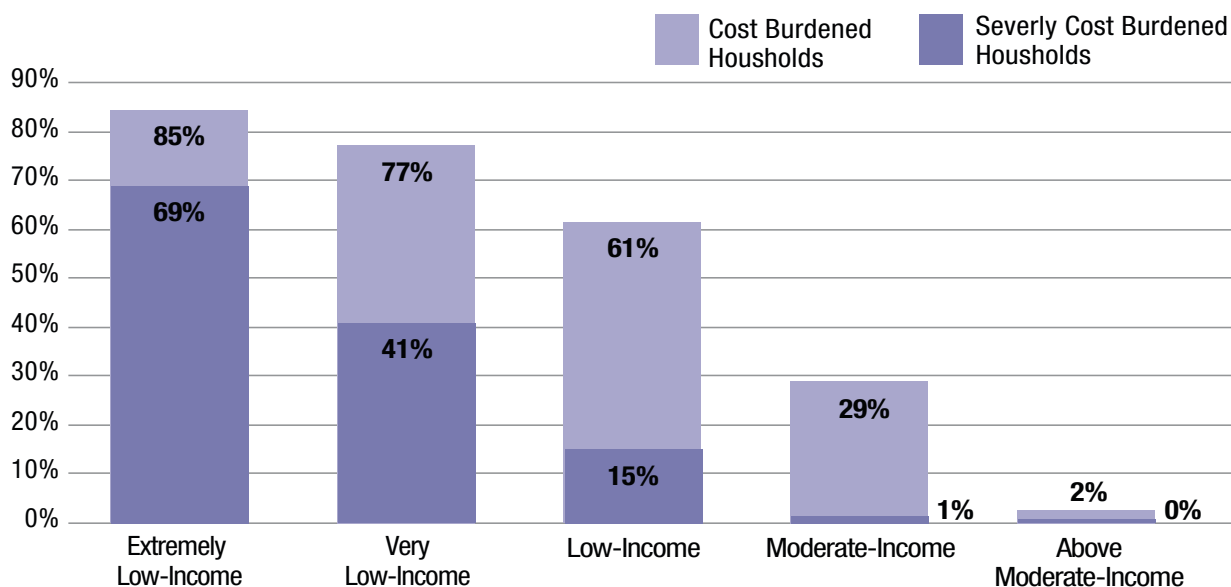
residents live in census tracts that are either at risk of or currently experiencing gentrification or exclusion.<sup>9</sup> This displacement crisis disproportionately impacts people of color, especially Black, indigenous and Latinx residents, as well as female-headed households and families

## Bay Area Affordable Homes Shortfall



Source: California Housing Partnership analysis of 2018 PUMS data

## Bay Area Cost Burdened Households



Source: California Housing Partnership analysis of 2018 PUMS data

**“The Expanded Regional Housing Portfolio is a new cross-sector, collaborative approach to address the housing challenges facing our region through comprehensive, data-driven, and equity-focused programs and strategies.”**



**Schapiro Knolls, Watsonville**

Photo: Frank Domin, courtesy of Mid-Penninsula Housing

with children.<sup>10</sup> These dynamics have led to an increasingly segregated region, with low-income residents and people of color often pushed to the peripheries of the Bay Area if they are able to remain in the region at all.<sup>11</sup> The Bay Area’s inability to adequately house all its residents, especially close to job centers, has led to a host of other challenges such as crippling traffic, attendant greenhouse gas emissions, and labor shortages that affect all Bay Area residents.

Recent events have exacerbated the housing crisis. Every Bay Area resident has been affected in some way by the COVID-19 pandemic and the accompanying economic downturn, as well as by the historic wildfires that have threatened homes, caused large-scale evacuations, and resulted in prolonged periods of unhealthy air quality. Yet some residents bear a disproportionate burden from these overlapping crises. The murders of George Floyd and other Black Americans by law enforcement have elevated awareness and urgency to address the deep, persistent racial inequities woven throughout our society – including our housing systems. Many of today’s racial disparities are the direct result of discriminatory housing policies that were embedded in public and private sector policies for decades, including racially restrictive covenants, redlining and exclusionary zoning.<sup>12</sup>

The pandemic also has underscored the connection between housing and health. People cannot comply with public health “shelter in place” orders if they do not have a shelter. This is disproportionately the case for Black and indigenous residents who have been shut out of housing opportunities by historic discriminatory policies.<sup>13</sup> Essential workers, who are often disproportionately people of color,<sup>14</sup> face increased risk of contracting the virus, which in turn results in compounded population-level risks since low-wage essential workers are more likely to live in overcrowded and multi-generational households.<sup>15</sup> Now, more than ever, our individual, family and collective health depends on the foundational principle that everyone – especially Black, indigenous, people of color, and other systematically marginalized groups – must have access to an affordable, stable and safe home.

The Bay Area’s housing challenges are not just a big city problem – the suburban and rural parts of the region also face pervasive housing shortages and escalating housing costs. While the specific circumstances of the unmet housing need may vary with geography, all jurisdictions in the Bay Area must step forward to be part of the solution to what is truly a regional problem.





Without a significant increase in the production and preservation of permanently affordable homes, as well as tenant protections, the Bay Area will fail to provide enough accessible, stable, and affordable housing for all current and future residents. Achieving this will require a significant investment of public money. Yet state and federal affordable housing funding has been cut by 82 percent over the last decade, including the dissolution of the state’s redevelopment program.<sup>16</sup> The inadequacy of public investment in housing threatens the quality of life of all Bay Area residents.

Recognizing that “business as usual” is not an option, the Bay Area’s regional governing bodies, the Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC), have pledged to comprehensively address the Bay Area’s chronic affordable housing and displacement crises by committing to an Expanded Regional Housing Portfolio. This is a new cross-sector, collaborative approach to address the housing challenges facing our region through comprehensive, data-driven and equity-focused programs and strategies. This diverse portfolio of housing authorities, tools and programs is led by the single, consolidated staff of MTC and ABAG and their associated entities, collectively known as the “Bay Area Metro” staff.

The centerpiece of Bay Area Metro’s expanded regional housing efforts is the Bay Area Housing Finance Authority (BAHFA). Established in 2019 by Assembly Bill 1487 (Chiu), BAHFA is the first legislatively-approved regional housing finance authority in California that has the potential to raise hundreds of millions of dollars annually through ballot measures and other revenue mechanisms for the entirety of the nine-county Bay Area. BAHFA equips the region with a powerful set of new funding and financing tools to address systemic challenges in the delivery of equitable affordable housing and housing stability.

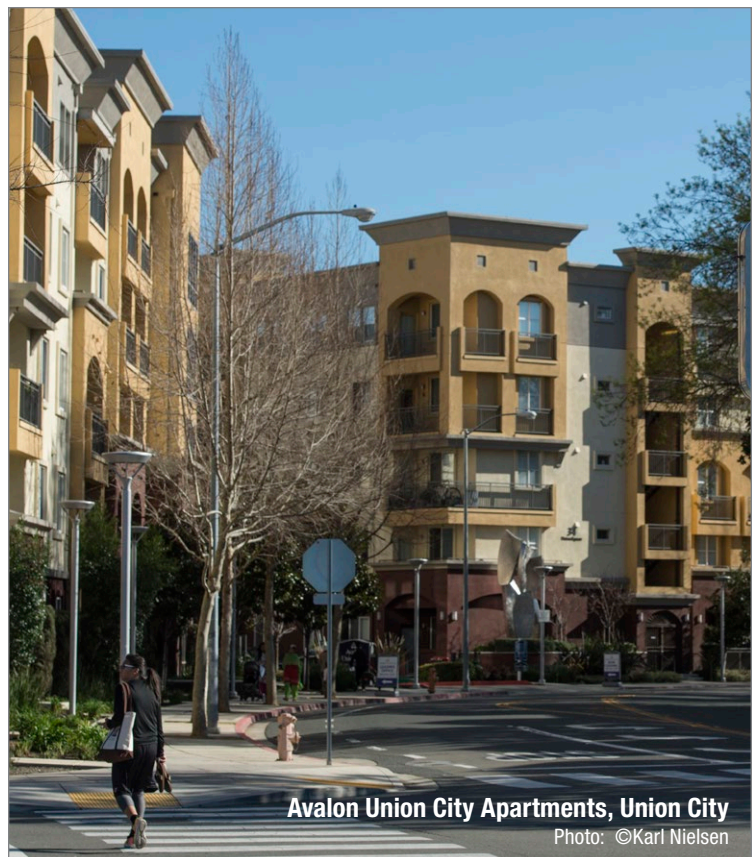
The Expanded Regional Housing Portfolio, anchored by the new tools provided by BAHFA, is a transformational opportunity to grow resources and help coordinate across what currently are disconnected housing delivery systems. The Expanded Regional Housing Portfolio charts a path for a Bay Area where all residents – including Black, indigenous, immigrants and people of color – can thrive while also ensuring that new generations of Bay Area residents can afford to remain in the communities where they grew up. With a regional commitment and new tools to implement this vision, the opportunity is ripe for action.





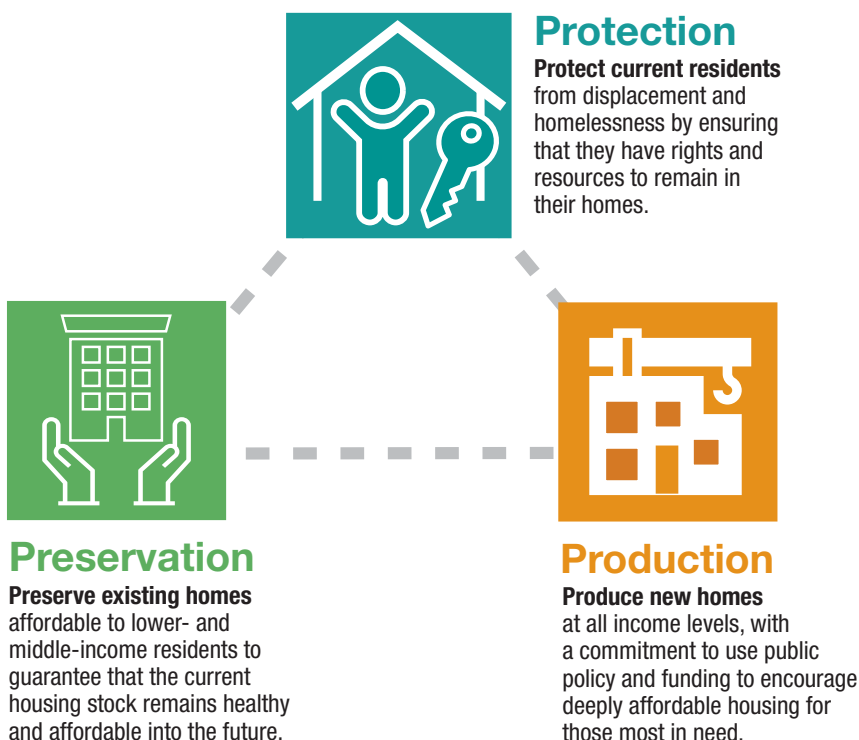
## 2. The Origins of the Expanded Regional Housing Portfolio and BAHFA

In 2018, recognizing the need for bolder action to address the region's housing challenges, MTC and ABAG convened leaders from the public, private and nonprofit sectors to develop a comprehensive set of strategies to tackle the region's affordability and displacement challenges. This process – known as CASA – aimed to identify game-changing solutions to the Bay Area's housing crisis. One of the most critical and lasting contributions of the CASA process is the **"3Ps" framework**, which represents a comprehensive package of housing solutions grouped in three categories: **protection** for current residents to avert displacement; **preservation** of existing housing affordable to lower- and middle-income residents and **production** of new housing at all income levels, especially affordable housing. The final product of the CASA process was the CASA Compact,<sup>17</sup> which outlined 10 actionable and measurable steps, many of which required state legislative action, including creating a regional housing entity that could raise significant new



### The 3 Ps of Housing

The 3Ps framework reflects a comprehensive approach to overcome the Bay Area's housing challenges. It provides a package of solutions that respond to the urgent needs of residents today while also reversing the conditions that cause and perpetuate the crisis. The framework combines protection, preservation and production into complementary and mutually reinforcing strategies that can achieve broad and deep impact that benefits all Bay Area residents.





revenue. CASA estimated a \$2.5 billion annual gap in regional funding for at least the next 15 years.

In 2019, Assemblymember David Chiu authored enabling legislation (AB 1487) to create BAHFA. With ABAG and MTC input and support, the bill was passed by the Legislature and signed into law; BAHFA was legally established on January 1, 2020.

With BAHFA established, Bay Area Metro leadership and housing sector partners pursued placing the first regional housing revenue measure on the ballot in all nine Bay Area counties – targeting the November 2020 election. However, the surge of COVID-19 and the related economic downturn in the spring and summer of 2020 resulted in a decision to delay consideration of a regional ballot measure.



**Lumina Towers, San Francisco**

Photo: ©Gary Pike



**Assemblymember Chiu and others look on as Governor Newsom signs AB 1487 into law.**

Photo: [www.gov.ca.gov](http://www.gov.ca.gov)

Bay Area Metro leadership remains poised to run a regional housing revenue measure at the next viable election opportunity. Even before a regional ballot measure, Bay Area Metro leaders have taken steps to advance the Expanded Regional Housing Portfolio, including developing a governance infrastructure for this collective effort by constituting the BAHFA Board, comprised of the same members as the MTC Commission,<sup>18</sup> as well as forming a new Housing Committee at ABAG.<sup>19</sup> In collaboration with other public and private sector partners, Bay Area Metro policymakers are evaluating a diverse set of opportunities to bring new funds to the region that could supplement a future regional housing measure, including federal and state public funds as well as philanthropic and corporate donations.



### 3. What is the “Expanded Regional Housing Portfolio” and What Can It Offer the Region?

The Expanded Regional Housing Portfolio is rooted in the “3Ps” framework that recognizes the need for a comprehensive suite of protection, preservation and production strategies, all with the goal of preventing homelessness and alleviating housing insecurity. It builds on existing strategies and tools to achieve greater efficiencies, identify gaps in existing approaches, and catalyze innovative regional-scale solutions. It also calls for stronger coordination between ABAG, BAHFA, local jurisdictions, and external stakeholders. With partnership at its core, the Expanded Regional Housing Portfolio is guided by the following principles:



#### **Advance the “3Ps Framework.”**

Ensure BAHFA and the Expanded Regional Housing Portfolio operate within the “3Ps Framework” of protect-

ing current residents, preserving existing housing and producing new affordable housing. This framework should include a focus on the most vulnerable residents, elevating homelessness prevention strategies across the 3Ps by serving those with extremely low incomes.



#### **Equity-Focused Approach.**

Prioritize communities that are most impacted by the region’s affordability crisis, especially low-income communities as

well as Black, Latinx and indigenous populations that are underhoused or unhoused at persistently higher demographic proportions. Without ensuring affordable and stable housing opportunities, systemically marginalized Bay Area residents will lose access to critical resources such as public transportation, health care, jobs, and quality schools—and the region will lose its racial and cultural diversity, as well as its economic edge.



#### **Collaborative, Shared Agency Strategy.**

Pursue a regional housing strategy rooted in a collaborative partnership between ABAG and MTC/BAHFA that

draws upon the strengths of each agency. BAHFA provides an opportunity to strengthen this partnership by formalizing shared decision-making with respect to new regional funding tools. This collaborative strategy gives us a chance to ensure the whole is more than the sum of its parts.



#### **Multi-Sector Partnership Model.**

Cultivate partnerships to deepen impact and spur cross-sector communication to achieve shared goals. Focus on

value-add activities that complement, scale up and/or fill gaps in the efforts of other public sector, philanthropic and private sector endeavors.



#### **Embrace Innovation and Creativity.**

Craft innovative approaches to overcome persistent challenges the region has faced, including creative financ-

ing, pilot programs and a bold vision to achieve measurable impact on housing outcomes.



**Achieve Scale.** Strive for housing strategies that meet the scale of the region’s housing problems, aspiring to truly solve the housing and homelessness crises rather

than mitigating or managing them. Pursue ambitious revenue-generating opportunities.



#### **Ensure Financial**

**Sustainability.** Right-size new programs to available resources to ensure BAHFA and the Expanded Regional Housing

Portfolio proceed in a fiscally responsible way. Work toward a self-sustaining model that bolsters existing staff as program demands increase.





BAHFA is a key pillar of the Expanded Regional Housing Portfolio. It is the first government entity in California established to enable affordable housing funding and financing at a multi-county, regional scale. BAHFA has a unique governance structure designed to ensure cooperation across MTC and ABAG. While the BAHFA Board is comprised of the same members as MTC, the statute requires a double green-light process to obtain approval from both the ABAG Executive Board and the BAHFA Board for many consequential decisions. BAHFA has the power to raise revenue regionally from a variety of sources, including several taxes subject to voter approval, a commercial linkage fee, a general obligation bond, grants or loans from public and private sources, as well as its own revenue-generating activities. BAHFA can deploy resources through a variety of mechanisms, including direct financing of affordable housing production and preservation, supporting tenant protection programs, providing technical assistance to local governments, and collecting regional-scale data.

ABAG, which historically has led regional housing planning activities, will serve as the other key pillar in the Expanded Regional Housing Portfolio. Using ABAG's Advancing California Finance Authority (ACFA), Bay Area Regional Energy Network (BayREN), and other programs and tools, the Expanded Regional Housing Portfolio can deploy a range of finance and technical functions to improve housing affordability across the Bay Area. Existing ABAG and MTC programs are outlined in the Appendix.

# THE BAY AREA HOUSING FINANCE AUTHORITY



## Established by Assembly Bill 1487

(Chiu, 2019), the Bay Area Housing Finance Authority is a central pillar of ABAG and MTC's Expanded Regional Housing Portfolio. BAHFA is the first state-approved regional housing finance authority in California. BAHFA represents a powerful set of tools to raise new revenue as well as coordinate policy and funding across jurisdictions. Launching BAHFA is a critical step to create the infrastructure needed to solve the Bay Area's housing and displacement crises.



## ROLE AND POWERS

- BAHFA's purpose is to raise and deploy funding to produce new affordable housing, preserve existing affordable

housing and protect tenants; provide technical assistance to local jurisdictions; and generate regional data to inform local housing policies and programs.

- BAHFA's laser-focus on the nine-county San Francisco Bay Area gives it a unique ability to tailor financing packages specific to the region's needs.
- BAHFA's role vis-à-vis local governments is to complement and fortify their efforts, supporting increased access to technical expertise and attracting new resources to advance the production and preservation of housing and improve tenant protections.



## GOVERNANCE & ACCOUNTABILITY

- The BAHFA Board is comprised of the same members as MTC. To ensure regional cooperation, BAHFA's enabling

statute requires a double green-light process to obtain approval from both the ABAG Executive Board and the BAHFA Board for many consequential decisions, such as a regional ballot measure.

- AB 1487 requires formation of an advisory committee to provide input and recommendations to BAHFA and the ABAG Executive Board. The advisory committee is comprised of nine experts with knowledge of housing finance, housing preservation and tenant protections.
- BAHFA must outreach to a spectrum of interest groups and use public participation in all formal decision-making.



## REVENUE OPTIONS

- A defining feature of BAHFA is the authority to raise revenue through a ballot measure that would require

two-thirds approval from voters in the nine Bay Area counties. Potential mechanisms include a general obligation bond, a parcel tax and two employer-based taxes — a per-employee "head tax" and a gross receipts tax.

- If voters approve a general obligation bond or parcel tax, BAHFA and ABAG may impose a regional commercial linkage fee on developers that is capped at \$10 per square foot (plus an annual inflation adjustment), though only after conducting a regional nexus study that substantiates the fee.
- BAHFA can receive gifts, fees, grants, loans or other allocations from public and private entities.
- BAHFA can generate revenue through financing products, reinvestment of interest earned, and bond issuance and monitoring fees, as well as other activities.
- By efficiently leveraging all these resource options, BAHFA can generate a self-sustaining business model that provides a reliable funding stream to advance the 3Ps for decades to come.



## SPOTLIGHT: REGIONAL REVENUE MEASURE EXPENDITURES

AB 1487 defines how funds from a regional ballot measure must be allocated:

- County governments will make the vast majority of investment decisions, subject to guidelines issued by the ABAG Executive Board and BAHFA.
- Depending on the revenue source, 50% to 80% of funds will be returned to the county of origin. This leaves a regional pool of 20% to 50% of funds for which BAHFA and the ABAG Executive Board have spending authority.
- For both the county and regional funds, AB 1487 establishes statutory minimum expenditures for each of the 3Ps: at least 52% of funds must be spent on new affordable housing production, at least 15% must be dedicated to preservation, and at least 5% must be spent on tenant protections. The remainder of funds can be flexibly invested based on local and regional needs.





## 4. The Next Phase: Readying the Region for Transformational Change



Photo: ©Karl Nielsen

The goal of the Expanded Regional Housing Portfolio is transformative, systems-level change in housing supply and stability across the Bay Area. To ready the region for this type of change over the next two to four years, Bay Area Metro leadership and private sector partners are committed to three key actions:

### Plan for and Secure New Funding

The Expanded Regional Housing Portfolio must undertake several activities to prepare for significant new capital resources:

- **Determine Timing for a Winning Regional Ballot Measure.** Bay Area Metro staff, in collaboration with partners in the philanthropic, nonprofit and corporate sectors, will monitor the economic and political climate during the coming years to determine the optimal timing for a regional funding measure to be placed on the ballot.
- **Advocate for Additional State and Federal Resources.** While BAHFA provides the Bay Area with a mechanism to raise new revenue regionally, there is a parallel responsibility for Bay Area Metro and housing partners to advocate for significant new state and federal funds to support work across the 3Ps.

- **Develop a Business Plan.** Bay Area Metro and the private sector already have raised \$500,000 to fund a Business Plan that will recommend high-impact housing strategies and financing tools that can be activated once new resources have been secured. The Business Plan also will evaluate the institutional design of a fully resourced BAHFA, identifying the types of expertise and staffing structures necessary to effectively execute large-scale funding programs and provide options to advance the 3Ps in a variety of potential future revenue scenarios.

### Complement and Fortify 3Ps Capacity in Local Governments

The importance of developing the regional infrastructure across all 3Ps cannot be overstated—both within local governments and Bay Area Metro staff. It is critical to recognize the indispensable role of local governments, especially given their ground-level view of housing instability and their authority over land use decisions. However, many local governments struggle with significant staffing challenges in the housing sector. There is a lack of technical expertise across the 3Ps in many of the 101 cities and towns across the region. With the loss of redevelopment, most jurisdictions in the

Bay Area do not have a housing department at all. Even for municipalities with some housing expertise on staff, this expertise is often unevenly distributed across the 3Ps. This problem is particularly acute in the 60+ jurisdictions with fewer than 60,000 residents, which tend to have limited staff overall. Moreover, local housing staff rarely have the opportunity to collaborate with counterparts in other jurisdictions.

The lack of a regionally coordinated network of local housing staff leads to inefficiencies, duplication of effort, and delays in identifying and adopting best practices. In contrast, other local government departments have regional and sub-regional networks that enable knowledge sharing and coordination. For example, most Bay Area counties have regular monthly meetings of local Planning Directors and Public Works Directors. There is no analogous network for local housing staff. Although some jurisdictions have well-functioning housing departments, most cities do not have sufficient funding to provide the staffing levels needed to develop and administer programs that fully meet local needs. Given that AB 1487 directs 50-80 percent of funds from a regional revenue measure to the county of origin to be administered by local staff, this lack of capacity could delay the deployment of future funds.



The role of the Expanded Regional Housing Portfolio vis-à-vis local governments is to **complement and fortify** cities' and counties' efforts, supporting increased access to technical expertise and

attracting new resources to advance local projects and programs that further regional goals.

To promote relationship-building across jurisdictions and develop a space for shared learning, Bay Area Metro staff will begin to convene local housing staff on a quarterly basis. This can serve to identify longer-term technical assistance needs the regional agencies could deliver once new resources are secured. For example, as Bay Area jurisdictions work to implement a series of legislative changes to facilitate development of accessory dwelling units (ADUs), BAHFA could build on successful

local models and develop a regional one-stop shop for ADU resources and disseminate them through a fortified local housing staff network. The regular convenings will aim for participation from all relevant local staff, with particular attention to counties and cities that would receive a direct allocation of funds from a regional revenue measure placed on the ballot by BAHFA.<sup>20</sup>

Developing a cohort of public sector housing staff will yield multiple benefits, including:

- Strengthen cross-jurisdictional relationships;
- Nurture a stronger public-sector housing ecosystem;
- Identify and disseminate best practices and decrease duplicative work;
- Increase regional understanding of local housing challenges, decisions and programs; and
- Develop the foundation for a strong partnership between Bay Area Metro and local housing staff to ensure swift and effective deployment of future regional housing funds.

### Launch Regional Pilot Programs

In advance of anticipated future capital resources, Bay Area Metro will seek to strengthen regional 3Ps capacity through the launch of several pilot projects that can begin immediately. This approach serves several strategic functions. First, rather than simply planning for future transformative impact, the pilot activities will enable the Expanded Regional Housing Portfolio to also make a meaningful difference for Bay Area communities and families today. Second, such projects will establish a proof of concept for a coordinated regional housing strategy that can inspire investment in more ambitious future programs. Finally, strategically selected pilot projects will incrementally build capacity and expertise – both within local housing departments as well as in the regional agencies – to ensure that significant future capital resources can be deployed quickly, efficiently and effectively.





## 5. Regional Pilot Projects and Expected Impact



Paseo Plaza, San Jose  
Photo: ©Martin Klimek

The following early-stage pilot projects would enable Bay Area Metro staff to build in-house capacity across all 3Ps, including affordable housing finance, regulatory compliance, affordable housing preservation, and tenant protection programs. The pilots also present an opportunity to expand new data systems to track and analyze housing data at a regional level to enable data-driven policy and funding decisions. The pilot projects are designed to prepare BAHFA to allocate transformative capital resources with the speed and scale that the problem demands.

In light of COVID-related impacts on MTC's and ABAG's budgets, modest new resources must be secured in the near-term to develop and launch the pilot projects. Bay Area Metro will seek to partner with early investors to provide seed funding for these pilots, which BAHFA will scale as public budgets recover from the impacts of the coronavirus and significant new capital resources are brought to bear.





## PILOT 1: Support the Design and Rollout of a Homelessness Prevention System

**NEED:** Many Bay Area families are struggling to remain in their home or are already experiencing homelessness. The roughly 830,000 people with extremely-low incomes (ELI) are just one emergency away – a sudden medical expense, car repair bill, etc. – from losing their homes and eventually ending up on the streets. While racial disparities exist throughout the housing market, they are especially acute with the unhoused and ELI populations: Black residents are over-represented six-fold in the unhoused population, and ELI and very low-income (VLI) households skew dramatically toward non-white residents. Different racial groups bear a disproportionate burden depending on geography (e.g., 40% of ELI households in San Francisco are Asian, 66% in Napa are Latinx).

While every Bay Area county faces homelessness, there is no regional, coordinated homelessness prevention system.

Instead, homelessness prevention as well as homeless services typically are operated at the county or city level with little coordination across borders. Moreover, most city and county offices are so overwhelmed responding to their existing unhoused populations that they do not have a comprehensive local homelessness prevention system. There is a growing body of evidence-based interventions that have proven effective at preventing homelessness, but the patchwork of local efforts that exist today poses a barrier to widespread adoption of best practices regionwide and the available resources are wholly inadequate to the scale of the challenge.

**APPROACH:** The Regional Impact Council (RIC)<sup>21</sup>, convened by All Home with participation by nearly a dozen ABAG and BAHFA Board and staff members, is engaged in a multi-year, “blue-ribbon” effort to advance bold solutions for homelessness and expand economic/social mobility for people at the lower end of the income spectrum. Leading with a racial equity lens, this multi-sector effort presents a partnership opportunity to help build consensus and identify appropriate roles and responsibilities for new initiatives to end homelessness.

One key new initiative is to design a model multi-county homelessness prevention system. A pilot phase for this initiative would involve three Bay Area counties collaborating to provide targeted, data-informed and coordinated homelessness prevention services to avert at-risk households from experiencing homelessness. Bay Area Metro staff can partner with All Home and RIC stakeholders to support the design of this pilot, leveraging its regional platform and relationships with local governments to facilitate consensus-building and dissemination of best practices, and explore BAHFA’s potential role in implementation of a future regional system.

### IMPACT:

- Develop a coordinated, regional homelessness prevention system that can efficiently deploy existing resources and inspire the investment of significant new resources that can match the scale of the problem.
- Create a pathway towards ending homelessness in the Bay Area, rather than just managing it. Build towards a future where homelessness is a rare, brief and non-recurring condition.



Photo: Getty Images/iStockphoto



Photo: Getty Images/iStockphoto

## PILOT 2 : Strengthen the Regional Rental and Mortgage Assistance Network

**NEED:** Tenant protection programs such as rental and legal assistance are a proven way to keep people housed and avoid homelessness. It is an upstream, cost-effective strategy that can reach more Bay Area residents than downstream housing solutions. With meaningful legal protections, renters cannot be removed without just cause and rents cannot be raised beyond a certain percentage (e.g., the state anti-gouging law caps annual rent increases at 5% plus CPI). There is an acute need for enhanced tenant protection programs as pre-COVID displacement pressures are exacerbated by the economic fallout from the pandemic, with thousands of Bay Area renters at risk of immediate displacement upon the expiration of eviction moratoria. Similarly, many low-income homeowners face the threat of foreclosure. Displacement disproportionately impacts Black, indigenous, and other people of color; people with disabilities; and families with children.

Currently there are no regionwide initiatives that focus on tenant protections at scale or that can provide standardized data across the Bay Area's 109 jurisdictions. While many jurisdictions and organizations have rental and mortgage assistance funds, there is no regional network that can facilitate development of best practices nor are there regional standards for eligibility criteria, data tracking or outcome evaluation. This makes it hard to assess the underlying factors that threaten housing stability (i.e., loss of job, unexpected medical bill, rent increase) and the overall regional impacts of existing programs (i.e., how many households avoided homelessness due to receipt of financial assistance?). Moreover, most local rental assistance programs operate in a separate silo from homelessness services, despite overlap in core activities such as dispensing direct financial assistance.

**APPROACH:** Develop a regional network of rental and mortgage assistance providers to ensure efficient deployment of eligible philanthropic, local, state and federal funds. This could involve regular convenings of local government and nonprofit providers, developing standardized best practices, and facilitating region-wide data collection and evaluation. This approach would dovetail with the regional homelessness prevention system (see Pilot 1) to ensure an integrated, enhanced social safety net to keep residents in their homes and off the streets. This approach also would position Bay Area Metro to partner with the housing sector to advocate at the state and federal levels for systemic and sustainable solutions to the staggering rent debt accumulated during the COVID-induced economic downturn<sup>22</sup>.

### IMPACT:

- Maximize existing public and private resources to prevent displacement of Bay Area residents, especially people of color and other systematically marginalized groups that bear the brunt of the dual threats posed by COVID-19 and the displacement crisis.
- Stabilize communities, especially lower-income communities and communities of color, by ensuring that residents can remain in their homes.
- Case making for significant new federal funding by developing region-wide data that quantifies the need, and the development of a network that can facilitate efficient and effective deployment of any such funds that are secured.





**Savoy Hotel, Oakland**  
Photo: courtesy of Mid-Penninsula Housing

### PILOT 3: Enhance Preservation Financing Tools and Provide Technical Assistance

**NEED:** Several communities in the Bay Area and across the country are embracing affordable housing preservation as an effective strategy to address displacement and homelessness. Also referred to as acquisition-rehabilitation (“acq-rehab”), preservation is the process by which mission-driven nonprofit organizations acquire privately-owned housing occupied by low-income residents to establish long-term affordability and rehabilitate the property as needed to improve habitability.

Preservation aims to break a common displacement pattern: speculative acquisition of an aging building, eviction of the existing residents, renovation of the units, and then renting or selling the property to higher-income and typically whiter new residents. This pattern simultaneously displaces lower-income residents and people of color, and reduces the housing stock affordable to lower-income people.

The threat of speculative displacement is heightened in the current environment as investors have publicly signaled their eagerness to acquire properties, displace tenants and turn huge profits—threatening a repeat of the 2008 foreclosure crisis but now in the multifamily sector.<sup>23</sup>

**APPROACH:** Building upon lessons learned by community-based organizations and public agencies that now operate effective programs and practices<sup>24</sup>, Bay Area Metro can catalyze effective acq-rehab financing tools and build capacity in the preservation ecosystem through the following programs:

- Restructure and coordinate existing regional preservation finance tools, including MTC’s Bay Area Preservation Pilot (BAPP) and ABAG’s Bay Area Regional Energy Network (BayREN), to maximize their impact.
- MTC launched BAPP in 2018 as a revolving loan fund to help mission-driven developers and community-based organizations acquire unsubsidized multifamily housing properties. Seeded by \$10 million in capital from MTC, the BAPP program has achieved limited impact due to the incompatibility of program requirements with shifting market realities. MTC recently made several changes to unlock these funds, including the reduction of a 5:1 leveraging requirement and conversion of some MTC loan funds into permanent subsidy. These revisions will allow BAPP funds to be deployed more swiftly to a more diverse set of projects across a larger geography during this critical time. This also will transition MTC/BAHFA into a role

of overseeing regulatory agreements for the first time, providing a unique opportunity to develop in-house expertise in long-term compliance monitoring and serving as a valuable test run for wider-scale permanent financing programs once BAHFA secures more significant resources.

- Prospective projects that come through BAPP for acquisition financing can be connected to ABAG's BayREN program, which offers rebates, grants and technical assistance to support energy and water conservation upgrades that lower utility costs by as much as 25% in aging apartments. Because BayREN can cover some upfront rehabilitation costs and reduce long-term operating costs, expanding the use of BayREN in combination with BAPP could make economically feasible some preservation projects that otherwise may not pencil, and allow for deeper

income-targeting to serve lower-income residents. With BAPP and BayREN under one roof, the Expanded Housing Portfolio could unlock new and more effective preservation deals.

- Develop a housing preservation technical assistance program to support mission-driven organizations engaged in preservation efforts at the local level. This program could be integrated with ABAG's REAP-funded Housing Technical Assistance Program, which takes a collaborative approach to support localities with housing planning and policy development. Bay Area Metro staff could set up two regional collaboratives, one for local jurisdictions looking to implement preservation policies and programs, and another for developers and community-based organizations pursuing acq-rehab projects. The purpose of each collaborative would be to both create a forum for shared learning and partnership among members and to provide tailored technical assistance to each member. This model would empower mission-driven nonprofits to employ best practices across the region and achieve economies of scale through the pooling of resources. The housing preservation technical assistance program also could offer organizational capacity grants that prioritize BIPOC-led organizations to support their staff with predevelopment activities, such as pre-acquisition building inspections and resident outreach.

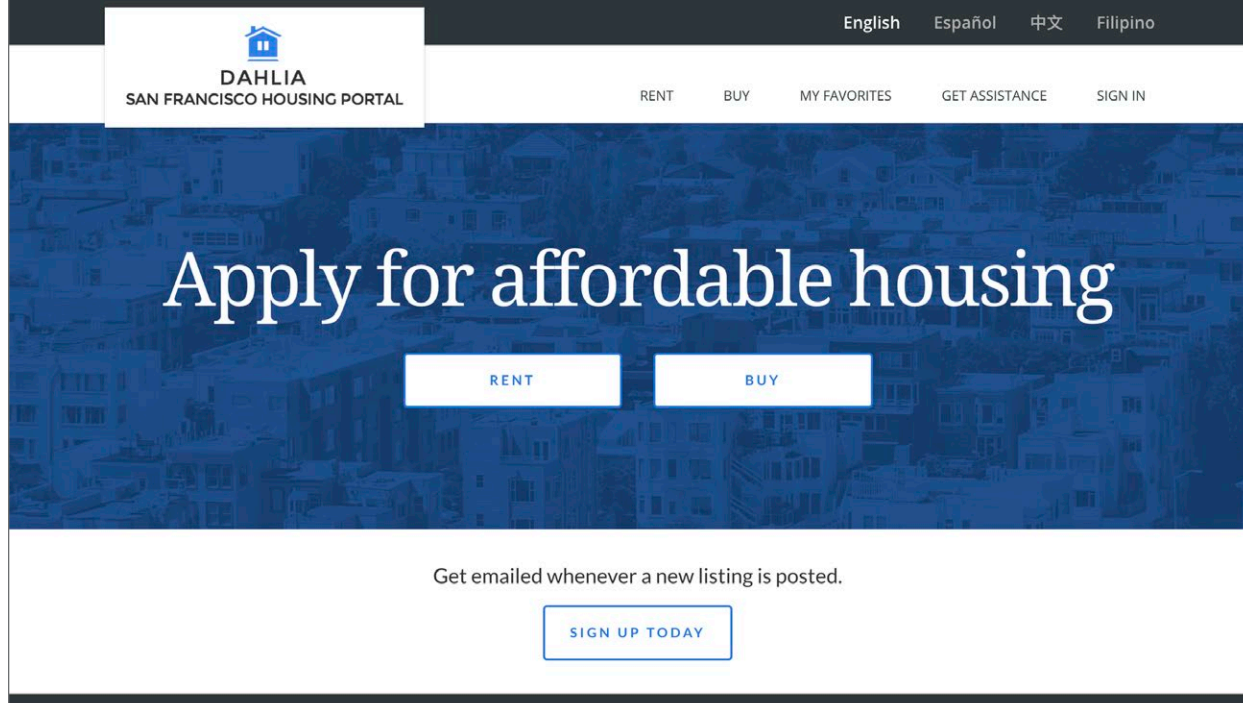
### IMPACT:

- Stabilize communities, especially lower-income communities and communities of color, by ensuring that more of the existing housing stock remains permanently affordable.
- Build capacity so that preservation becomes a more common strategy among affordable housing practitioners and agencies.
- Provide opportunities for lower-income communities and communities of color to build stability through innovative ownership models (land trusts, limited equity co-ops, etc.).



**Fatigued duplex, Piedmont**  
Photo: Michele Stone, MTC





#### PILOT 4: Support a Regional Affordable Housing Application Platform (“Doorway”)

**NEED:** Over decades, tens of thousands of affordable homes have been developed and managed by non-profit, mission-driven housing developers in the Bay Area. Many of these nonprofits serve specific neighborhoods and communities, and provide a range of services from small business development to youth programming. However, the process for lower-income residents to access these affordable homes is complex and uncoordinated. Time-strapped, low-income residents are forced to submit separate (usually paper) applications to each housing development, and identifying which developments are accepting applications can be a full-time job. Residents often must complete dozens of repetitive applications just to face a handful of over-subscribed waiting lists.

Similarly, affordable housing developers and property managers must each “reinvent the wheel” to ensure they comply with fair housing laws at a property-by-property level. Furthermore, jurisdictions seeking to develop local preferences in tenant selection to advance anti-displacement and racial justice goals typically do not have the technology to swiftly implement policies in accordance with complex fair housing rules.

**APPROACH:** Modeled on San Francisco’s city-wide, coordinated affordable housing search and application platform (DAHLIA), which centralizes available affordable housing opportunities and offers a universal application, several additional jurisdictions have begun to expand this platform to other parts of the region through an initiative called “Doorway.” The Expanded Regional Housing Portfolio could include a partnership with Doorway to expand this platform regionwide.

#### IMPACT:

Drastically improve how affordable housing seekers search and apply for opportunities and make access to opportunities more equitable:

- Ease the administrative burden on housing-seekers and property managers.
- Overcome persistent equity barriers to affordable housing that favor those with time and skills to navigate the complex existing system.
- Facilitate development and deployment of local preference policies that can target available housing resources to achieve racial equity goals.
- Develop robust data on the housing needs of various populations and geographies to inform regional funding priorities.





## PILOT 5: Build and Maintain a Regional Affordable Housing Pipeline Database

**NEED:** The Bay Area is fortunate to have one of the most sophisticated and robust affordable housing sectors in the country, producing and preserving hundreds of affordable homes a year. These affordable housing developers, including land trusts and public housing authorities, have many projects in the early stages of development that need gap funding to reach completion. In the Bay Area, there are over 310 pre-construction affordable housing projects in the pipeline that would provide approximately 25,750 homes. Of these, an estimated 200 projects totaling approximately 16,700 units require gap funding to proceed — though the precise numbers are unknown due to insufficient data. To comprehensively address the regional affordable housing crisis, it is critical to develop a reliable understanding of the project pipeline that captures both new construction and preservation, and identifies the funding gap for the pipeline of projects.

Additionally, the current financing system for affordable housing is complex and uncoordinated, requiring developers to piece together financing from many sources. An affordable housing pipeline database would improve efficiency of the entire system by increasing predictability as well as helping to prioritize local, regional and state funding.

**APPROACH:** Create a regularly updated affordable housing pipeline database that includes units in early development (predevelopment) and those in later stages of development (entitled, funding and tax credits secured). Creating the pipeline requires primary data

collection from public and private sources, including state funding programs, local jurisdictions, community development finance institutions and developers. The affordable housing pipeline could be coordinated with existing databases managed by Bay Area Metro staff, including the housing pipeline and permit data from the Annual Progress Reports (APRs) submitted by local jurisdictions to the California Housing and Community Development Department.

### IMPACT:

- Case making for transformative new affordable housing funding by quantifying the financing gap. Build support for a regional ballot measure, as well future state and federal funding.
- Increase the impact of existing affordable housing funding by improving efficiencies in the affordable housing finance system.
- Encourage analysis of barriers and opportunities for affordable housing development with the ability to analyze data based on multiple factors: geography, type of housing (e.g., senior vs. extremely low income vs. multifamily, etc.), and phase of the development process.
- Inform funding priorities for future capital resources.
- Spur coordination and management of regional affordable housing developments, which may lead to a regional queue for tax credits and bonds that could further increase efficiencies and cost-savings.



## 6. Conclusion

The Bay Area faces a complex set of interconnected challenges, with housing at the center. COVID-19, more frequent and severe wildfires driven by a changing climate, and increasing public consciousness of racial justice have only made it clearer that we need our systems to work better — especially our housing systems. Housing is not only at the center of the Bay Area’s challenges, it must also be at the center of our solutions. This moment presents an opportunity to advance new housing policies that transform the region into a more equitable and prosperous place for current and future generations of Bay Area residents.



Merritt Crossing  
Housing, Oakland  
Photo: ©Tim Griffith

ABAG’s and MTC’s launch of the Expanded Regional Housing Portfolio is a critical step in this direction. Spurred by the establishment of the Bay Area Housing Finance Authority, this new initiative has the potential to overcome structural challenges that have stood in the way of providing stable, safe, affordable housing to people across the entire Bay Area. Launching BAHFA and its embedded ABAG partnership within the Expanded Regional Housing Portfolio is a once-in-a-generation opportunity. This Concept Paper establishes a framework and identifies actionable next steps designed to ready the region to seize this opportunity. By preparing for and securing significant new resources, fortifying local government capacity, and investing in regional pilots to build Bay Area Metro staff’s capacity across the 3Ps, the Expanded Regional Housing Portfolio will deliver bold regional housing outcomes. Taken together, these new activities can catalyze transformative, systems-level change that can be scaled upon the receipt of new resources.

Success in a venture of this magnitude will require an alliance

of cross-sector partners willing to come together to invest significant financial and political capital. By jointly launching the Expanded Regional Housing Portfolio and sharing governance of the Bay Area Housing Finance Authority, ABAG and MTC are leading through partnership. During the coming months and years, we hope to strengthen the Expanded Regional Housing Portfolio through collaboration with public and private sector partners, including local, state and federal agencies as well as nonprofit and community-based organizations and philanthropic and corporate partners.

Investing in housing is an investment in the quality of life for everyone in the region, especially the next generation. Housing is foundational to the success of our region—paying dividends in community health and wellness, economic competitiveness and a vibrant workforce, as well as access to opportunity for all Bay Area residents, especially those that historically have been left behind. With a robust multisector partnership and new tools to tackle our collective housing challenges, the Expanded Regional Housing Portfolio can pave the way for a more affordable, more equitable and more vibrant Bay Area.



## Appendix: ABAG and MTC's Existing Housing Programs

Bay Area Metro staff will work to integrate new initiatives launched as part of the Expanded Regional Housing Portfolio with existing MTC and ABAG programs to ensure administrative efficiencies and to support a coordinated and comprehensive regional housing strategy.

Existing ABAG and MTC programs include:

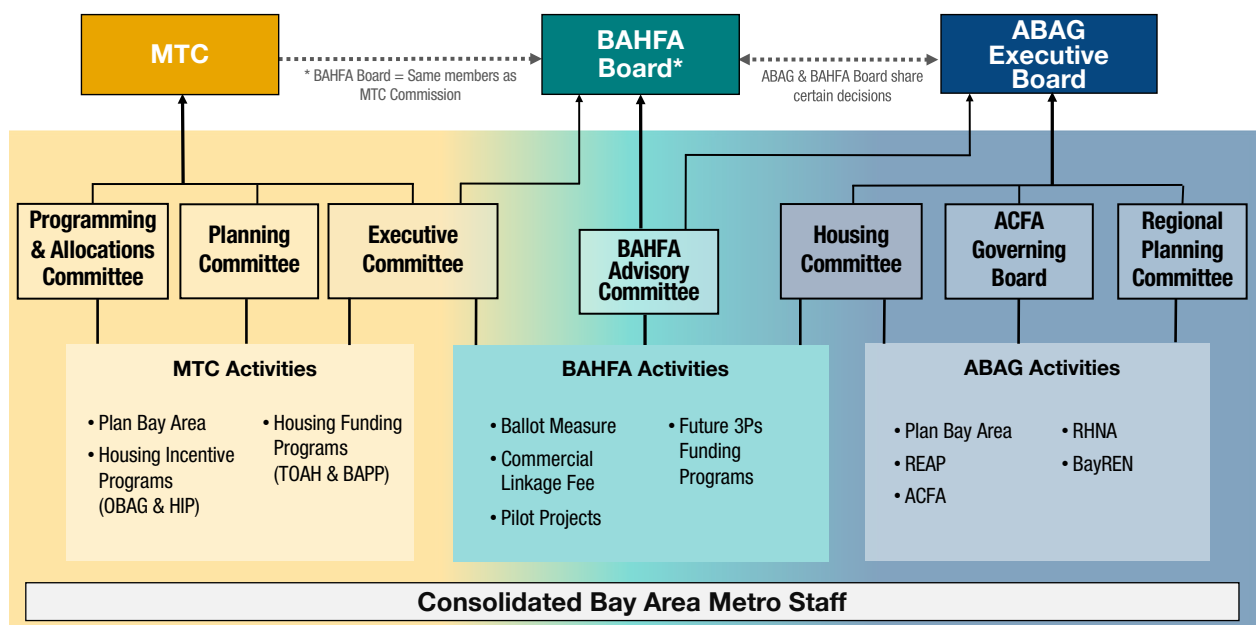
### Plan Bay Area

Housing is a central focus of the region's long-range plan that seeks to make the Bay Area more affordable, connected, diverse, healthy, and vibrant. The forthcoming **Plan Bay Area 2050** reflects the regional agencies' commitment to housing by treating it like public infrastructure that is essential to meet our regional goals, including climate goals. Starting with a recognition that housing is a human right, Plan Bay Area 2050's "Final Blueprint" advances forward-thinking housing strategies across all 3Ps. These include strengthening renter protections beyond existing state law, fostering the preservation ecosystem through tailored policies and resources for community land trusts and other innovative forms of homeownership that can close the racial wealth gap, as well as

context-specific land use and zoning reform to enable the production of new homes at all income levels. The Final Blueprint's strategies are complemented by catalytic new investments, including \$7 billion for anti-displacement services; \$237 billion for housing preservation; and \$219 billion for new affordable housing production. The Final Blueprint's strategies and investments would enable the Bay Area to guarantee that every lower-income resident has a deed-restricted affordable home by 2050.

The vision set forth in Plan Bay Area 2050 reflects the type of transformational change that MTC and ABAG seek to inspire through BAHFA and the Expanded Regional Housing Portfolio. Achieving this vision will require collaboration between federal, state, and local governments. The Implementation Plan for Plan Bay Area 2050, anticipated in summer 2021, provides an opportunity to align Bay Area Metro's long-range housing planning activities with action-oriented programs in the Expanded Regional Housing Portfolio while also identifying public and private sector partnerships that will be critical to the Plan's success.

## Regional Housing Governance Relationship





## Regional Housing Needs Allocation (RHNA)

As the Council of Governments for the Bay Area, ABAG every eight years is required to develop a RHNA Methodology that **allocates state-mandated expected growth at the jurisdictional level** and across the income spectrum. ABAG is now developing the RHNA Methodology for the 2023-2031 planning period. The state Department of Housing and Community Development (HCD) assigned the Bay Area a total of 441,176 housing units that must be planned during this period, which is 235% of the number assigned for the prior period. Additionally, new state law requires that the RHNA Methodology for the 2023-2031 period **“affirmatively further fair housing” (AFFH)** to overcome patterns of segregation and foster inclusive communities.

To help develop the RHNA Methodology, ABAG formed a 38-member **Housing Methodology Committee** that included local elected officials, local planning and housing staff, as well as regional stakeholders representing diverse perspectives. The committee deliberated for more than a year and provided a recommendation adopted by the ABAG Executive Board in January 2021 as the **Draft RHNA Methodology**. The Draft Methodology incorporates Plan Bay Area 2050 by using the Final Blueprint as a baseline and then making adjustments to direct more housing to areas of high opportunity with the best access to jobs. Additionally, to comply with the new AFFH requirement, the Draft Methodology includes an “equity adjustment” that ensures all communi-

ties plan for their fair share of affordable housing. ABAG will submit the Draft Methodology to HCD for review and then open an appeals period in summer 2021. ABAG expects to finalize the allocations for Bay Area cities and counties by the end of 2021. BAHFA and the Expanded Regional Housing Portfolio can help jurisdictions meet their RHNA targets by providing resources and technical assistance so local plans actually result in more homes, especially for lower-income residents.

## Regional Housing Technical Assistance Program

ABAG in 2020 initiated a new **Regional Housing Technical Assistance Program** to support Bay Area cities and counties with local planning and housing policy development using \$24 million in one-time funds from the FY 2019-20 state budget (otherwise known as a Regional Early Action Planning Grant or REAP). The initial focus of the program is to **help local governments adopt compliant Housing Elements** to implement the upcoming RHNA cycle. During the next several years, the program will assist local jurisdictions with efforts to meet a variety of state housing requirements, including meaningful community engagement regarding local housing plans, a new mandate for local governments to “affirmatively further fair housing,” and potential amendments to local zoning rules to accelerate housing production. The Regional Housing Technical Assistance Program is in development and thus provides a prime opportunity for integration with the Expanded Regional Housing Portfolio.



## Advancing California Finance Authority (ACFA)

As a project of ABAG, ACFA **provides secure, low-cost conduit financing** to public agencies and their partners in the Bay Area. Since 1978, ACFA and its predecessor agency, the Finance Authority for Nonprofits (FAN), have provided \$8 billion in low-cost investment capital. While ACFA can help to meet the capital financing needs for a variety of public infrastructure projects including hospitals, transit systems and schools, historically its focus has been on the production and preservation of affordable housing through direct access to municipal bond markets.

## Housing Funding Programs

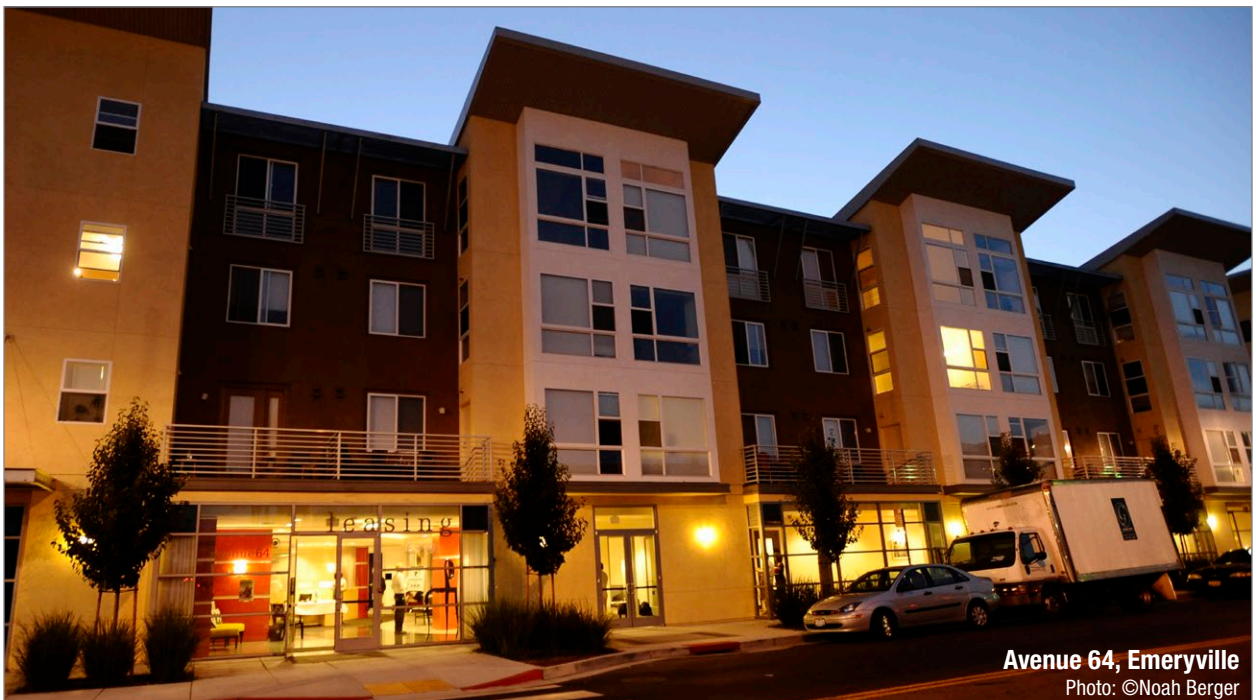
MTC has devoted significant resources directly into housing through the **Transit-Oriented Affordable Housing (TOAH)** and **Bay Area Preservation Pilot (BAPP)** funds. An investment of \$20 million by MTC has leveraged significant private capital to grow the TOAH fund to \$50 million and the BAPP fund to \$49 million. These funds provide favorable terms for acquisition loans to build new affordable housing and to preserve existing affordable housing in transit-connected locations.

## Housing Incentive Programs

MTC over the last several years has incentivized housing production through various funding programs. The **One Bay Area Grants (OBAG)** program has disbursed hundreds of millions of transportation dollars to counties using a formula that rewards jurisdictions that plan and produce a significant share of the region's housing needs. OBAG also conditions transportation funds on local jurisdictions' compliance with several state housing laws. As part of the OBAG program, the **Housing Incentive Pool (HIP)** is a set aside of transportation funds to be awarded to 15 jurisdictions that produce and preserve the most affordable housing during a five-year period.

## Bay Area Regional Energy Network (BayREN)

As a project of ABAG, BayREN offers **energy and water savings programs for single- and multi-family housing** across the region. BayREN's Multifamily Program offers property owners free technical assistance and rebates of \$750 per unit for improvements that create monthly energy savings of 15% or more. To date, 37,130 units have benefited from this program, receiving \$27,847,500 in rebates. BayREN's new Water Upgrades Saves Program, in its pilot phase, reduced multi-family housing water usage by 15-25%.



Avenue 64, Emeryville  
Photo: ©Noah Berger

# Endnotes

- 1 The following data on the Bay Area refers to the nine-county San Francisco Bay Area (Alameda County, Contra Costa County, Marin County, Napa County, San Francisco City and County, San Mateo County, Santa Clara County, Solano County, Sonoma County), unless otherwise specified.
- 2 California Housing Partnership analysis of 2018 PUMS data.
- 3 Shortfall of homes affordable and available to “very low-income” (<50% of Area Median Income) and “extremely low-income” (<30% of Area Median Income) households.
- 4 “Cost burdened” is defined as a household that spends more than 30% of its gross income on housing costs.
- 5 “Severely cost burdened” is defined as a household that spends more than 50% of its gross income on housing costs.
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- 7 Policy Link, the San Francisco Foundation, and the USC Program for Environmental and Regional Equity. Bay Area Equity Atlas. <https://bayareaequityatlas.org/indicators>.
- 8 Yelen, James. “Preserving Affordability, Preventing Displacement: Acquisition-Rehabilitation of Unsubsidized Affordable Housing in the Bay Area.” Enterprise Community Partners. 2020.
- 9 Analysis of 2015 Urban Displacement Project data available for download here: <https://www.urbandisplacement.org/map/sf>.
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See also Rothstein, Richard. *The Color of Law: The Forgotten History of How Our Government Segregated America*. New York: Liveright Publishing Corporation. 2017.
- 13 “Bay Area Homelessness: A Regional View of a Regional Crisis.” Bay Area Council Economic Institute. April 2019. <http://www.bayareaeconomy.org/files/pdf/BayAreaHomelessnessReport.pdf>.
- 14 Racial and ethnic minorities are overrepresented in some essential work settings such as healthcare facilities, farms, factories, grocery stores, and public transportation. U.S. Bureau of Labor Statistics. “Labor force characteristics by race and ethnicity, 2018. 2019. <https://www.bls.gov/opub/reports/race-and-ethnicity/2018/home.htm>.
- 15 Dougherty, Conor. “12 People in a 3-Bedroom House, Then the Virus Entered the Equation.” *The New York Times*. August 1, 2020. <https://www.nytimes.com/2020/08/01/business/economy/housing-overcrowding-coronavirus.html>.
- 16 California Housing Partnership. “The Bay Area’s Housing Emergency Update.” December 2019. <https://chpc.net/resources/bay-area-housing-need-update/>.
- 17 CASA Compact. December 2019. [https://mtc.ca.gov/sites/default/files/CASA\\_Compact.pdf](https://mtc.ca.gov/sites/default/files/CASA_Compact.pdf).
- 18 By statute, the governing Board for BAHFA is comprised of the same members as the MTC Commission, and MTC/ABAG staff serve as staff for BAHFA. References to “BAHFA” in the balance of this paper reflect this relationship between BAHFA and MTC.
- 19 ABAG and MTC. “Agencies Take New Steps to Solve Bay Area Housing Problems.” June 24, 2020. <https://abag.ca.gov/news/agencies-take-new-steps-solve-bay-area-housing-problems>.
- 20 Generally, AB 1487 requires that 80% of funds from a regional ballot measure return to the county of origin, except for a regional “head tax” that would require 50% of funds to return to the county of origin. For larger cities or cities that receive a significant share of their county’s housing needs, the statute gives such cities the option to accept a direct allocation rather than from the county where they reside. San Francisco, Oakland and San Jose are eligible for direct allocation. In other counties, a city that receives more than 30% of the county’s RHNA for lower-income households may receive a direct allocation upon request. Under the 5th RHNA cycle for 2015-2023, cities that exceed this 30% threshold include Fairfield, Napa, San Rafael and Santa Rosa.
- 21 More information available at <https://www.allhomeca.org/regional-impact-council/>.
- 22 While estimates of COVID-related accumulated rent debt vary, nearly all identify an order of magnitude in the billions of dollars. One study prepared for the National Council of State Housing Agencies estimated that by January 2021 California renters would owe between \$3.7 and \$5.6 billion of back rent. Stout Risius Ross, LLC. “Analysis of Current and Expected Rental Shortfall and Potential Evictions in the U.S.” September 25, 2020. [https://www.ncsha.org/wp-content/uploads/Analysis-of-Current-and-Expected-Rental-Shortfall-and-Potential-Evictions-in-the-US\\_Stout\\_FINAL.pdf](https://www.ncsha.org/wp-content/uploads/Analysis-of-Current-and-Expected-Rental-Shortfall-and-Potential-Evictions-in-the-US_Stout_FINAL.pdf). A study by the Federal Reserve Bank of Philadelphia estimates accumulated California rent debt by December 2020 at nearly \$1.7 billion. Reed, Davin; and Divringi, Eileen. “Housing Rental Debt During COVID-19” Federal Reserve Bank of Philadelphia. October 2020. <https://www.philadelphiafed.org/-/media/frbp/assets/community-development/reports/household-rental-debt-during-covid-19.pdf>.
- 23 Putzier, Konrad; and Grant, Peter. “Real-Estate Investors Eye Potential Bonanza in Distressed Sales.” *The Wall Street Journal*. April 7, 2020. <https://www.wsj.com/articles/real-estate-investors-eye-potential-bonanza-in-distressed-sales-11586260801>.
- 24 Ellen, Ingrid Gould; Graves, Erin; O’Regan, Katherine; and Schuetz, Jenny. “Using a Down Market to Launch Affordable Housing Acquisition Strategies.” Brookings Institute. July 2020. <https://www.brookings.edu/research/using-a-down-market-to-launch-affordable-housing-acquisition-strategies/>.

# Bay Area Housing Finance Authority/ Metropolitan Transportation Commission

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**Vacant**

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(Mayor's Appointee)

**Vacant**

San Mateo County Board  
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**Vacant**

Cities in the County  
of Sonoma

**Jayne Battey,****Advisory Member**

Board Member, San  
Francisco Bay Regional  
Water Quality Control Board





**Station Center Apartments, Union City**

Photo: ©Bruce Damonte, courtesy of Mid-Penninsula Housing





ASSOCIATION OF BAY AREA GOVERNMENTS  
METROPOLITAN TRANSPORTATION COMMISSION



## Bay Area Metro Center

375 Beale Street, Suite 800  
San Francisco, CA 94105  
415.778.6700

[www.bayareametro.gov](http://www.bayareametro.gov)





March 19, 2021

The Honorable Nancy Skinner  
Chair, Senate Budget & Fiscal Review Committee  
State Capitol, Room 5019  
Sacramento, CA 95814

The Honorable Anna M. Caballero  
Chair, Senate Budget Subcommittee #4  
State Capitol, Room 5052  
Sacramento, CA 95814

The Honorable Philip Y. Ting  
Chair, Assembly Budget Committee  
State Capitol, Room 6026  
Sacramento, CA 95814

The Honorable Wendy Carrillo  
Chair, Assembly Budget Subcommittee #3  
State Capitol, 4167  
Sacramento, CA 95814

**RE: Budget Request: \$18.5 Million to Support Bay Area Affordable Housing Pilot Programs**

Dear Senator Skinner, Senator Caballero, Assemblymember Ting and Assemblymember Carrillo:

As you well know, the Bay Area's housing crisis isn't just a San Francisco problem, an Oakland problem, a Silicon Valley problem, or a North Bay problem; it's a regional crisis that requires regional coordination and resources to make change at scale. This was the rationale for the establishment of the Bay Area Housing Finance Authority (BAHFA) by AB 1487 (Chiu, Chapter 598) in 2019. The bill authorizes BAHFA—which is jointly governed and staffed by the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) - to provide technical assistance and coordination to local jurisdictions to meet their housing needs and enables regional ballot measures to help fund housing affordability and stability across the 3Ps of tenant **protection, production, and preservation**.

We, the undersigned members, support the request by MTC and ABAG for BAHFA to receive \$18.5 million in general fund monies in this year's FY 2021-22 State Budget. This modest amount of one-time funding is a small down payment that will pay significant dividends in just a few years. While BAHFA had hoped to place a measure on the ballot last November, the pandemic caused voter support to fall below the two-thirds margin necessary for a successful regional housing measure. As a result, the Bay Area may have to wait until 2024 before voters will have the opportunity to approve significant new housing funds regionwide.

Despite this delay, there is an opportunity right now to empower the Bay Area to break ground on the transformative regional housing approach made possible with BAHFA. MTC and ABAG have identified five pilot programs that will enable the region to address urgent housing challenges facing Bay Area residents, such as the risks of displacement due to rent increases, while helping to ready the region to effectively and equitably deploy significant capital from a future regional ballot measure. A seed investment of \$18.5 million to launch the five pilot programs will work to sustain the momentum of grassroots support and philanthropic interest in BAHFA and begin to develop the programs and strategies that will ultimately be funded by a regional measure. The program could be funded by a modest contribution from the General Fund or other funding sources available for affordable housing. These five pilot projects are:

1. **Doorway – online platform to connect residents to opportunities for affordable homes across the region (\$5.3 million).** Through a coordinated regional housing online portal, Doorway will result in a simple and equitable way for residents to find and apply for affordable homes throughout the Bay Area – replacing an archaic project-by-project, paper-application system that exists in most of the region today. This tool will also provide useful data to inform effective housing policies and practices, such as local preference policies, and attract additional resources for affordable homes.
2. **Affordable Housing Pipeline – database to track the production and preservation of affordable homes (\$2 million).** Real-time data will allow the region to quantify the number of affordable homes in all stages of development and estimate the gap funding need across the nine Bay Area counties. The database will allow the region to develop a detailed financing strategy to most efficiently unlock 25,650 affordable homes that can house over 352,000 individuals and families for decades to come.
3. **Affordable Housing Preservation Strategy – financing and technical assistance to support and scale anti-displacement efforts (\$3.4 million), plus \$5 million in capital funding for property acquisition (Total \$8.4 million).** To help stop the rampant displacement and gentrification that has been displacing low-income, black, Indigenous and people of color communities, BAHFA will restructure and expand existing regional preservation finance tools for greater impact to help hundreds of Bay Area families remain in their homes and communities. BAHFA will also pilot preservation technical assistance collaboratives in partnership with local jurisdictions and community-based organizations pursuing acquisition-rehabilitation projects. With \$5 million in capital funding, BAHFA will be able to preserve existing affordable housing directly and apply this experience to the development of regional preservation financing tools.
4. **Rental Assistance Network – coordination and best practices for effective deployment of rental assistance (\$1.4 million).** BAHFA will develop a regional network of rental and mortgage assistance providers to deploy funds more efficiently and effectively. By developing standardized regional best practices and encouraging regionwide data collection and evaluation, BAHFA will ensure that Bay Area residents in greatest need of financial support to remain in their homes can better access the resources they need. This pilot will dovetail with the regional homelessness prevention system and position BAHFA as a nexus



March 19, 2021

Page 3

between the rental assistance and homelessness prevention networks to promote an integrated, enhanced social safety net to keep residents in their homes and off the streets.

5. **Homelessness Prevention System – integrated resources and services to keep people housed (\$1.4 million).** The Regional Homelessness Prevention System Pilot is an effort now underway to design and implement a coordinated homelessness prevention strategy across the Bay Area. This effort is currently led by the nonprofit All Home, with BAHFA joining as a partner to design the program. The pilot will unlock new opportunities to attract and leverage private funds and leverage state and federal funds to keep Californians housed.

To summarize, we request your support for this modest appropriation of \$18.5 million in funds for the five pilot projects described above. Collectively, these projects will help address the Bay Area's immediate affordable housing displacement challenges, coordinate the work of our 109 cities and nine counties across the 3Ps, and build the data tools and technical capacity at BAHFA so it can help create a future in the Bay Area where every resident has access to a safe, stable and affordable home. If you have any questions regarding this request, please contact Krista Pfefferkorn in Senator Wiener's office at (916) 806-0506.

Sincerely,



**Scott Wiener**  
Senator, 11<sup>th</sup> District



**David Chiu**  
Assemblymember, 17<sup>th</sup> District



**Kevin Mullin**  
Assemblymember, 22<sup>nd</sup> District



**Robert Rivas**  
Assemblymember, 30<sup>th</sup> District



**Ash Kalra**  
Assemblymember, 27<sup>th</sup> District



**Bill Quirk**  
Assemblymember, 20<sup>th</sup> District



**Marc Berman**  
Assemblymember, 24<sup>th</sup> District



**Buffy Wicks**  
Assemblymember, 15<sup>th</sup> District

March 19, 2021

Page 4

A handwritten signature in black ink, appearing to read "Josh Becker". The signature is fluid and cursive, with the first name "Josh" and last name "Becker" clearly distinguishable.

**Josh Becker**  
Senator, 13<sup>th</sup> District

A handwritten signature in black ink, appearing to read "Dave Cortese". The signature is cursive, with "Dave" and "Cortese" written in a flowing style.

**Dave Cortese**  
Senator, 15<sup>th</sup> District

A handwritten signature in blue ink, appearing to read "Rob Bonta". The signature is cursive, with "Rob" and "Bonta" written in a clear, flowing script.

**Rob Bonta**  
Assemblymember, 18<sup>th</sup> District



The Honorable Nancy Skinner  
Chair, Senate Budget & Fiscal Review Committee  
State Capitol, Room 5019  
Sacramento, CA 95814

The Honorable Phil Ting  
Chair, Assembly Budget & Fiscal Review Committee  
State Capitol, Room 127  
Sacramento, CA 95814

RE: Budget Request: \$18.5 Million to Support Bay Area Affordable Housing Pilot Programs

Dear Senator Skinner & Assemblymember Ting:

The Bay Area Housing For All (BAHA) is a diverse coalition of Bay Area organizations, elected officials, and private sector partners who have come together to ensure we seize this critical moment and address the affordable housing crisis by securing the funding necessary to fill the affordable housing gap throughout our region.

As you well know, the Bay Area's housing crisis isn't just a San Francisco problem, an Oakland problem, a Silicon Valley problem, or a North Bay problem; it's a regional crisis that requires regional coordination and resources to make a change at scale. This was the rationale for the establishment of the Bay Area Housing Finance Authority by AB 1487 (Chiu) in 2019. The bill authorizes BAHFA—which is jointly governed and staffed by the Metropolitan Transportation Commission and the Association of Bay Area Governments—to provide technical assistance and coordination to local jurisdictions to meet their housing needs and enables regional ballot measures to help fund housing affordability and stability across the 3Ps of tenant **protection**, **production**, and **preservation**.

We, the undersigned members of the Bay Area Housing for All (BAHA) coalition, support the request by MTC and ABAG for \$18.5 million in this year's FY 2021-22 State Budget. While we are aware that the current surplus in the General Fund is considered one-time in nature, this modest amount of funding is a small down payment that will pay significant dividends in just a few years. While BAHFA had hoped to place a measure on the ballot last November,



the pandemic moved voter support short of the two-thirds margin necessary for a successful regional housing measure. As a result, the Bay Area may have to wait until 2022 or 2024 before voters will have the opportunity to approve significant new housing funds regionwide.

Despite this delay, we can empower the Bay Area to break ground on the transformative regional housing approach made possible with BAHFA, today. MTC and ABAG have identified five pilot programs that will enable the region to address urgent housing challenges facing Bay Area residents, such as the risks of displacement due to rent increases while helping to ready the region to effectively and equitably deploy significant capital from a future regional ballot measure. A seed investment of \$18.5 million to launch the five pilot programs will work to sustain the momentum of grassroots support and philanthropic interest in BAHFA and begin to develop the programs and strategies that will ultimately be funded by a regional measure. The program could be funded by a modest contribution from the General Fund or other funding sources available for affordable housing.

Sincerely,

Non-Profit Housing Association of Northern California (NPH)  
Enterprise Community Partners  
All Home  
San Francisco Foundation  
The City of Oakland  
The City of San Jose  
MidPen Housing Corporation  
Burbank Housing  
The San Francisco Housing Accelerator Fund  
SPUR  
Housing Leadership Council of San Mateo County  
SV@Home  
Silicon Valley Community Foundation  
Chan Zuckerberg Initiative  
Monument Impact  
East Bay Housing Organizations (EBHO)  
Bay Area Council  
Council of Community Housing Organizations (CCHO)  
Northern California Land Trust  
California YIMBY  
Public Advocates  
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Tech Equity  
Generation Housing  
TransForm  
Destination Home  
Housing Choices  
Working Partnerships USA  
East Bay Asian Local Development Corporation (EBALDC)



## Breaking Ground on a Transformative Regional Housing Approach Seizing the Opportunity of the Bay Area Housing Finance Authority

**When we look ahead to the Bay Area in 20 or even 30 years, we see a region restructured to work for all people.** A region where a living wage provides a stable, decent, home for every resident who contributes to the economy, culture, and beauty of the Bay Area. A region that is not held back by a crushing affordability and homelessness crisis. A region where we have risen to meet the challenges of today—from addressing climate change, to reckoning with persistent racial injustice, to providing the foundation of a home for all residents of the Bay Area, while ensuring our region can respond to the needs and opportunities of a dynamic future.

**The Bay Area Housing Finance Authority (BAHFA) was conceived to make this future a reality.** BAHFA embraces a regional approach to transform how the Bay Area advances social and racial equity and delivers on housing affordability and stability at scale. No longer is the region held back by the status quo of 109 jurisdictions each trying to solve the region's housing and homelessness crisis on their own. Through a historic partnership between local and regional Bay Area elected leaders and the California Legislature, BAHFA was established in 2019 (AB 1487, Chiu). Jointly governed by the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC), BAHFA is designed to advance the “3 Ps”: **protect** current residents from displacement, **preserve** existing affordable housing, and **produce** new affordable housing. BAHFA is equipped with a powerful set of funding and finance tools to be deployed efficiently, equitably, and creatively across the 9-county region, including the ability to raise substantial new housing revenue from a regional ballot measure, state or federal appropriations, and philanthropic and corporate contributions. BAHFA allows for the opportunity to, one day, be a sustainable source of affordable housing financing for the region.

**Now we have the opportunity to empower the Bay Area to break ground on the transformative regional housing approach made possible with BAHFA. We need a seed investment of \$23.5 million to launch five pilot programs that will support Bay Area residents today, while putting us on the path towards long-term transformational change.** These resources are essential for BAHFA to begin to achieve the goals it was designed to meet. A true public-private partnership is needed both to collectively raise resources as well as to deepen impact and ensure accountability.



An investment in BAHFA pilot programs will make a direct impact now on the lives of thousands of Bay Area families who are seeking a safe and affordable home. Through **preservation**, hundreds of families can stay in their community and are no longer faced with the threat of eviction. A robust **homeless prevention** strategy will open up new opportunities to attract and leverage millions of dollars in private funds and effectively integrate state and federal prevention dollars so thousands of families do not find themselves on the streets. **Rental assistance** programs that are coordinated and equitably deployed across the region will help thousands of families get the bridge support they need to make rent payments and provide food, medicines and other essentials their families need. **Doorway**, a simple way for residents to find and apply for affordable homes across the region, means no longer spending days and months navigating an arcane system just to know whether affordable housing opportunities are available. And lastly, a robust finance strategy for how to unlock the 25,650 affordable homes in the **development pipeline** that can house over 352,000 individuals and families for decades to come.

## BAHFA Regional Pilot Programs

- **Preservation Strategy:** financing and technical assistance to support and scale anti-displacement efforts
- **Homelessness Prevention System:** integrated resources and services to keep people housed
- **Rental Assistance Network:** coordination and best practices for effective deployment of rental assistance
- **Doorway:** online platform to connect residents to opportunities for affordable homes across the region
- **Affordable Housing Pipeline:** database to track the production and preservation of affordable homes

BAHFA will put the region on a new path that breaks ground on a holistic, regional strategy. BAHFA will build capacity to implement housing programs throughout the Bay Area across the 3Ps—protection, preservation, and production—and efficiently administer significant resources in the future. BAHFA will deepen partnerships by collaborating with local elected officials, housing agencies, and housing organizations, allowing for greater impact. BAHFA will also build the support for future ballot measures by demonstrating that a regional approach with measurable impacts is the way to solve our region’s affordable housing and homelessness crisis.



## Preservation Strategy

### *Financing and technical assistance to support and scale anti-displacement efforts*

Veronica Clay and her family have lived in a 16-unit apartment complex on Hilton Street in East Oakland for four years. Built in 1965, the apartments have received minimal updates over the years. Veronica has been frustrated with deferred maintenance: “I have been through two owners and have dealt with empty promises and patch-up work.” Historically, her landlords have charged below market rents, but without legal affordability restrictions, the residents—who are predominantly low-income residents of color—have been subject to the threat of rent hikes or eviction. This has been exacerbated by the economic pressures brought on by COVID-19. Veronica was relieved when the Northern California Land Trust (NCLT) bought the building in September 2020. NCLT’s acquisition of the property on Hilton Street has established permanent affordability for Veronica and her neighbors and provides the opportunity to finally address rehabilitation needs. NCLT is also working with their community to explore a pathway to collective ownership of the property. “Not once have I felt the reassurance or hope that I have with NCLT. Finally, someone that understands our situation in these trying times is on our side. I’m ecstatic about the changes coming,” says Veronica.

**Meeting the Challenge.** Similar to Veronica before NCLT acquired her apartment complex, over 280,000 low-income Bay Area households—the overwhelming majority of low-income households—live in private rental homes. Many of these households are vulnerable to displacement—often due to rising rents or eviction. For Black and Indigenous People of Color (BIPOC), the risk of being evicted is nearly twice as high as that of white people. Research also shows that households displaced from their homes are significantly more likely to experience homelessness in subsequent years.<sup>1</sup> Before the COVID-19 pandemic, the region was losing the affordability of about 32,000 of these unsubsidized affordable homes each year.<sup>2</sup> The current financial distress ushered in by the COVID-19 pandemic only exacerbates this risk. This harms not only individual families, but communities are frayed and become less diverse. Despite the dire need, preservation of homes, like the apartment complex on Hilton Street, is not common practice. Preservation lacks significant funding and investment in the practitioners doing this work, often small developers and community-based organizations led by and serving people of color.

**Piloting Solutions.** To help stop the rampant displacement and gentrification that has been displacing low-income BIPOC communities, BAHFA will restructure existing regional preservation finance tools, MTC’s Bay Area Preservation Pilot (BAPP) and ABAG’s Bay Area Regional Energy Network (BayREN), for greater impact, which will directly result in the preservation of 150-200 homes as it prepares to reach scale. Through the restructuring of these funds, MTC and BAHFA will assume financial oversight and compliance of affordable homes for the first-time, serving as a valuable test-run for administering future capital resources. BAHFA will also pilot two technical assistance collaboratives: one for local jurisdictions to design effective preservation policies and programs and another for developers and community-based organizations to build their expertise in finance, real estate, and resident engagement.

**Creating Transformational Change.** This pilot program readies the region for preservation to become a more prevalent and widespread strategy which will prevent long-time residents—many who are low-income people of color—from being displaced, ensure long-term affordability, and maintain the diversity of Bay Area communities. Through this increased capacity, BAHFA will be poised to preserve potentially tens of thousands of homes with an influx of new capital resources.



Residents at NCLT’s Hilton Street in Oakland project gather for a community meeting to discuss collective ownership of their property.

## Homelessness Prevention System

### *Integrated resources and services to keep people housed*

At the beginning of 2020, Moira, a 58-year-old cancer survivor was forced to leave her employment and quarantine at home due to her high vulnerability to COVID-19. With no way to work remotely and no family to offer support, she was quickly unable to pay rent in her Oakland apartment where she has lived for nearly 8 years. Moira is one example of the hundreds of thousand Bay Area residents at risk of becoming homeless. What was unique about Moira's circumstances, however, is that she was able to receive integrated homelessness prevention support from Keep Oakland Housed, an innovative public-private partnership between Bay Area Community Services, Catholic Charities East Bay, and East Bay Community Law Center, with administrative support from the San Francisco Foundation. Moira was able to receive financial support to pay rent arrears and continue to pay the rent necessary to be protected from eviction through the duration of the State emergency eviction protections; she was assisted to negotiate partial rent forgiveness with her landlord. In addition to financial support, Moira was able to access temporary emergency food assistance and employment support through one of the program's Wellness Centers, where a team is now working closely with her to gain employment doing remote work. The model of service and resources Keep Oakland Housed provided to Moira are unique. KOH used an evidence-based risk assessment tool, which quickly prioritized Moira as someone at greatest risk of homelessness and then developed a comprehensive housing stabilization plan, weaving together multiple types of assistance with the laser-focused goal of keeping Moira in her home.

**Meeting the Challenge.** In several Bay Area counties, for every person who was supported in finding a home, three new people became homeless. Despite their high risk of homelessness, 88 percent of the roughly 400,000 extremely low-income households receive no form of housing assistance.<sup>3</sup> The Covid-19 pandemic has exacerbated the impact on low-income households in a region with rates of homelessness already on the rise. Most of these residents facing the risk of homelessness do not have access to services and resources like Moira received. Current homelessness prevention efforts are limited; they are mostly an uncoordinated patchwork of programs that have inconsistent eligibility requirements, provide uneven service delivery, and may not reach households most likely to become homeless. Many local jurisdictions are so overwhelmed by the crisis of unsheltered homelessness on the streets that they do not have capacity or sufficient funding to offer homelessness prevention in a comprehensive way.

**Piloting Solutions.** The Regional Homeless Prevention System Pilot is an effort now underway to design and implement a coordinated homeless prevention strategy across the Bay Area. This effort is currently led by the nonprofit All Home, with BAHFA joining as a partner to design the program approach and collaborate with other stakeholders from the public sector, non-profit organizations, and philanthropy. This program will utilize evidence-based targeting with geographic focus on areas of severe housing insecurity. It will include financial assistance, legal assistance, case management, and connection to benefits, social services and community resources. It will provide multi-jurisdictional consistency in program eligibility, assessment, technology, approach, training, and evaluation. The pilot will launch in three Bay Area counties in early 2021.

**Creating Transformative Change.** A coordinated, evidence-based, homelessness prevention strategy across the Bay Area is a central pillar to achieve the ambitious goal of reducing unsheltered homelessness by 75% by 2024. The pilot will contribute to this goal by unlocking new opportunities to attract and leverage private funds while also advocating for and effectively integrating state and federal prevention dollars. With additional funds, BAHFA will support the expansion of the initial three-county pilot to the full nine-county Bay Area while simultaneously evaluating whether and how the agency could transition into direct management of the regional homelessness prevention system by coordinating funding to local providers to achieve regional homelessness reduction goals. All Bay Area residents stand to benefit from dramatic reductions in homelessness, ultimately saving taxpayer dollars on public health interventions, increasing neighborhood stability, and ensuring that diversity throughout the region thrives.



Regional coordination and integration can bolster the effectiveness and equity of homeless prevention efforts. Photo Credit: Enterprise Community Partners

## Rental Assistance Network

### *Coordination and best practices for effective deployment of rental assistance*

When the first shelter in place order took effect in March 2020, Laura lost her work cleaning wealthy residents' homes in Silicon Valley. She struggled to pay the rent for her home where she has lived for nearly 18 years. Because she is undocumented, Laura is ineligible for unemployment benefits, and she quickly learned how burdensome, inaccessible, and intrusive most existing rental assistance programs are, as well as how dramatically each differ from one another. As an engaged community volunteer, Laura applied to several rental assistance programs. After being denied by several programs, Laura found an opportunity, but it required a lengthy paper application only available in English and required her to provide intrusive information like how much her family spent on toilet paper and the social security numbers of all members of the household. Most discouraging, the program only provided assistance for one month. Laura then applied to an organization with Spanish-speaking staff that assisted her with three months' rent. This assistance provided Laura with the critical buffer needed to find part-time work to cover her rent and remain in her home. "I was barely able to get the help I needed, and I have English-speaking friends who supported me, and I'm familiar with nearly every nonprofit in town. I know that so many others in my community don't have the time or connections to figure out these complicated systems, or they're led to believe that they are not eligible because they don't have a social security number, bank statements, or official pay stubs. This assistance is so important—there has to be a better way," Laura explained.

**Meeting the Challenge.** Laura is one of millions of low-income renters who are struggling to make their rent. Estimates of COVID-related rent debt in California range from \$1.7 to \$5.6 billion just through December 2020,<sup>4</sup> pointing to the need for enhanced tenant protection programs. According to December 2020 data, renters of color were more likely to be behind on rent compared to white renters with 20 percent of Asian renters, 25 percent of Latinx renters and 23 percent of Black renters in this situation.<sup>5</sup> Despite an influx of COVID-relief funds from federal, state, local and private sources, disseminating these resources in a timely, equitable manner remains a challenge. First, there is no coordinated network of rental assistance providers to share best practices. Many jurisdictions and organizations must reinvent the wheel for each new round of funding, leaving under-resourced staff struggling to develop culturally competent, user-friendly programs. Second, the process to access these resources is often burdensome and unclear; many providers have different requirements and eligibility criteria. These barriers have a disproportionate impact on BIPOC residents, especially immigrants and non-native English speakers.

**Piloting Solutions.** BAHFA will develop a regional network of rental and mortgage assistance providers to deploy funds more efficiently and effectively. By developing standardized regional best practices and encouraging region-wide data collection and evaluation, BAHFA will ensure that Bay Area residents in greatest need of financial support to remain in their homes can access the resources they need more effectively. This involves tailoring best practices to match the varying requirements of different funding and developing regional strategies to leverage the most flexible funds for residents who otherwise face significant obstacles to accessing support.

**Creating Transformational Change.** By establishing this regional network pilot, BAHFA will transform disparate local service providers and jurisdictions into a unified regional voice to advocate at the state and federal levels for systemic and sustainable solutions to meet rental assistance needs. This pilot would dovetail with the regional homelessness prevention system and position BAHFA as a nexus between the rental assistance and homelessness prevention networks to promote an integrated, enhanced social safety net to keep residents in their homes and off the streets.



Rental assistance is an evidence-based strategy to keep residents housed and prevent homelessness.  
Photo Credit: Enterprise Community Partners



## Doorway

### *Online platform to connect residents to opportunities for affordable homes*

When Maribel's family lost their home in the Outer Mission District due to an Ellis Act eviction, staying in San Francisco near their jobs, schools, and community seemed impossible. Maribel explained, "My fear was to be in the street with my children. We had looked for other places, but they never accepted us. With three children, they didn't accept us. [We were ] desperate." Maribel applied to affordable housing in the past, without success, but this time, Maribel had two important tools on her side. First, Maribel had access to San Francisco's DAHLIA web portal, which allowed her to receive notifications about housing opportunities and apply for them in a streamlined online application. This was a stark departure from the patchwork of information and applications Maribel had navigated in the past, often with lengthy, repetitive, in-person applications. Because of the eviction, Maribel was also eligible for a Displaced Tenant Housing Preference Certificate, which, integrated with DAHLIA, applied a preference to her application. With the support of DAHLIA and the certificate, Maribel and her family were able to find an affordable home in the Mission District. Now that Maribel's family has a stable affordable home, her husband plans to start his own handyman business, and her son aspires to go to college and work in service of their community.

**Meeting the Challenge.** Maribel and her family benefited significantly from DAHLIA, but for most Bay Area residents the experience of finding and applying for an affordable home is difficult and burdensome. Currently outside of San Francisco, a person seeking housing needs to know where to apply for each newly available home and have the bandwidth to navigate the application process and eligibility requirements that vary by property. Many individuals and families give up on finding an affordable home because the process is too time and resource-intensive. Housing preference programs help households with special needs for placement, but they are difficult, if not impossible, to manage without the technology that DAHLIA provides.

**Piloting Solutions.** San Francisco was the first jurisdiction in the Bay Area to invest in a solution to make applying for and securing an affordable home easier. DAHLIA has transformed the search for finding an affordable home: people can now easily find listings in one place, determine eligibility upfront, and apply for multiple listings. DAHLIA has received over four million site visits and over 500,000 applications to date.

Building off the success of DAHLIA, Doorway would create a regional housing web-based portal that includes all nine counties of the Bay Area, providing access to affordable opportunities for the Bay Area's 7.5 million residents. BAHFA is currently a partner in this expansion effort, working closely with local jurisdictions, and will also assess opportunities to leverage BAHFA's regional position to deliver Doorway infrastructure at the regional scale.

**Creating Transformational Change.** Doorway will result in a simple and equitable way for residents to find and apply for affordable homes throughout the Bay Area. It can provide data to better understand the preferences and patterns of people seeking affordable homes, particularly underserved populations, which can inform housing policies and practices and attract additional resources for affordable homes.



Maribel and her children enjoy their affordable home in San Francisco's Mission District made possible through DAHLIA and a San Francisco Displaced Tenant Housing Preference Certificate.

## Affordable Housing Pipeline

*Regional database to track the production and preservation of affordable homes*

In June 2019, a local nonprofit developer secured the needed permits and entitlements—a significant milestone in the development process—for over 120 deeply affordable family homes in Oakland. Despite support from both community members and city officials, eighteen months after receiving the entitlements, the project remains on hold due to a lack of funding. The developer has repeatedly applied for and been rejected by three different State funding programs despite meeting all funding requirements. Only once this funding has been secured can the development move forward with an application for tax credits and bonds, which are also highly competitive. Meanwhile, this community-approved development must pay holding costs such as acquisition loan interest, property taxes, and security expenses. For this nonprofit, this development is one of 23 entitled projects totaling over 2,000 affordable homes spanning seven Bay Area counties pending a feasible financial path forward.

**Meeting the Challenge.** This example highlights the fragmented and byzantine system of affordable housing financing in California. Each stage in the development process is fraught with a lack of certainty and financial resources, thereby increasing costs and slowing the supply of much needed affordable housing. These system failures have created an environment in which there are over 300 affordable housing developments—approximately 26,500 urgently needed homes—in various stages of pre-development. About 19,000 of these affordable homes are awaiting an estimated \$4 billion in critical gap funding.

**Piloting Solutions.** The first step to bring more predictability, resources, and efficiencies to the system is to create a centralized database—an Affordable Housing Pipeline—to track the production and preservation of affordable housing through the various stages of development. The Affordable Housing Pipeline would include all the affordable housing projects in the 9-county Bay Area that are in the pre-development, planning, financing, and construction stages. It would quantify the number of affordable units in the various stages of development, estimate the gap funding needed, and analyze current regional production and preservation capacity.

**Creating Transformational Change.** The Pipeline can create efficiencies in the finance system for affordable homes, including providing data for a regional queue for tax credits and bonds. It can help developers and local jurisdictions manage their respective pipelines. For example, San Francisco partners with local non-profits to manage its affordable housing pipeline which helps developers to know when to apply for local and State funding sources, often eliminating the need for multiple application rounds—this brings predictability and lowers overall project costs. Data from the Pipeline can be used for case-making for transformative new affordable housing funding and build support for new revenue at the regional, state, and federal levels. This critical funding can unlock the Affordable Housing Pipeline, which will result in the creation of 25,600 affordable homes that will house over 352,000 individuals and families for decades to come. It will also add to the stock of permanently affordable homes in Bay Area communities helping keep the region diverse and affordable over the long-term.

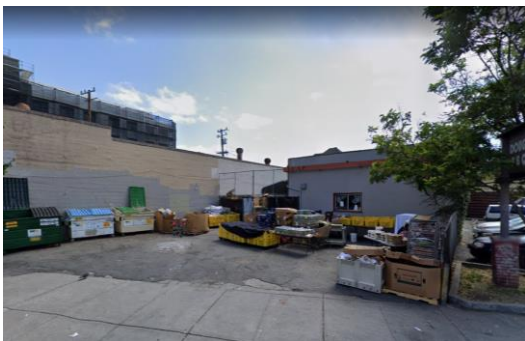


Photo Credit:  
Architectural Rendering  
of Nellie Hannon  
Gateway: LPAS Architects

Once funding is secured, the nonprofit developer Resources for Community Development will be able to convert the infill lot (left) into the Nellie Hannon Gateway development (right), which includes 90 homes in Emeryville for individuals experiencing homelessness and low-income families.

## Footnotes

<sup>1</sup> Marcus, Justine; and Zuk, Miriam. “Displacement in San Mateo County: California Consequences for Housing, Neighborhoods, Quality of Life, and Health.” UC Berkeley’s Urban Displacement Project. May 2017.

<sup>2</sup> Yelen, James. “Preserving Affordability, Preventing Displacement: Acquisition-Rehabilitation of Unsubsidized Affordable Housing in the Bay Area.” Enterprise Community Partners. 2020.  
<https://www.enterprisecommunity.org/download?fid=13693&nid=10252>.

<sup>3</sup> Analysis from the Turner Center, 2020.

<sup>4</sup> One study prepared for the National Council of State Housing Agencies estimated that by January 2021 California renters would owe between \$3.7 and \$5.6 billion of back rent. Stout Risius Ross, LLC. “Analysis of Current and Expected Rental Shortfall and Potential Evictions in the U.S.” September 25, 2020.  
[https://www.ncsha.org/wp-content/uploads/Analysis-of-Current-and-Expected-Rental-Shortfall-and-Potential-Evictions-in-the-US\\_Stout\\_FINAL.pdf](https://www.ncsha.org/wp-content/uploads/Analysis-of-Current-and-Expected-Rental-Shortfall-and-Potential-Evictions-in-the-US_Stout_FINAL.pdf). A study by the Federal Reserve Bank of Philadelphia estimates accumulated California rent debt by December 2020 at nearly \$1.7 billion. Reed, Davin; and Divringi, Eileen. “Housing Rental Debt During COVID-19” Federal Reserve Bank of Philadelphia. October 2020.  
<https://www.philadelphiafed.org/-/media/frbp/assets/community-development/reports/household-rental-debt-during-covid-19.pdf>.

<sup>5</sup> California Housing Partnership, 2020. COVID-19 Response: Resources for California. Website:  
<https://chpc.net/covid19/>



Date: February 24, 2021  
W.I.: 1611  
Referred by: PAC

## ABSTRACT

### Resolution No. 4454

This resolution amends and restates the Principles of Agreement that govern the Bay Area Preservation Pilot Fund (Fund) and authorizes the Executive Director or designated representative or designee to execute amendments to the funding agreements with fund managers for the Fund, to align with the Amended and Restated Principles of Agreement.

The resolution includes the following attachments:

Attachment A – Bay Area Preservation Pilot Amended and Restated Principles of Agreement

Attachment B – Bay Area Preservation Pilot Fund Managers

Further discussion of this action is contained in the Programming and Allocations Committee Summary Sheet dated February 10, 2021.

Date: February 24, 2021  
W.I.: 1611  
Referred by: PAC

RE: Amendment of the Bay Area Preservation Pilot Fund Principles of Agreement

METROPOLITAN TRANSPORTATION COMMISSION

RESOLUTION NO. 4454

WHEREAS, the Metropolitan Transportation Commission (MTC) is the Regional Transportation Planning Authority for the San Francisco Bay Area pursuant to Government Code §§ 66500 *et seq.*; and

WHEREAS, MTC and the Association of Bay Area Governments (ABAG) support transit oriented development through the One Bay Area Grant and Priority Development Area Planning grant programs; and

WHEREAS, MTC and ABAG adopted the Final Blueprint for Plan Bay Area 2050, which includes a strategy to acquire homes currently affordable to low- and middle-income residents for preservation as permanently deed-restricted affordable housing; and

WHEREAS, MTC adopted Resolution 4311 establishing the Bay Area Preservation Pilot (BAPP) Fund, which authorized MTC to invest \$10 million in a revolving loan fund for the acquisition and protection of homes in Priority Development Areas and Transit Priority Areas currently affordable to low-income residents to help preserve affordability in the region; and

WHEREAS, the BAPP Fund managers have marketed the program to potential borrowers and have evaluated a number of prospective projects since the launch of the program in 2018; and

WHEREAS, deployment barriers have impeded the BAPP Fund's ability to achieve its stated goals, thus necessitating several changes to the program guidelines, which are reflected in the Amended and Restated Principles of Agreement outlined in Attachment A; and

WHEREAS, the Amended and Restated Principles of Agreement outlined in Attachment A will result in a substantial public benefit to the region's economic and social structure by facilitating preservation projects that establish long term affordability for low-income Bay Area families living in unsubsidized rental properties and protect them from the risk of displacement due to rising rents and the possibility of no-fault eviction; now therefore be it

RESOLVED, that the Principles of Agreement that govern the BAPP Fund are hereby amended, as reflected in the Amended and Restated Principles of Agreement outlined in Attachment A, and that the Executive Director or designee is authorized to enter into amendments to the agreements with the Fund managers listed in Attachment B to reflect the Amended and Restated Principles of Agreement.

METROPOLITAN TRANSPORTATION COMMISSION

A handwritten signature in dark ink, appearing to be 'AP' followed by a long horizontal stroke.

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Alfredo Pedroza, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California, and at other remote locations, on February 24, 2021.



Date: February 24, 2021  
W.I.: 1611  
Referred by: Programming and Allocations

Attachment A  
MTC Resolution No. 4454  
Page 1 of 2

Amended and Restated Principles of Agreement  
Bay Area Preservation Pilot Fund

The Commission adopts the following Amended and Restated Principles of Agreement to establish and maintain the Bay Area Preservation Pilot Fund, which is a program that will be used as a tool to acquire and protect homes currently affordable to low-income residents that are currently available on the market. These Amended and Restated Principles of Agreement will govern two funding agreements MTC has entered into with Low Income Investment Fund (LIIF) (\$5 million) and Enterprise Community Loan Fund, Inc. (ECLF) (\$5 million), contributing \$10 million to the Bay Area Preservation Pilot Fund (the Fund). These Amended and Restated Principles of Agreement are intended to replace and supersede those certain Principles of Agreement adopted by MTC on February 28, 2018. The funding agreements with LIIF and ECLF will be amended in accordance with these Amended and Restated Principles of Agreement after approval by the MTC Commission on February 24, 2021.

1. MTC entered into agreements with LIIF (\$5 million) and ECLF (\$5 million) to contribute \$10 million to the Fund via LIIF and ECLF, which agreements may be modified or amended from time to time in accordance with their terms.
2. The Fund commenced in 2018 and will operate for twenty years from the date of inception subject to any agreed upon extension of the Fund maturity ("Fund Maturity").
3. MTC made its contribution of \$10 million (the "MTC Contribution") to the Fund after the funding agreements were signed and approved by the Commission on February 28, 2018; \$6 million of the MTC Contribution will take the form of a grant to ECLF and LIIF (the "MTC Grant Contribution") to be deployed to borrowers as forgivable debt, the remaining \$4 million of MTC's contribution shall be in the form of subordinate debt (the "Subordinate Debt Portion").
4. The Fund is managed by LIIF and ECLF, both not-for profit entities. For the avoidance of doubt, the Fund is not a separate legal entity and is instead the program through which LIIF and ECLF deploy the funds contributed by MTC.

Date: February 24, 2021  
W.I.: 1611  
Referred by: Programming and Allocations

Attachment A  
MTC Resolution No. 4454  
Page 2 of 2

5. All loans from ECLF or LIIF using the MTC Contribution (the “Fund Loans”) will be made to projects in Transit Priority Areas (TPAs) or Priority Development Areas (PDAs) and will target households at and below 80% Area Median Income.
6. A 3:1 funding leverage on the Subordinate Debt Portion of the MTC Contribution will be achieved across the overall Bay Area Preservation Pilot Fund program (vs. project by project).
7. LIIF and ECLF have adopted a business plan that establishes the Fund’s priorities and serves as a guide for the Fund’s operations, financial structure, underwriting criteria, and evaluation.
8. LIIF and ECLF will certify compliance with each organization’s underwriting guidelines and provide MTC with summary reports of the Fund’s progress against the business plan. MTC will not participate in the selection of specific projects.
9. The Fund program managers (LIIF and ECLF) will use standard accounting controls and MTC will have the right to review all financial reports of LIIF’s and ECLF’s activities in respect of the Fund.
10. No representative from MTC will participate in the Fund in any paid capacity. This provision shall not inhibit MTC from providing ongoing monitoring of affordability restrictions related to forgivable debt deployed from the MTC Grant Contribution after a project exits the Fund.
11. MTC is in the subordinate position for repayment of the Subordinate Debt Portion during the life of the Fund and at Fund Maturity. As such, after LIIF and ECLF are repaid in full by their borrowers, any balance remaining on MTC’s Subordinate Debt Portion will be returned to MTC at Fund Maturity, and during the life of the Fund through Fund Maturity, any balance remaining on the MTC Grant Contribution will be revolved by ECLF and LIIF to originate loans that support the preservation of affordable housing in the Bay Area through the Fund. At Fund Maturity, ECLF and LIIF will use commercially reasonable efforts to use any balance remaining on the MTC Grant Contribution as each sees fit in furtherance of their collective charitable missions of supporting affordable housing and capacity building of its borrowers. ECLF and LIIF agree to revolve the MTC Grant Contribution until Fund Maturity in order to deploy these funds to borrowers as forgivable debt, as contemplated hereunder.
12. MTC staff will provide annual BAPP updates to the Commission or appropriate Committee.

Date: February 24, 2021  
W.I.: 1611  
Referred by: Programming and Allocations

Attachment B  
MTC Resolution No. 4454

**Bay Area Preservation Pilot Fund Managers**

<b>Fund Managers</b>	<b>Amount</b>
Low Income Investment Fund (LIIF) \$5	\$5 million
Enterprise Community Loan Fund, Inc. (ECLF)	\$5 million
<b>Total</b>	<b>\$10 million</b>





# Expanded Regional Housing Portfolio

ABAG Housing and BAHFA  
Oversight Committee Meeting

## Implementation Update

April 29, 2021

# Background & Context

- November 2020 regional housing revenue measure postponed due to COVID
- Pivot to expand existing housing portfolios of MTC and ABAG within resource-constrained environment. Leverage and build upon existing and emerging regional housing programs
  - e.g., *ABAG's Advancing California Finance Authority (ACFA)* and *Regional Housing Technical Assistance Program*
- Phased Approach
  - Phase 1: Research and Planning
  - Phase 2: Early-Stage Pilot Activities
  - Phase 3: Build Upon Early Successes and Achieve Scale

# Expanded Regional Housing Portfolio

## Guiding Principles



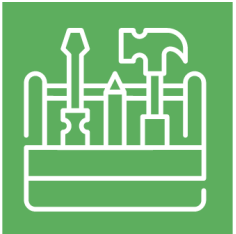
**Collaborative,  
Multi-agency Strategy**



**Equity-Focused  
Approach**



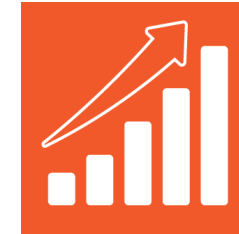
**Ensure Financial  
Sustainability**



**Advance the “3Ps”  
Framework**



**Multi-sector  
Partnerships**



**Achieve  
Scale**



**Embrace Innovation  
and Creativity**



# Business Plan RFP

**RFP seeks consultant team to develop a Business Plan for the Expanded Regional Housing Portfolio & BAHFA to tackle the Bay Area's housing crisis at scale and begin to deliver on bold regional housing outcomes.**

Specifically, the RPF seeks assistance to:

- Articulate and integrate a strategic, equity-focused framework and corresponding measurable outcomes
- Identify and design innovative funding and financing tools
- Design effective structure and operations for the Expanded Regional Housing Portfolio and BAHFA

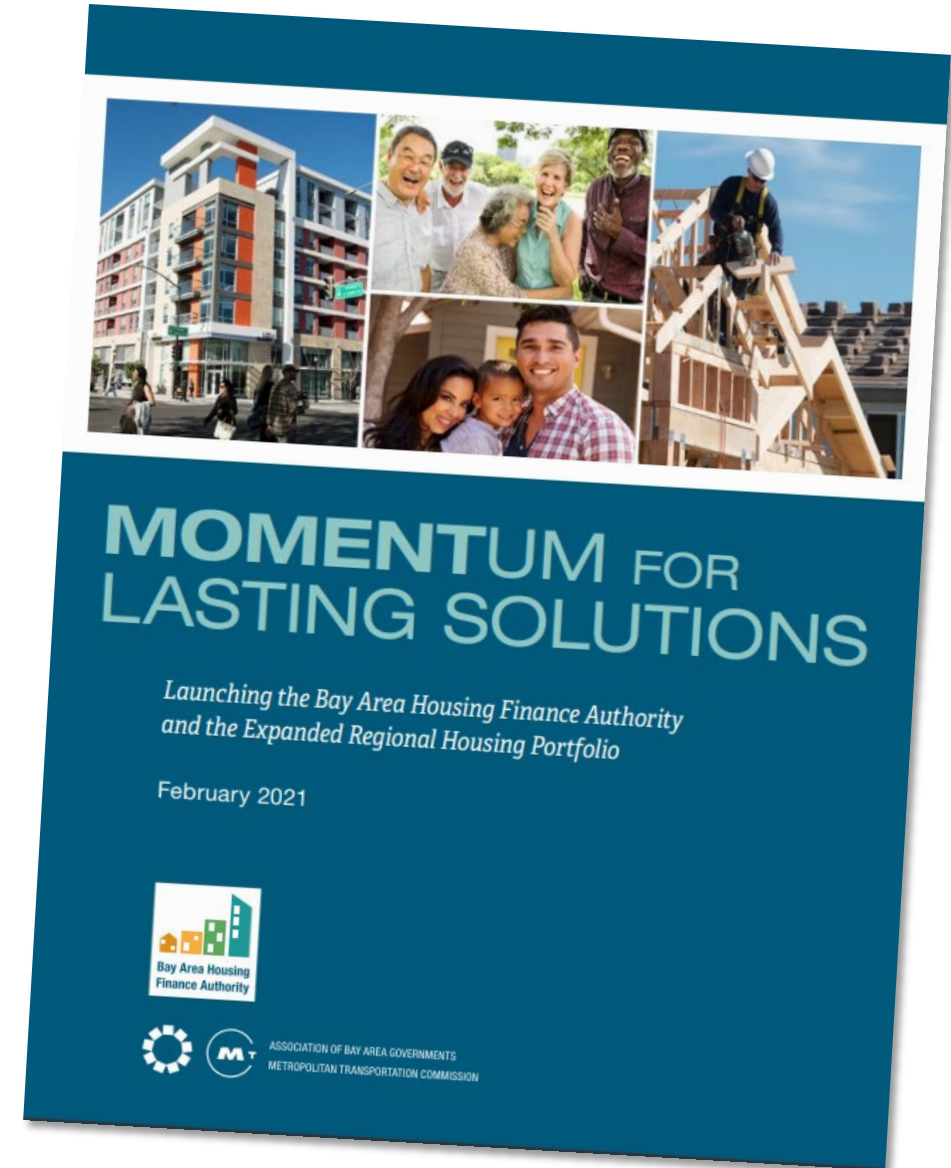
**Full text of RFP available here:**

<https://mtc.bonfirehub.com/opportunities/38487>

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# Concept Paper

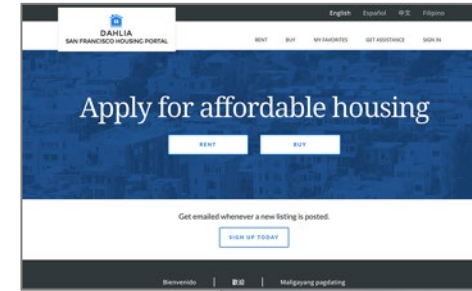
- Released in February
- Public-facing narrative to ensure stakeholders can track agency discussions and progress
- Seeks to inspire partnerships and investment to launch new activities





# 5 Pilot Programs

1. **Doorway:** Online platform to connect residents to affordable housing opportunities
2. **Affordable Housing Pipeline:** Database to track the production and preservation of affordable homes
3. **Preservation Strategy:** Financing and technical assistance to support and scale anti-displacement efforts
4. **Anti-Displacement Services Network:** Coordination and best practices for effective deployment of tenant protection services
5. **Homelessness Prevention System:** Integrated resources and services to keep people housed



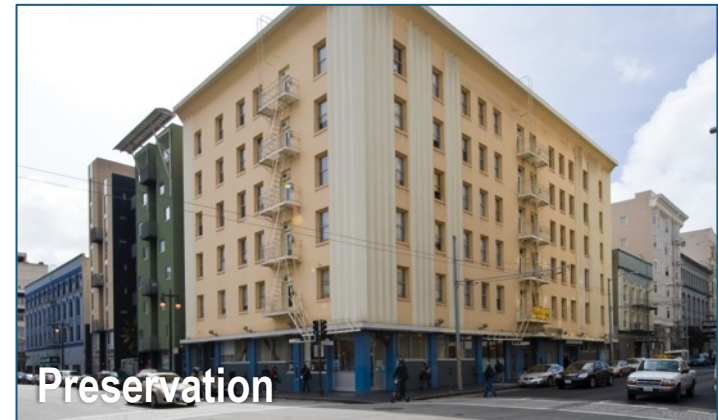


# Two-Step Funding Plan

## 1. Seek \$18.5 million one-time State budget appropriation:

- Fund 5 pilot projects across the 3Ps
- \$500k to augment Business Plan
- \$5M capital funding for regional preservation program

## 2. Seek additional funds through partnerships with philanthropic and corporate sectors



# State Budget Request

## UPDATES

- Asm. Chiu to champion Doorway & Pipeline pilots (~\$7 million)
- Bay Area Delegation letter of support for full \$18.5 million request
- Support of housing sector partners to build broad-based coalition

## NEXT STEPS

- Ongoing advocacy with Legislators
- Governor's May Revise Budget



# Pilot Development

## Bay Area Preservation Pilot (BAPP) Revisions

- Commission approved in February 2021
- Amendments designed to deploy funds more swiftly and effectively
- Changes included lowering leverage ratio from 5:1 to 3:1, and converting up to \$6 million as subsidy



## Homelessness Prevention

- Regional Impact Council drafts “Regional Action Plan”
- Design of three-county Homelessness Prevention System pilot, led by All Home



# Thank You.

For more information contact:

Daniel Saver

[dsaver@bayareametro.gov](mailto:dsaver@bayareametro.gov)



ASSOCIATION OF BAY AREA GOVERNMENTS  
METROPOLITAN TRANSPORTATION COMMISSION





# Metropolitan Transportation Commission

375 Beale Street, Suite 800  
San Francisco, CA 94105

## Legislation Details (With Text)

<b>File #:</b>	21-0398	<b>Version:</b>	1	<b>Name:</b>	
<b>Type:</b>	Report	<b>Status:</b>		Informational	
<b>File created:</b>	2/22/2021	<b>In control:</b>		ABAG Housing Committee	
<b>On agenda:</b>	4/8/2021	<b>Final action:</b>			
<b>Title:</b>	Overview of the Regional Impact Council-a multi-stakeholder group convened by All Home to develop a regional approach to end homelessness in the Bay Area				
<b>Sponsors:</b>					
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	<a href="#">08a - 1 Summary Sheet Regional Impact Council.pdf</a> <a href="#">08a - 2 Attachment A - Regional Impact Council Roster.pdf</a> <a href="#">08a - 3 Attachment B - RAP Report.pdf</a> <a href="#">08a - 4 Attachment C - All Home Presentation.pdf</a>				

Date	Ver.	Action By	Action	Result
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Overview of the Regional Impact Council-a multi-stakeholder group convened by All Home to develop a regional approach to end homelessness in the Bay Area

Daniel Saver and All Home staff

Information

April 29, 2021

Agenda Item 8.a.

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Update on the Regional Impact Council

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- Subject:** Overview of the Regional Impact Council—a multi-stakeholder group convened by All Home to develop a regional approach to end homelessness in the Bay Area
- Background:** In April 2020, the nonprofit All Home convened the Regional Impact Council (RIC) to develop proposals to solve the Bay Area’s homelessness challenges. Similar to the CASA process, the RIC is guided by a group of co-chairs with the majority of the work occurring through a Steering Committee of elected officials and other high-profile stakeholders as well as a Technical Committee comprised of subject matter experts. Roughly a dozen ABAG and MTC policymakers and staff have participated in the RIC. The roster for the RIC is included as Attachment A.
- The RIC is intended to convene for two distinct yet interrelated phases. The focus of Phase 1 is to develop rapid responses to the unsheltered homelessness crisis to achieve measurable reduction at the regional level in the unsheltered homeless population. Phase 2 will focus on the structural and systems changes necessary to permanently end homelessness and to provide for economic and social mobility for extremely low-income (ELI) residents.
- The RIC recently completed Phase 1, which culminated in a Regional Action Plan (RAP). The RAP is included as Attachment B. The Regional Action Plan, released on April 13, 2021, establishes a goal of reducing unsheltered homelessness in the nine-county Bay Area by 75% by 2024. The three “Strategic Pillars” that underpin the Regional Action Plan are:
1. **House and Stabilize** – Address the region’s unsheltered homelessness crisis by ensuring that the lowest income residents have safe, secure housing and the resources needed to heal;
  2. **Prevent** – Prevent homelessness for those most at risk, to stop the inflow of unsheltered homelessness; and
  3. **Thrive** – Address the stark income/living cost disparity for lower income workers. Focus on employment, economic security, and social mobility.

The Strategic Pillars are operationalized through a “**1-2-4 Systems Flow Model**.” This model envisions that for every one

April 29, 2021

Agenda Item 8.a.

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**Update on the Regional Impact Council**

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interim housing solution (e.g., hotels, shelters), there should be two permanent housing solutions (e.g., supportive housing, flexible subsidies) and four preventative interventions (e.g., emergency financial assistance, legal assistance). The 1-2-4 model does not prescribe a single solution for every community; rather, it is a ratio that illustrates proportionate and simultaneous investment in three strategies. The Regional Action Plan anticipates that each community can right-size the ratio to reach equilibrium, though underscores that there must be investment in all three strategies to reduce homelessness sustainably.

During the Committee meeting, All Home staff will present more detail regarding Regional Impact Council, the Regional Action Plan, and the pivot to Phase 2 of the RIC's work.


**Issues:** None

**Recommended Action:** Information

**Attachments:**

- A. Regional Impact Council Steering Committee and Technical Committee Roster
- B. Regional Action Plan
- C. All Home Presentation

**Reviewed:**

  
Therese W. McMillan



## **Regional Impact Council Roster**

*February 5, 2021*

*Below are rosters for the Steering Committee, Technical Committee, Co-chairs, Research Partners, and other supporting team members for the RIC.*

### **Regional Impact Council Steering Committee Members:**

- Amie Fishman, Executive Director, NPH
- Andreas Cluver, Secretary Treasury of the Alameda Building Trades Council
- Ariane Hogan, Associate Director of Government Affairs, Genentech
- Belia Ramos, Napa County Supervisor and VP, Association of Bay Area Governments
- Cindy Chavez, Santa Clara County Supervisor
- Dave Cortese, California State Senator (15<sup>th</sup> Senate District)
- David Chiu, California State Assemblymember (17<sup>th</sup> Assembly District)
- Diana Reddy, Redwood City Councilmember
- Diane Burgis, Contra Costa County Supervisor
- Eddy Zheng, Co-chair, All Home Community Advisory Council
- Erin Connor, Crisis Response Manager, Cisco
- Hydra Mendoza, Chief of Strategic Relationships, Salesforce
- Jennifer Loving, Executive Director, Destination Home
- Jesse Arreguin, Mayor of Berkeley and President, Association of Bay Area Governments
- Jim Green, Senior Vice President, Government Affairs and Public Policy, Salesforce
- Jim Spering, Solano County Supervisor
- Jim Wunderman, CEO, Bay Area Council
- Keith Carson, Alameda County Supervisor
- Ken Cole, Director, San Mateo County Human Services Agency
- Libby Schaaf, Mayor of Oakland
- Liz Ortega-Toro, Executive Secretary Treasurer of the Alameda AFL-CIO Labor Council
- London Breed, Mayor of San Francisco
- Matt Franklin, CEO, MidPen Housing
- Melissa Jones, Executive Director, BARHII
- Nicole Taylor, President & CEO, Silicon Valley Community Foundation
- Robert Powers, General Manager, BART



- Rosanne Foust, CEO, San Mateo County Economic Development Association
- Sam Liccardo, Mayor of San Jose
- Scott Wiener, California State Senator (11<sup>th</sup> Senate District)
- Susan Gorin, Chair, Sonoma County Board of Supervisors
- Therese McMillan, ED, MTC/ABAG

### **Regional Impact Council Technical Committee Members:**

- Adrian Covert, Vice President of Public Policy, Bay Area Council
- Alan Dones, CEO, SUDA
- Amy Sawyer, Policy Advisor on Homelessness, Office of Mayor London Breed
- Angela Jenkins, Director of Strategic Initiatives, Kaiser Permanente
- Bill Pickel, CEO, Brilliant Corners
- Brandy Jenkins-League, Member, All Home Community Advisory Council
- Bruce Ives, CEO, LifeMoves
- Daniel Saver, Housing Director, MTC
- Darnell Cadette, Community Manager, CZI
- David Low, Policy & Communications Director, Destination Home
- Donna Allen, Pastor, New Revelation Community Church
- Heather Hood, VP & Market Leader, Northern California, Enterprise Community Partners, Inc.
- Jackie Downing, Executive Director, Crankstart
- Jacky Morales-Ferrand, Director of Housing, City of San Jose
- Jamie Almanza, Executive Director, BACS
- Katherine Harasz, Executive Director, Santa Clara Housing Authority
- Kelly Dearman, Executive Director, SF In Home Supportive Services Public Authority
- Kerry Abbott, Homeless Care and Coordination Director, Alameda County
- Kris Stadelman, Director, NOVA Workforce Board
- Lavonna Martin, Director, Health, Housing and Homelessness Services, Contra Costa County
- Lindsay Haddix, Housing Initiatives Program Manager, Facebook
- Louise Rogers, Chief, San Mateo County Health
- Malcolm Yeung, Executive Director, Chinatown Community Development Center
- Marc Trotz, Consultant
- Maryann Leshin, Deputy Director, Oakland Housing & Community Development Dept.
- Michael Gause, Ending Homelessness Program Manager, County of Sonoma
- Nevada Merriman, Policy Director, MidPen Housing
- Ophelia Basgal, Vice-Chair, San Francisco Foundation Board
- Pedro Galvao, Policy Director, NPH
- Peter Radu, Policy Director of Homelessness, City of Oakland

- Randy Tsuda, CEO, Alta Housing
- Shola Olatoye, Director, Oakland Housing and Community Development
- Sparky Harlan, CEO, Bill Wilson Center
- Tim Chan, Group Manager, Station Area Planning, BART
- Tramecia Garner, Associate Director for Housing and Residential Programs, Swords to Plowshares
- Vivian Wan, COO, Abode Services
- Will Dominie, Policy Manager, BARHII
- William Rogers, CEO, SF-Marin-San Mateo Goodwill
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- Jennifer Martinez, Chief Strategy Officer, PICO California (Co-Chair)
- Jonathan Fearn, Senior Director of Development, Greystar (Co-Chair)
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# RIC STATEMENT OF EMERGENCY: A REGION IN CRISIS



## REGIONAL ACTION PLAN

**A Call to Action from the Regional Impact Council**

February 2021 | All Home

# TABLE OF CONTENTS

<b>I. Emergency Statement from the Regional Impact Council</b>	Page 3
<b>II. Call to Action</b>	Page 5
<b>III. Lead with Racial Equity</b>	Page 7
<b>IV. Operationalizing this Work</b>	Page 8
<b>V. Plan Details</b>	Page 9
Comprehensive 1-2-4 Framework	Page 9
Priorities for Implementation	Page 11
Impact Metrics & Tracking	Page 20
<b>VI. Introduction to the Regional Impact Council</b>	Page 21
<b>VII. End Notes</b>	Page 25
Acknowledgements	Page 25
Glossary	Page 26



# EMERGENCY STATEMENT

## A PROBLEM WE CAN SOLVE

The Bay Area's homelessness crisis is a chronic problem, arguably the region's greatest and most serious challenge. The scale and complexity of this challenge is undeniably daunting. As a region we have fought to solve this crisis for decades, to limited avail. However, the problem can and will be solved. We need a new approach to homelessness, marked by new levels of regional cooperation. The Regional Impact Council (RIC) envisions a Bay Area that is united and coordinated against homelessness: a Bay Area that is organized to seamlessly share best practices, data systems, advocacy efforts, and resources. In the Bay Area we envision homelessness is a rare, brief, and non-recurring situation for those who experience it. In this future vision, we have closed racial and economic disparities and created an equitable, stable, and prosperous region. The path to this future will not be easy. It will require action and commitment from all levels of government and community. The RIC believes that we can and must do the work to make this vision real. The first step is to acknowledge that homelessness is an emergency requiring immediate action.

## A REGION IN CRISIS

The longstanding homelessness crisis in the Bay Area— described by a global expert as “systemic cruelty”<sup>1</sup>— is particularly tragic because the crisis expanded during an economic boom in the wealthiest region in North America. In 2020, the homelessness crisis further deepened as a result of the COVID-19 pandemic: without sizable, coordinated action and investment, it will continue to destabilize our region as time, and the pandemic, goes on.

In our nine-county Bay Area today, **more than 35,000<sup>2</sup> of our neighbors, a population larger than many of the region's suburban cities and towns**, lack housing or even the prospect of securing it - despite many working full-time. Seniors, people with disabilities and many people working demanding jobs live out of their vehicles, in tents, and in other situations not fit for human habitation because they simply cannot afford housing in the region that they call home. For some, this problem continues for generations. Many “essential” workers (e.g., home health aides, grocery store clerks, cleaning staff at medical facilities) are literally homeless, with tens of thousands more of these workers at-risk of becoming homeless. In particular, extremely low income (ELI) renters face significant housing insecurity: 50% receive neither housing subsidies nor rent protection, and another 34% have controlled rents which are still unaffordable without subsidy.

Doing nothing to address the Bay Area homelessness crisis is enormously costly, in economic as well as moral terms. Many of these costs to our society are in plain sight, and many are hidden. Confronted by human suffering on a daily basis, residents and businesses are leaving the region. In a recent Silicon Valley Leadership survey, 47% of respondents said that they had considered leaving the region as a result of the homelessness situation. As a result of the impacts that homelessness has on individuals and the community as a whole, the indirect costs of homelessness on healthcare, criminal justice, and social services are nearly \$2 billion annually, based on estimates using real costs from Santa Clara county. We must think holistically as a region about our response to this crisis, and

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<sup>1</sup> Leilani Farha, United Nations Special Rapporteur, 2018.

<sup>2</sup> Given the lack of PIT count in 2021, we created an estimate of the total unsheltered homelessness in the Bay Area. If we apply the unsheltered homelessness growth rate from 2017-2019 in the Bay Area (~17%) to the unsheltered population in 2019, we estimate unsheltered homelessness to be ~30K. However, given the known impacts of COVID-19 on shelter capacity in the Bay Area and early evidence supporting a growth in homelessness, we estimated that unsheltered homelessness is likely closer to 35K in the Bay Area.

recognize that the investment required to address unsheltered homelessness is small compared to the long-term social and economic costs of our current course.

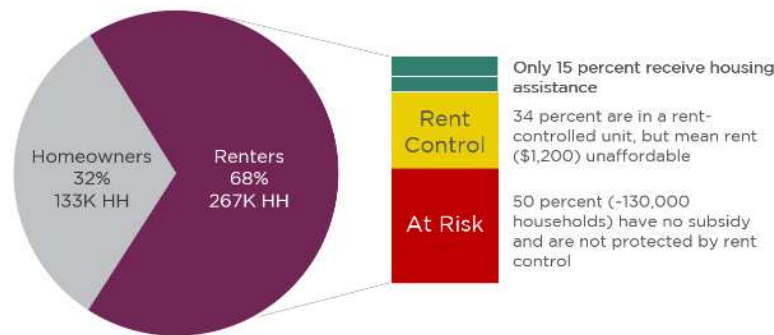


Figure 1: Breakdown of ELI Renter Households; Source: Turner Center for Housing Innovation

COVID-19 has made the region’s limited supply of congregate shelter unusable due to its primarily communal living arrangements, placing our most vulnerable neighbors at heightened risk of exposure. Housing is healthcare, a fact further underscored by the COVID pandemic. A person is unable to “shelter in place” when there is an inadequate supply of shelter and housing. The homelessness and COVID crises disproportionately harm Black, brown and Indigenous people of color (BIPOC). For example, African Americans comprise only 6% of San Francisco’s general population but make up 37% of the city’s homeless population. As these groups are also more vulnerable to becoming seriously ill or dying from COVID-19, the current situation puts our region’s low-income BIPOC population at ‘double jeopardy’ of becoming homeless and gravely ill as COVID cases surge across California and job losses continue to mount, disproportionately for BIPOC communities.

In our region of unparalleled ingenuity, creativity, and affluence for many, a failure to address the **homelessness crisis – a crisis that existed years before the COVID pandemic**, will weaken our communities, drive people and business away from the region, exacerbate existing labor market instabilities, and altogether undermine the prospects for a vibrant, prosperous future for the Bay Area.

Homelessness is no longer a challenge faced by a handful of Bay Area cities, it’s a regional crisis. Similar to our pandemic response, we must act together as a region. We must lift up what works. We’ve witnessed communities rapidly and creatively providing interim and permanent housing options for unsheltered households in response to the COVID-19 outbreak. We know given the will and coordinated action displayed by County Public Health Directors in response to the pandemic, that rapid and meaningful regional action is possible, and we must harness that momentum to fix our systems—systems that are clearly broken and that have failed to stop the tidal wave of people who have had no option but to live on the streets.

**WE, THE UNDERSIGNED MEMBERS OF THE REGIONAL IMPACT COUNCIL (RIC), URGE IMMEDIATE ACTION. THE BAY AREA’S EPIDEMIC OF UNSHELTERED HOMELESSNESS MUST BE ADDRESSED AS AN EMERGENCY.**

**WE CALL UPON THE STATE OF CALIFORNIA, OUR CITIES AND COUNTIES, THE REGION’S BUSINESS AND PHILANTHROPIC COMMUNITIES, AND OUR FEDERAL PARTNERS TO ACT WITH UNPRECEDENTED URGENCY AND COORDINATED ACTION, AS IF LIVES ARE AT STAKE – BECAUSE THEY ARE.**

# CALL TO ACTION: SUMMARY

RIC Statement of Emergency Signatories	
Name	Signature
<b>Andreas Cluver</b> (Secretary-Treasurer, Alameda County Building Trades Council)	
<b>David Chiu</b> (California)	
<b>Diana Reddy</b> (City Council, City)	
<b>Erin Connor</b> (Manager, Cisco Systems)	
<b>Hydra Mendoza</b> (Chief of Strategic Relationships, Salesforce)	

Signatures in progress

THE UNDERSIGNED MEMBERS OF THE REGIONAL IMPACT COUNCIL CALL FOR THE FOLLOWING EMERGENCY ACTIONS:

ADDRESS THE UNSHELTERED CRISIS

We must accelerate work to bring 75% of the unsheltered indoors by 2024 by improving existing systems & investing in the 1-2-4 system flow model, described below (see the sidebar on page 9 for details):

- (1) Fund the interim housing needed to bring unsheltered people indoors immediately and ensure that those who were temporarily housed during COVID-19 have a safe permanent housing option
- (2) Fund 2 housing solutions for every interim housing unit added to the homelessness system
- (4) Fund 4 preventative interventions for every interim housing unit added to the homelessness system

To deliver on this ambitious goal, we will need to improve our existing systems and policies and secure more funding. This model is underpinned by our strategic pillars, which will guide our implementation of the 1-2-4 system flow model

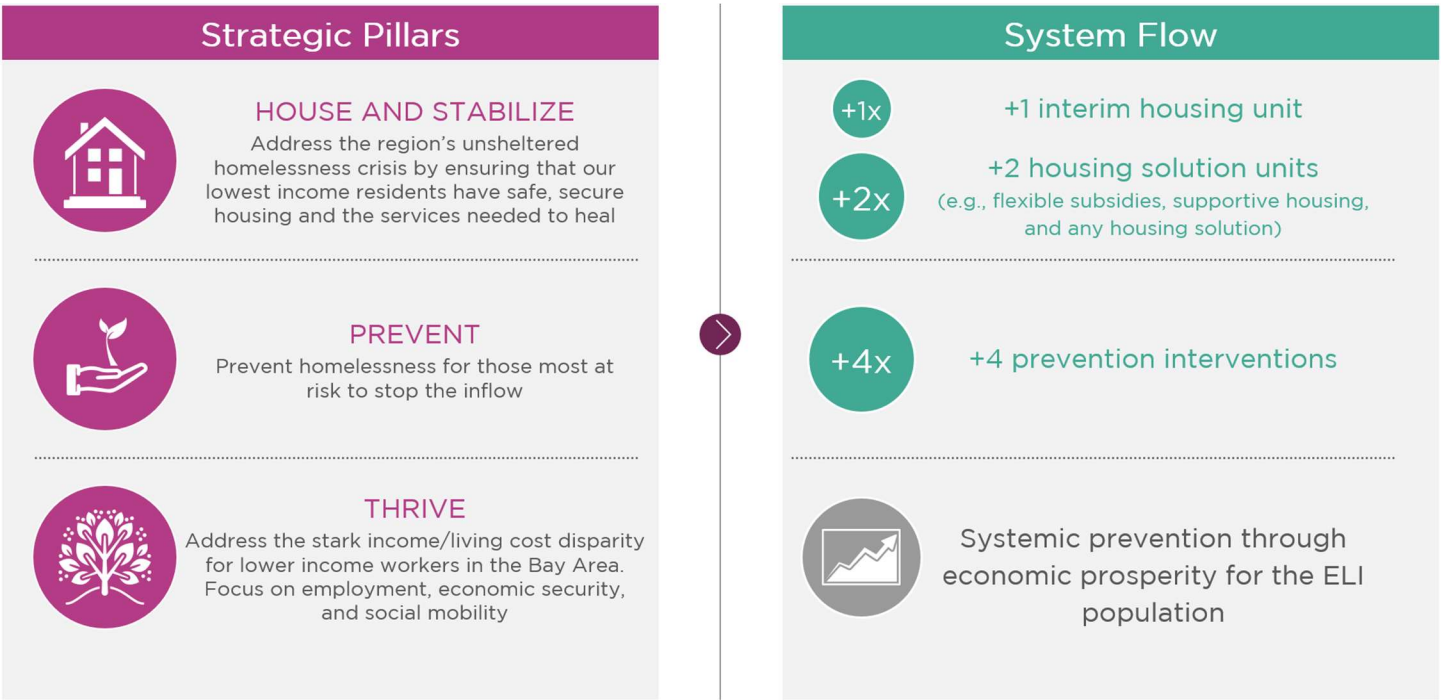


Figure 2: RIC strategic pillars underpins the 1-2-4 system flow model



# LEAD WITH RACIAL EQUITY

This plan and its proposed actions – including the priorities for implementation outlined below – must be grounded in closing racial disparities – currently reflected by the disproportionately high percentage of Black, brown, and Indigenous peoples who are homeless or at-risk of becoming homeless. In particular:

- The **State of California** should establish standards and best practices for measuring current racial equity levels and for demonstrating progress; the **State** should increase accountability for outcomes by tying funding to demonstrated progress toward closing racial disparities.
- **Private and philanthropic partners** should actively prioritize funding interventions targeted to BIPOC experiencing homelessness or at risk of becoming homeless.
- **All Counties** should operationalize equity-based prioritization schemes, service provision, and rental assistance programs in the most vulnerable communities. Geographic targeting based on area deprivation index, high rates of poverty, lack of home ownership, high rates of eviction, rental burden, zip codes or some combination could be considered as possible ways to operationalize prioritized services.

## CALL FOR FEDERAL PARTNERSHIP

These actions will require expanded Federal funding and partnership. The \$1.9 trillion Biden-Harris Administration “American Rescue Act” coronavirus relief package was a positive first step. We call upon Congress to act immediately on the following:

- Pass the Biden-Harris “American Jobs Plan,” an approximately \$2 trillion infrastructure and recovery package that includes \$213 billion “to produce, preserve, and retrofit more than two million affordable and sustainable places to live
- Provide HUD-Housing Choice Vouchers to every eligible household, prioritizing people who are experiencing or are at-risk of homelessness. Currently, only 1 out of 4 eligible households receive a Housing Choice Vouchers
- **Allocate \$44 billion annually** to the Housing Trust Fund to help states and localities, which responded quickly and creatively to move individuals experiencing homelessness into non-congregate settings, to now acquire and convert available properties, including hotels, motels, and other opportunity sites, into permanent housing solutions so that no one is returned to living outdoors
- Invest \$70 billion to repair and rehabilitate existing public housing
- Create innovative new funding strategies that facilitate cross-discipline investment and cross-jurisdictional collaboration
- Expand Medicaid funding to include stable housing as part of holistic treatment plans

In addition to these immediate actions, we call on the Federal government, in close coordination with the State, to provide **new funding needed to ensure all local jurisdictions are able to implement plans to house 75% of our unsheltered population by 2024 by implementing a full range of prevention and housing options.**

We commit to working with Congress and the Biden-Harris Administration to identify and develop innovative, scalable solutions to homelessness and poverty. We look forward to quickly turning our attention to “Housing as Infrastructure” and working with our California Congressional delegation to achieve the requisite scale of federal investment in affordable housing to truly make homelessness in the United States an experience that is rare and brief, not one that persists for decades.

# OPERATIONALIZING THIS WORK

The total 5-year cost of sheltering 75% of the Bay Area's unsheltered population, while investing in the comprehensive system flow outlined by the 1-2-4 framework, is estimated at \$6.5 billion, with \$1.6 billion needed in 2021. Existing resources can (and are) being used to fund this approach. New resources may be required in jurisdictions where current plans are not consistent with the 1-2-4 approach; that is, where resources are insufficient to fund prevention, interim housing, and permanent housing solutions simultaneously and at scale.

- **The State of California should condition existing and new funds on implementing the three-pronged 1-2-4 framework**, starting with a pilot project in the Bay Area in 2021
- **The State should provide expanded technical assistance** to local jurisdictions, to enable seamless implementation of the 1-2-4 framework in our region
- **Local jurisdictions will be provided with assistance** from All Home that recognizes the unique local circumstances as they work to activate the 1-2-4 framework. All Home will also provide support for inter-jurisdictional coordination within and between the region's counties
- **If new funds are required**, this coalition will work to raise the necessary resources from the state and federal governments

Our funding estimates reflect the cost of adding intervention capacity in a 1:2:4 ratio across interim housing, permanent housing solutions, and homelessness prevention interventions over time. Based on our high-level analysis, approximately \$6.5 billion in total investment is required over 5 years, split roughly evenly between capital and operating costs. The cost estimates are designed using Bay Area (9-county) averages, and assume limited interim capacity is available to shelter the currently 35,000 unhoused individuals living in the region. We put forward the estimate with an understanding that the number of unsheltered people— and the costs to serve them— will continue to grow until we significantly reduce the inflow of individuals and households to homelessness.

## PRIORITIES FOR IMPLEMENTATION

We have identified eight priorities for focus as we implement this work, expanded on in the Additional Detail section:

### House & Stabilize

Strategic Priority #1: Secure Shelter-In-Place (SIP) housing locations

Strategic Priority #2: Streamline State funds and applications for housing and homeless services

Strategic Priority #3: Prioritize extremely low income (ELI) households for housing resources

Strategic Priority #4: Extend covenants of affordability to preserve affordable housing supply and fund ELI tenancy

### Prevent

Strategic Priority #5: Extend eviction moratoriums

Strategic Priority #6: Accelerate cash payments to people impacted by COVID-19

Strategic Priority #7: Provide targeted rental assistance to those impacted by COVID-19, who are most vulnerable to homelessness

Strategic Priority #8: Accelerate targeted, data-informed regional homelessness prevention model

# PLAN DETAILS

## THE COMPREHENSIVE 1-2-4 FRAMEWORK

To ensure we can realize on our ambitions to reduce unsheltered homelessness, we need a model to operationalize across the Bay Area. The model outlined below will enable the region to move expeditiously toward disrupting homelessness and reducing the current level of unsheltered homelessness by 75% before 2024. We call for actions that accelerate progress toward this goal, which includes an interim target of housing 30% of today's unsheltered population in 2021.

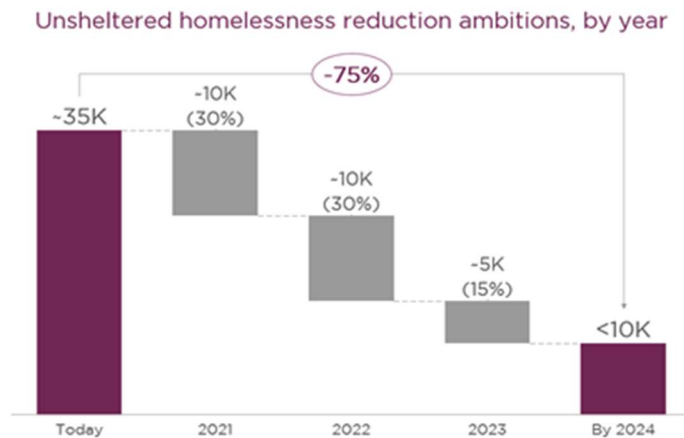


Figure 3: Unsheltered homelessness reduction ambitions by year, '21- '24

Successfully housing the unsheltered population and bringing them to a permanent exit from homelessness requires designing and investing commensurately in an expansion of permanent affordable housing or housing subsidy options to create “system flow,” which is the movement of people off the streets and into stable housing (in particular, housing with requisite, needs-based services attached). A comprehensive “system flow” includes:

- homelessness prevention,
- interim housing options (as needed),
- supportive housing,
- and a broad set of flexible subsidies or deeply affordable housing options for those who do not need permanent supportive housing.

We propose a flow that calls for capacity additions in the following ratio: 1 additional interim housing unit, 2 permanent housing solutions, and 4 prevention interventions. This model will add the capacity necessary to address the crisis in the near term.

## 1-2-4 FRAMEWORK

Before the current pandemic conditions, several Bay Area counties were already exhibiting dramatic increases in their unsheltered homeless PIT counts from 2017-2019. Continuing on that trajectory is unacceptable. Our communities must do better at providing the dignity of a safe housing option, interim or permanent, for those who are living outdoors. The 1-2-4 Framework is an acknowledgement that an effective and sustainable plan to do better requires investment in multiple strategies at once – homelessness prevention, interim or emergency housing, permanent deeply affordable or permanent supportive housing, and housing subsidies. It is not enough to simply provide emergency shelter if there are (a) insufficient long-term housing options (“exits”) to provide outflow, and (b) insufficient focus on reducing inflow.

We live in a region with a large population of highly rent-burdened low-income households, who lack access to an available supply of more affordable housing. We will never break the cycle of unsheltered homelessness without a significant investment in homelessness prevention (short-term interventions to assist households experiencing a crisis that may cause them to lose housing).

“1-2-4” is not a prescription or a one-size-fits-all solution. It’s a ratio that illustrates proportionate investment in three strategies simultaneously. In order to reduce unsheltered homelessness rapidly, most cities or counties will need to frontload investment into interim housing options, such as leasing or purchasing motels, tiny homes, mobile homes or other temporary housing options.

The RIC workgroups have established a high-level cost assessment of the resources required to meet our goal of sheltering 75% of unsheltered people by 2024. We put forward the estimate with an understanding that the number of unsheltered people will continue to grow until we significantly reduce the inflow and increase the outflow, or exits. The estimate draws on cost and flow assumptions triangulated from various county-level sources and are taken as Bay Area (9-county) averages. These estimates reflect the cost of adding intervention capacity in a 1:2:4 ratio across interim shelter, permanent housing solutions, and homelessness prevention interventions over time. Based on these assumptions and analyses, approximately \$6.5 billion in total investment is required across five years, split roughly evenly between capital and operating costs.

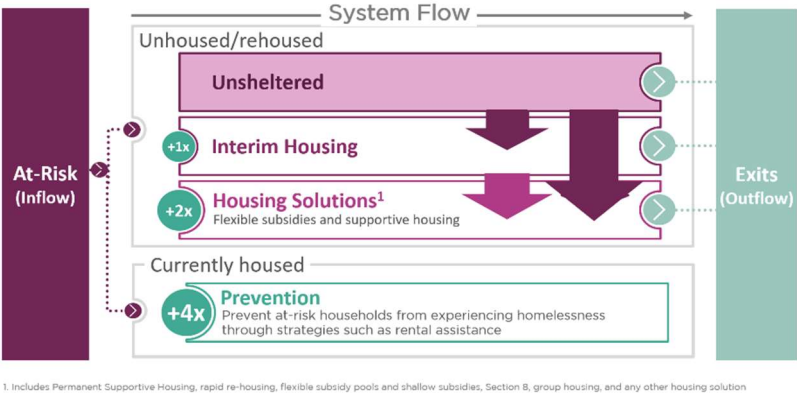


Figure 4: Comprehensive System Flow Model



Figure 5: 1-2-4 Framework Cost Outlook (30%/30%/15% scenario shown)

Our recommendation is that for every unit of interim housing that is created ("1"), two permanent housing options ("2") such as a housing subsidy that can write down the cost of a market rate apartment or a newly acquired or created affordable unit must be planned, so that people don't linger for extended periods of time in interim housing. It is critical that people move from interim to permanent housing quickly, so that the interim options can be made available to others who still remain unhoused. Simultaneously, we recommend that each unit of interim housing should be matched with sufficient homelessness prevention investment to serve four households ("4").

Again, while we are rapidly moving people who are unsheltered either directly to permanent housing, perhaps with a subsidy, or first to interim and then as quickly as possible to permanent housing, the prevention investment will slow down the rate at which people are becoming homeless, and over time reach equilibrium once the correct balance of interim and permanent housing options is available in the community.

Some cities or counties, may need very little investment in interim housing, e.g., if their unsheltered population is relatively small or if they have already made marked investment in emergency housing options. Those communities could choose to focus on rental subsidies and permanent housing to house people quickly and homelessness prevention to stop people from becoming homeless. The bottom line is that each community can right-size the ratio to reach equilibrium, but investing in only one option will not be sufficient to reduce homelessness in any community in the short-term given the high cost of rental housing and the time and cost of construction and acquisition of affordable housing in the Bay Area.



## STRATEGIC PILLARS FOR A COMPREHENSIVE RESPONSE

These efforts are grounded in the RIC's strategic pillars: to **House and Stabilize, Prevent**, and enable the region's most vulnerable populations to **Thrive** (see figure 2). COVID-19 has only highlighted the urgency and action needed to address this widening gap. The process of convening the RIC has already yielded results, forging connections and building alliances among our members. We will work to identify, recognize, and scale best practices and successful models across the region, and propose bold regional solutions. These priorities work in concert with the 1-2-4 framework to improve the foundations of a healthy, responsive Bay Area homeless services system—one that will continue to evolve after addressing the urgent crisis of more than 35,000 Bay Area residents living outdoors.

## PRIORITIES FOR IMPLEMENTATION: HOUSE & STABILIZE



### Strategic Priority #1: Secure Shelter-In-Place (SIP) housing locations

Counties across the Bay Area have put in place measures for temporarily housing their at-risk and unhoused populations in Shelter-in-Place (SIP) housing, to provide shelter and safety during the COVID-19 pandemic. There is broad agreement that individuals who found shelter through these programs should remain housed, be entered into Coordinated Entry Systems (CES), and guided first to non-congregate interim and then to permanent housing (in some cases these individuals may go directly from SIP hotels to permanent housing if it is available and situationally appropriate). Some counties have already begun this process, but others lack a plan for these residents to remain housed. In many counties, the lack of interim and permanent housing options will pose a major barrier in achieving this goal, pointing to the need to expand housing voucher availability.

Priority #1 aims to develop a framework for all Bay Area counties that provides a pathway for those who moved indoors during the pandemic to transition from interim housing into a range of suitable permanent housing solutions.

### Detailed call to action

- The **State of California** and the region's **Cities and Counties**, with **Federal funding and partnership**, should seek to retain as much of the Shelter-in-Place (SIP) housing (established in response to COVID-19) as possible, to be converted post-pandemic into interim housing for unsheltered individuals/households, while assisting people to transition quickly to permanent housing (Immediate, Ongoing).
- The **State** must recognize that for Project Homekey (acquisition and conversion of hotels to house vulnerable populations) to be successful, bond financing for acquisition and rehabilitation projects is essential. Therefore, we call for a \$10 billion state investment in affordable housing through passage of a new bond (SB 5).
- **All Home**, in collaboration with regional partners and local jurisdictions, will identify and advocate for funding for housing vouchers or other housing solutions at all levels of government, ensuring funds meet the demand from each county for interim housing options, flexible rental subsidies, and permanent housing solutions needed to prevent people from returning to the streets.
- **Counties** should identify locations or acquisition sites and make plans to implement interim housing options for individuals who cannot move directly into permanent housing, leveraging recent CEQA exemptions for emergency shelters and navigation centers, albeit non-congregate models.



## Strategic Priority #2: Streamline State funds & applications for housing & homeless services

Four key state agencies contribute to the State's basic housing efforts, but there is not a well-coordinated plan to effectively use their collective financial resources to support affordable housing acquisition and development. Applicants for state funds for housing and homeless services are overburdened by duplicative application processes with varying timelines, eligibility criteria, and application requirements. The State Auditor commented on this complexity in November 2020, calling for the State to simplify its funding pools and award processes.

### Detailed call to action

- The **State of California** should consolidate and streamline all affordable housing funding and application processes, coordinating between the California Debt Limit Allocation Committee (CDLAC), the Tax Credit Allocation Committee (TCAC), the Department of Housing and Community Development (HCD), and the California Housing Finance Authority (CalHFA) to eliminate waste and inefficiencies and to reduce the time needed to access funding (no later than July 2021).
- Existing state programs that fund services for people experiencing homelessness should, where possible, be consolidated into a joint funding pool with a single application process. This process should be jointly administered by California's Departments of Housing and Community Development (HCD) and Social Services (DSS). In cases where consolidation into a single pool is not possible, agencies should align standards and funding processes as much as possible, in coordination with HCD and DSS.
- CDLAC should avoid over-emphasizing cost containment in formulas affecting new construction projects especially through its inclusion in both the tiebreaker and as its own category, as it disadvantages Permanent Supportive Housing (PSH) housing projects, ELI housing projects, and projects located in areas with higher construction costs, such as the Bay Area. While we fully support cost-containment and urge the State to creatively incentivize lower cost construction, this formula disadvantages housing production in parts of the state with some of the highest rates of homelessness.
- The State should revise the opportunity map methodology to ensure that it does not de-prioritize BIPOC communities which tend to be overwhelmingly represented as "low resource" in HCD's opportunity maps, that map high opportunity communities, defined by income, school performance and other factors. While we support the concept of encouraging new development in high opportunity areas, communities that have suffered historic underinvestment should not be left behind as there are longstanding housing needs that must be met.



## Strategic Priority #3: Prioritize ELI for housing resources

In its well-intended efforts to serve all Californians, the state's agencies, with increasing momentum, are targeting higher AMI categories, resulting in less funding for housing that is desperately needed to house ELI households. As a state and a region where all housing has been under-produced for decades, we must stop pitting the needs of one income group against another. What we do know is this – our 9-county Bay Area has produced only 9% of the housing units needed for very low income (VLI) households (below 50% AMI) based upon the current Regional Housing Needs Allocation (RHNA). This coalition calls for a reversal of this trend and a prioritization of ELI households (below 30%

AMI) in funding for housing. We support appropriate market reforms to increase production at other affordability levels including expanding the supply of “missing middle” housing.

### Detailed call to action

- The **State of California** should ensure that a significant portion of all publicly funded affordable housing projects are inclusive of people with extremely low incomes given that they are at the highest risk of becoming homeless, particularly in the San Francisco Bay Area. The State should reverse its trend emphasizing an average of 60% of AMI in projects using State funds and ensure that at least 20% of new units are reserved for 30% of AMI or below and 20% are reserved for 50% of AMI or below. (Ongoing).
- In particular, **CDLAC** should make new housing construction for extremely (ELI) and very-low income (VLI) households a priority. It should adjust its current stated preference of 60% of AMI and instead require that at least 20% of the units are 30% of AMI or below and 20% are at 50% of AMI or below.
- Within the Homeless Set-Aside (provision of allocated units) - **CDLAC** should require that 25% of total units (minimum of 15) meet the homeless definition, not just the tax credit units.



## Strategic Priority #4: Extend covenants of affordability to preserve affordable housing supply and fund ELI tenancy

A significant portion of the Bay Area’s affordable housing units are not permanently affordable. Instead these units have covenants, that if not extended, expire and the housing resets to market rate. This phenomenon displaces lower income tenants and puts them at risk of homelessness. Thousands of once affordable units have been lost in the Bay Area because affordable covenants were not renewed.

In addition to the loss of existing affordable housing units, most affordable housing is not designed to be affordable by Bay Area residents with extremely low incomes (below 30% AMI). Given our region’s exorbitant housing costs, affordable housing developments typically house tenants with household incomes at higher levels (e.g. a development’s tenants have incomes that average 60% AMI). Because their incomes are lower, households at or below 30% of AMI require deeper subsidies. Similarly, formerly homeless individuals or families may have extremely low incomes and may also need supportive services (either short-term or longer-term) to remain housed and successfully thrive after having endured the hardship of being homeless for an extended time.

### Detailed call to action

- The **State of California** should, with **Federal funding and partnership**, provide funding to secure affordable housing properties for which covenants of affordability are expiring and provide funding for existing complexes to more deeply subsidize rents and fund supportive services to serve ELI and formerly homeless individuals and families (no later than July 2021).

## PRIORITIES FOR IMPLEMENTATION: PREVENT



### Strategic Priority #5: Extend eviction protections

In 2020, the COVID-19 crisis devastated the region, with a disproportionate impact on the lowest income individuals and families, particularly BIPOC households. The rent burden – already high – on the low income (< 50% AMI) and extremely low income (<30% AMI) populations was exacerbated by COVID-related job losses and financial hardship this year. To prevent a massive eviction crisis, eviction moratoriums were enacted at the local and state levels, including California’s AB 3088 in September 2020. In late January 2021, the California Legislature passed SB 91 to extend the state-wide eviction protection until June 30, 2021. Keeping people in their existing homes is critical to reducing spread of the coronavirus. Research led by Dr. Kathryn Leifheit of UCLA estimates that **our current statewide emergency eviction protection law has already prevented 186,000 COVID-19 cases and 6,000 deaths**, so we recommend minimally that eviction protections remain in place until at least 60 days after the end of the public health emergency is lifted. However, we also know that higher rates of COVID-19 related income and job loss have disproportionately impacted ELI households, particularly African American and Latinx households. These impacts are likely to linger for some time after the pandemic subsides and the economy begins to stabilize. If history is an example, homelessness began to increase three years after the 2008 Great Recession “ended” as unemployment remained stubbornly high for Blacks and Latinos.

#### Detailed call to action

- **The State extended eviction protections for California’s renters and enacted a framework for its rental assistance program with SB 91.** The State Legislature should monitor COVID-19 infection rates and rates of unemployment for the highest impacted groups. If both remain high that should be taken into account before allowing the current state-wide eviction protection to expire on June 30, 2021. The State should also take action to close loopholes in the current eviction protections and prevent landlords from evicting tenants for lease expirations or minor lease violations until the pandemic health emergency ends.
- **The Biden-Harris Administration** acted by Executive Order to direct the Centers for Disease Control (CDC) to extend the national eviction moratorium, which it did until March 31, 2021. The CDC later extended that eviction protection until June 30, 2021. We call on the CDC to further extend and improve the national eviction moratorium. The moratorium must be extended through the duration of the public health emergency, and it should be improved to address the shortcomings that have prevented some renters from making use of its protections. The moratorium should provide an automatic, universal protection to keep more renters throughout the U.S. in their homes and it should apply to all stages of eviction. Federal agencies must also actively enforce its protections. An extension to the CDC order could prove to be vital to Californians if the CA Legislature fails to extend the state-enacted eviction protections beyond June 30, 2021.
- **All Counties** should enact a universal eviction protections that last until at least 60 days after the County lifts its COVID-19 public health emergency (Immediate). Tenants should not be evicted during the pandemic for any reason, except for the protection of health and safety. Evictions for lease expirations, minor lease violations, move-in or Ellis Act evictions, or anything short of personal safety should not be permitted during the pandemic.
- **Counties and cities** should consider imposing fines or penalties on property owners that continue to send Notices to Pay or Quit or 3-Day eviction notices to tenants for non-payment of rent, if the property owner



is knowingly using notices to intimidate or confuse tenants in an effort to encourage them to move out, despite the fact that non-payment of rent is not currently permissible as a grounds for eviction at this time.



## Strategic Priority #6: Accelerate cash payments to people impacted by COVID-19

While high-wage workers have experienced a 4.3 percent decrease in employment during the pandemic, low-wage workers have suffered a 26.9 percent decrease, a historically unprecedented divide during a recession. With the pandemic wearing on and economic recovery slow, ELI and minority households are being hit hardest, many with insufficient income to cover their basic needs as a result of pandemic-related job loss. Substantial evidence shows that direct cash assistance is the most effective, responsive, and targeted way to support ELI households and prevent them from becoming homeless. Priority #6 advocates for recurring cash payments and enhanced unemployment benefits for ELI households at the federal level. In the absence of further federal intervention, Priority #6 intends to highlight a path for California to expand and enhance refundable tax credits to provide additional income to ELI households. This priority also acknowledges the major intersection between ELI households and the unbanked population (individuals not served by banks due to financial or identity barriers) in California and aspires to address barriers to households claiming their benefits, so they have the resources needed to weather the pandemic.

### Detailed call to action

- RIC Coalition joins income security advocates, in coalition with the Economic Security Project (initiative aimed at bolstering economic security for all Americans), calling for federal recurring cash payments of \$2,000 quarterly through 2021 or until the employment rate stabilizes.
- The State of California should approve the Governor's proposed Golden Gate Stimulus of \$600 for California residents who qualify for the state Earned Income Tax Credit on their 2019 tax returns.
- Federal government should extend emergency unemployment insurance programs through September 2021 while providing a \$600 per week unemployment insurance supplement.
- If the Federal effort described above is unsuccessful, state legislators should pass legislation to extend and expand refundable tax programs to maximize income for ELI households. Refundable tax programs are specifically highlighted because they do not impact household income eligibility for public benefit programs. This may include:
  - Removing the earnings requirement and age parameters for the Child Tax Credit (tax credit for parents with dependent children)
  - Doubling the California Earned Income Tax Credit (refundable cash back credit for qualified low-to-moderate income working Californians) for workers without children
- Address the barriers faced by under- and un-banked populations in accessing benefits by offering no-fee checking accounts or other distribution methods.



## Strategic Priority #7: Provide targeted rental assistance to those impacted by COVID-19, who are most vulnerable to homelessness

Priority #7 aims to prevent the impending wave of evictions that could occur when the moratoriums eventually are lifted. We must ensure that the number of people becoming homeless in the Bay Area does not accelerate due to pandemic-related income loss and the inability to keep up with rent. SB 91 averted an immediate crisis by extending eviction protections until June 30, 2021. California also received \$2.6 billion in federal rental assistance from the in the form of U.S. Treasury Emergency Rental Assistance Program (ERAP) funds. Counties and cities with populations of >200,000 received roughly \$1.1 billion and the State received roughly \$1.5 billion. But still, millions of California renters will be burdened by amassed rental arrearages, small claims court judgments and lingering unemployment that will hobble them financially for an extended period of time.

### Detailed call to action

- The State of California created a block grant program to distribute its \$1.5 billion portion in new COVID-response rental assistance. Although the framework for the State's program is complex, for tenants who have cooperative landlords it offers an opportunity not only to have the program pay the landlord 80% of the rent arrearage, but to have the other 20% forgiven if the landlord wishes to participate. However, for tenants whose landlords refuse to participate, it permits only 25% of their arrearage to be paid. The State has made an effort to prioritize based on equity and to households earning at or below 50% AMI. The recent Biden-Harris "American Rescue Act" package included an additional \$30 billion in ERAP funds. We urge the State to improve upon its current framework for rental assistance (enacted in SB 91) to ensure equal outcomes for all tenants and to implement the targeting strategies outlined below.
- The statutory language that authorized the ERAP allocation allows assistance to be provided to households earning up to 80% AMI, but indicates that households at or below 50% of AMI as well as those which have a household member who has been unemployed for 90 days or more should be prioritized. With hundreds of thousands of Californians behind on rent, there will be a gravitational pull to assist people at the full range of allowable income levels. However, in order to prevent a massive surge in homelessness later in 2021-2022, rental assistance must be targeted to those most at risk of homelessness. Local rental assistance programs should prioritize the following:
  - ELI households (<30% AMI)
  - Households with severe rent burden (>50% of income spent on rent)
  - Households or individuals who have had a previous experience of homelessness
  - Census tracts or zip codes with high rates of housing insecurity or homelessness, high rates of eviction, high rates of COVID-19 infection, high rates of poverty and/or a high area deprivation index
  - Hard to reach communities (e.g., those who have language barriers and people who are in informal living arrangements); and
  - Groups that don't have access to other benefit programs (e.g., undocumented immigrants)
- Any new or expanded rental assistance program should include the following elements:
  - Low-barrier flexible cash assistance, including acceptance of self-certifications regarding income, housing and, employment status. Programs should permit payment directly to the household if the

landlord refuses to accept rental payment from the program or fails to respond within the prescribed time period

- Access to landlord mediation or legal services as needed
- Effective and culturally relevant outreach:
  - Partner with, and build capacity of, BIPOC led community organizations located in and serving impacted communities while expanding the ecosystem of organizations providing program services
  - Co-design outreach processes with CBOs that serve the hardest hit communities and offer access at common intersections with people at-risk of homelessness including food pantries, schools/day care, housing court, community health clinics, institutional discharging or correctional system release. Coordinate with COVID-19 vaccination outreach efforts to maximize efficiency.
  - Work with community groups representing tenants and people who have experienced homelessness, to inform prioritization and policies.
- Tackle racial disparity
  - Collect and publicly report disaggregated data on households served by race, ethnicity, and zip code.
  - Remove barriers that disproportionately impact BIPOC: accept applications by all methods - online, phone, in-person; do not limit assistance to one-time only; be explicit on all materials that information regarding immigration status will not be asked for nor shared at any time during the process.
- Fill gaps caused by ERAP funding constraints with other sources of public (e.g., CDBG-CV or ESG-CV) or private funds to offer more holistic housing stabilization plans to families and individuals.

See [“Local Strategies to Protect Tenants and Prevent Homelessness in Bay Area COVID-19 Emergency Rental Assistance Programs\(ERAPs\)”](#) for more detailed recommendations.



## Strategic Priority #8: Accelerate targeted, data-informed regional prevention model

Prior to the pandemic, the Bay Area had the distinction of having more than 35,000 people who were homeless. With massive job and income loss among low wage workers due to the pandemic, many of whom were severely rent-burdened, we can expect that poverty and homelessness will rise in 2021. In 2019, two to three people were becoming homeless for every one person who was successfully assisted to move from homelessness to housing in the Bay Area. We desperately need a regional homelessness prevention system to slow down the rate at which people are becoming homeless; this starts by coordinating resources and services within the region. Priority #8 aims to build upon prevention efforts and infrastructure that already exist and to create a program for coordinated service delivery. All Home has launched a pilot in three cities - Oakland, Fremont and San Francisco - to facilitate a research and data-informed approach that focuses on using new federal ERAP funding to target those who are most vulnerable to homelessness. The pilot is intended to extend into Contra Costa County later in 2021, in advance of full implementation and coverage of all nine Bay Area counties within three years. Ultimately, the goal is to blend public and private funds and bring about a higher degree of coordination among anti-eviction/displacement, rental subsidy, homelessness prevention, diversion, and rapid-rehousing programs in the region.

## Detailed call to action

- Since September 2021, All Home in partnership with RIC members and others has embarked on a consensus-building design process to launch its homelessness prevention pilot. In order to maximize the opportunity to align federal ERAP funding with homelessness prevention efforts, All Home accelerated its regional homelessness prevention efforts to launch by April 2021. The pilot is a work in progress to build consistency in best practices for risk assessment and service delivery, using a common data platform and evaluation framework. Initially the regional homelessness prevention program model will include the following services:
  - Financial assistance – flexible cash assistance, rental arrears, rental assistance, security deposit, move-in expenses, reunification or relocation expenses, transportation expenses
  - Eviction prevention/legal assistance
  - Utility assistance
  - Housing problem-solving
  - Landlord mediation and connecting residents to advocacy organizations
  - Linkages to other community resources and public benefit programs
- As the program reaches its full implementation, the following services will also be provided:
  - Assistance with housing search, placement, and stabilization, including limited term rental subsidies and case management
  - Financial counseling
  - Income stabilization through workforce development partnerships
- Implement a three-county pilot regional homelessness prevention system that is rolled out with an eye toward regional expansion to all nine Bay Area counties. The pilot offers the following elements:
  - Emphasis on reducing racial and ethnic disparities among households that are experiencing homelessness for the first time through targeted financial assistance and program design:
    - Targeting resources to racial/ethnic groups facing high rates of homelessness (in the Bay Area, Black, Indigenous, Latinx and Pacific Islander communities) and groups that don't have access to other benefit programs.
    - Meeting non-traditional needs, for instance offering interventions that stabilize support networks or kinship networks, as defined by marginalized communities, to include chosen families.
    - Addressing funding/program gaps that exist for undocumented immigrants.
    - Ensure effective and culturally relevant outreach as described above in Strategic Priority #7.
    - Reducing barriers to long-term success by connecting households to economic mobility programs and eliminating limitations on “one-time only” assistance because an ELI household may encounter one or more periods of economic shock on the way to getting back on their feet.
  - Common program elements as discussed above.
  - New, web-based data platform for applicants and service providers which includes:
    - Online financial assistance application portal



- Evidence-based risk assessment tool that promotes effective and efficient targeting of services to those who are at highest risk<sup>3</sup> of homelessness.
  - Back-end service provider module for case management, management approvals and fund disbursements.
  - Consistency in staff training in housing problem-solving/diversion techniques and learning collaboratives to promote cross- county collaboration and sharing of useful resolution ideas.
- Evaluate program efficacy of the initial three-county level programs and adapt as necessary to expand to the regional scale within three years.
- All Home, in collaboration with regional partners and local jurisdictions, will work to identify and collaborate with a regional entity with the capacity to manage a regional homelessness prevention system for the long-term. In 2020, the Bay Area Housing and Financing Authority (BAHFA) was established by the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC). BAHFA is positioned to provide a powerful new set of financing and policy tools to improve housing affordability and may be well suited to play this role in the future.
- Combine public and private funding streams to maximize the prevention system's function and flexibility At the federal, state and local levels, there are many programs that support homelessness prevention, each having slightly different eligibility and other requirements – Emergency Solutions Grants (ESG and ESG-CV), Community Development Block Grants (CDBG and CDBG-CV), new U.S. Treasury Emergency Rental Assistance Program (ERAP), State Homeless, Housing, Assistance and Prevention (HHAP), CalWorks Homeless Assistance Program, local tax measure funds that are required to be spent on homelessness prevention. These funding streams should be streamlined so that they can be used more flexibly and holistically to keep people housed. Currently, private and philanthropic funds are used to fill gaps and provide the flexibility for the program to meet each household's needs. The goal of a regional homelessness prevention program is to leverage these funds in the creation of a public-private partnership that weaves together a stronger, more viable safety net that is truly available and capable of preventing a household from becoming homeless or quickly assisting with the resources necessary to find alternative housing, regardless of where one lives in the Bay Area.

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<sup>3</sup> Female Head of Household, pregnancy, child younger than two, history of public assistance, eviction threat, high mobility in last year, history of protective services, high conflict in household, disruptions as a child (e.g. foster care, shelter history as youth), shelter history as an adult, recent shelter application, seeking to reintegrate into community from an institution, high number of shelter applications.

## IMPACT METRICS & TRACKING

We have developed a series of impact metrics to track progress against our 8 strategic priorities, while systematically advancing All Home's vision and informing forthcoming work. These metrics will be reviewed on a regular cadence and progress will be shared back to counties, stakeholders, and RIC members.

- **Overall**- Reduce unsheltered homelessness by 75% by 2024, overall homelessness by 75% by 2030
- **System flow**- % of new episodes, PIT count, eviction rate, # of days between shelter and permanent exits
- **Availability**- # of interim housing units, # of permanent housing solution units, # of prevention interventions by 2024 and 2030, utilization rate over time (match of resources available to interventions needed in each category)
- **Diversity**- Homelessness population segmentation and population comparison by race/gender/age to reduce disparity
- **Employment**- ELI unemployment rate, income levels
- **Data**- Consistency in format and metrics across region, clear indicators of coordinated efforts among Bay Area counties
- **Revenue**- Match of funding available with needs to implement priorities

Furthermore, we will track stakeholder perceptions of progress through an annual survey to RIC members to measure the extent to which they believe goals are being met. We will also convene counties on a quarterly basis, and other stakeholder groups on an ad hoc basis, to review progress and identify barriers to be mitigated. We will also draw on those with lived experience to understand their perceptions of system efficacy (access to resources, employment opportunities, etc.) and provide real-time tracking.

HomeBase research finds that a regional data sharing system would enhance the ability of jurisdictions and care providers to conduct local planning, measure outcomes and investment impacts, and support care and support coordination. Data enrichment options that allow identifiable client-level data sharing across jurisdictions would have an even greater impact by creating opportunities to coordinate across systems of care—ensuring individuals have continuity without having to restart the process of seeking help every time they transition to a new location.

Therefore, it may be helpful to establish a regional data sharing system utilizing existing research and tools developed by Homebase to enhance the ability of jurisdictions and care providers to conduct local planning, measure outcomes and investment impacts, and support care and support coordination across cities and counties.

Cumulatively, advancement across these metrics will enable the broader social change we are committed to enacting: increasing racial equity, inclusivity of all communities, greater economic and social mobility, shifting our paradigm to recognize ELI people's value, and highlighting regionalism as imperative to driving progress.

# INTRODUCTION TO THE REGIONAL IMPACT COUNCIL

## LETTER FROM THE CO-CHAIRS

The Regional Impact Council (RIC) convened in 2020, when our members – from across the Bay Area – organized around the belief that homelessness can be rare, brief, and non-recurring for those that experience it. We believe a coordinated regional response is needed to advance system level changes to solve poverty, housing insecurity, racial inequity and homelessness crisis facing our region and state.

The COVID-19 pandemic has exacerbated the already large chasm in economic equality and mobility in the Bay Area, impacting vulnerable communities that are disproportionately Black, brown, Indigenous and low income. As a region our experience of COVID-19 is unequal. For affluent professional workers, the recession's direct economic impact has been minimal. Indeed, the wealth of some in the professional class has gone up since the pandemic. For Black, brown and Indigenous communities and extremely low-income populations, this recession is worse than the Great Financial Crisis of 2008-2010. The true impact of historic unemployment, racial injustice, and the continued economic pressure on small businesses will be an uphill challenge. The magnitude of these changes has forced us to explore systemic solutions previously deemed too bold. We must seek new solutions and advance them more quickly than what the Bay Area's jurisdictions have tried before.

The RIC complements existing efforts around homelessness and housing by bringing together key stakeholders, and policymakers across a diversity of communities and sectors including representatives from the state legislature, local government, non-profit organizations, the business community and private philanthropy with their collective assets to achieve population-level regional outcomes.

The urgency has never been greater, and we are eager to get to work. We view the Bay Area's regional response to the COVID-19 pandemic as an example of what our region can accomplish when we join together to address a shared challenge. After the current public health crisis, we will remain committed to our goals: house and stabilize those experiencing or at risk of homelessness, prevent future episodes of homelessness, and create economic prosperity across the region so that ELI individuals and families can thrive in the Bay Area.



**Derecka Mehrens**  
Chief Executive Officer,  
Working Partnerships USA



**Jonathan Fearn**  
Senior Development Director,  
Greystar



**Joshua Simon**  
Chief Executive Officer, East  
Bay Asian Location  
Development Corporation



**Sherilyn Adams**  
Executive Director  
Larkin Street Youth Services

## RIC MEMBERS

### REGIONAL IMPACT COUNCIL MEMBERS

The RIC is a coalition across the nine-county Bay Area. The council includes 85 leaders that work in state and local legislation, direct service provision, affordable housing, labor, economic mobility, racial equity and private sector businesses.

Our collective goal: Share, develop and mobilize against regional solutions to House and Stabilize, Prevent, and enable our most vulnerable populations to Thrive.

#### CO-CHAIRS

**Derecka Mehrens**, Chief Executive Officer, Working Partnerships USA

**Jonathan Fearn**, Senior Development Director, Greystar

**Joshua Simon**, Chief Executive Officer, EBALDC

**Sherilyn Adams**, Executive Director, Larkin Street Youth Services

#### STEERING COMMITTEE

**Amie Fishman**, Executive Director, Non-Profit Housing Association of Northern California

**Andreas Cluver**, Secretary-Treasurer, Alameda County Building Trades Council

**Ariane Hogan**, Associate Director of Local Government Affairs, Genentech

**Belia Ramos**, Supervisor, Napa County 5th District

**Candace Andersen**, Supervisor, Contra Costa County

**Cindy Chavez**, Supervisor, Santa Clara County

**Dave Cortese**, State Senator, California

**David Chiu**, State Assemblymember, California

**Diana Reddy**, City Councilmember, Redwood City

**Eddy Zheng**, Founder & President, New Breath Foundation

**Erin Connor**, Manager, Cisco Crisis Response

**Hydra Mendoza**, VP, Chief of Strategic Relationships Office of the Chair and CEO, Salesforce

**Jake MacKenzie**, Board Member, Greenbelt Alliance

**Jennifer Loving**, Chief Executive Officer, Destination Home

**Jesse Arreguin**, Mayor, City of Berkeley; President, Association of Bay Area Governments

**Jim Sperring**, Supervisor, Solano County

**Jim Green**, Senior Vice President, Government Affairs and Public Policy, Salesforce

**Jim Wunderman**, CEO, Bay Area Council

**Keith Carson**, Supervisor, Alameda County District 5

**Ken Cole**, Director, Human Services Agency, San Mateo County

**Libby Schaaf**, Mayor, City of Oakland

**Liz Ortega-Toro**, Executive Secretary-Treasurer, Alameda Labor Council

**London Breed**, Mayor, City and County of San Francisco

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**Melissa Jones**, Executive Director, Bay Area Regional Health Inequities Initiative

**Nicole Taylor**, President & CEO, Silicon Valley Community Foundation

**Robert Powers**, General Manager, BART

**Rosanne Foust**, President & CEO, San Mateo County Economic Development Association (SAMCEDA)

**Sam Liccardo**, Mayor, City of San Jose

**Scott Weiner**, State Senate, California

**Susan Gorin**, Supervisor, Sonoma County

**Therese McMillan**, Executive Director, Association of Bay Area Governments (ABAG)/Metropolitan Transportation Commission (MTC)

**Warren Slocum**, Supervisor, San Mateo County



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**Lindsay Haddix**, Housing Initiatives Program Manager, Facebook  
**Marc Trotz**, Consultant  
**Margot Kushel**, MD, UCSF Benioff Homelessness and Housing Initiative  
**Ophelia Basgal**, Vice-Chair, San Francisco Foundation Board  
**Tramecia Garner**, Associate Director for Housing and residential Programs, Swords to Plowshares  
**Will Dominie**, Impact Manager, BARHII  
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## ALL HOME STAFF

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**Ken Kirkey**, RIC Project Lead, Chief Partnership Officer

**Charlie Sun**, Chief of Staff

**Gail Gilman**, Chief Strategy Officer

**Jay Banfield**, Chief Economic Mobility Officer

**Joanne Karchmer**, Chief Impact Officer

**Terrance Thompson**, Director, Regional Homelessness Prevention System

## **ACKNOWLEDGEMENTS**

The Co-Chairs wish to acknowledge the invaluable contributions of everyone that has contributed to developing the Regional Action Plan and that continue to support the Regional Impact Council.

# GLOSSARY

## **AB – 15** – COVID-19 relief: Tenancy: Tenant Stabilization Act of 2021

*This bill would extend the definition of “COVID-19 rental debt” as unpaid rent or any other unpaid financial obligation of a tenant that came due between March 1, 2020, and December 31, 2021. The bill would also extend the repeal date of the act to January 1, 2026. The bill would make other conforming changes to align with these extended dates. By extending the repeal date of the act, the bill would expand the crime of perjury and create a state-mandated local program. (CA legislature)*

## **AB – 16** – Tenant, Small Landlord, and Affordable Housing Provider Stabilization Act of 2021

*This bill would state the intent of the Legislature to enact the Tenant, Small Landlord, and Affordable Housing Provider Stabilization Act of 2021 to address the long-term financial impacts of the COVID-19 pandemic on renters, small landlords, and affordable housing providers, ensure ongoing housing stability for tenants at risk of eviction, and stabilize rental properties at risk of foreclosure. This bill would include legislative findings and declarations in support of the intended legislation. (CA legislature)*

## **AB – 3088** – Tenancy: rental payment default: Mortgage forbearance: state of emergency: COVID-19

*This bill, the Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020, would, among other things, until January 1, 2023, additionally apply those protections to a first lien mortgage or deed of trust that is secured by residential real property that is occupied by a tenant, contains no more than four dwelling units, and meets certain criteria, including that a tenant occupying the property is unable to pay rent due to a reduction in income resulting from the novel coronavirus. (CA legislature)*

## **AMI** – Average Monthly Income

*Most federal and State housing assistance programs set maximum incomes for eligibility to live in assisted housing, and maximum rents and housing costs that may be charged to eligible residents, usually based on their incomes. HUD’s limits are based on surveys of local area median income (AMI)*

## **CA BCSHA** – California Business, Consumer Services and Housing Agency

*The Business, Consumer Services and Housing Agency assists and educates consumers regarding the licensing, regulation, and enforcement of professionals and businesses in California.*

## **CalHFA** – California Housing Finance Agency

*Established in 1975, CalHFA was chartered as the state’s affordable housing lender. The Agency’s Multifamily Division finances affordable rental housing through partnerships with jurisdictions, developers and more, while its Single Family Division provides first mortgage loans and down payment assistance to first-time homebuyers.*

## **CEQA** – CEQA – California Env. Quality Act

*CEQA, or the California Environmental Quality Act, is a statute that requires state and local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible.*



*The purpose of CEQA is to: Disclose to the public the significant environmental effects of a proposed discretionary project, through the preparation of an Initial Study (IS), Negative Declaration (ND), or Environmental Impact Report (EIR). (CA Office of Planning and Research)*

**CDBG-CV** – CARES Relief Community Development Block Grants

*Congress provided \$5 billion in the CARES Act for the Community Development Block Grant (CDBG) program to states, metropolitan cities, urban counties, and insular areas. (HUD)*

**CDLAC** – California Debt Limit Allocation Committee

*CDLAC's programs are used to finance affordable housing developments for low-income Californians, build solid waste disposal and waste recycling facilities, and to finance industrial development projects (CA State Treasurer's Office)*

**ESG-CV** – CARES Relief Emergency Solutions Grants

*These special ESG-CV funds are to be used to prevent, prepare for, and respond to the coronavirus pandemic (COVID-19) among individuals and families who are homeless or receiving homeless assistance. The funds will also support additional homeless assistance and homelessness prevention activities to mitigate the impacts of COVID-19. (HUD)*

**HCD** – California Department of Housing and Community Development

*The California Department of Housing and Community Development awards loans and grants to public and private housing developers, nonprofit agencies, cities, counties, state and federal partners. This money supports the construction, acquisition, rehabilitation, and preservation of affordable rental and ownership homes, provides permanent supportive housing options as well as stable, safe shelter for those experiencing homelessness. (HCD)*

**HUD** – US Department of Housing and Urban Development

**LI, VLI, ELI** – Low Income, Very Low Income and Extremely Low Income

*Low-income applicants earn less than 80% of the area median*

*Very low-income applicants earn less than 50% of the area median*

*Extremely low-income earn less than 30% of the area median*

**NGO** – Non-government Organization

**PHA** – Public Housing Authority

*The U.S. Department of Housing and Urban Development (HUD) administers Federal aid to local housing agencies (HAs) that manage the housing for low-income residents at rents they can afford. HUD furnishes technical and professional assistance in planning, developing and managing these developments. (HUD)*

**PSH** – Permanent Supportive Housing

*Permanent Supportive Housing (PSH) is a model that combines low-barrier affordable housing, health care, and supportive services to help individuals and families lead more stable lives. PSH typically targets people who are*

*homeless or otherwise unstably housed, experience multiple barriers to housing, and are unable to maintain housing stability without supportive services. (National Health Care for the Homeless Center)*

**TCAC – California Tax Credit Allocation Committee**

*The California Tax Credit Allocation Committee (CTCAC) administers the federal and state Low-Income Housing Tax Credit Programs. Both programs were created to promote private investment in affordable rental housing for low-income Californians. (CA State Treasurer’s Office)*

**Section 8 / HCV – Section 8 Housing Vouchers**

*The housing choice voucher program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments. Expanded rental assistance like the Housing Choice Voucher (HCV) program is a substantial component of any strategy to address the severe housing shortage and instability faced by ELI renters. Seventy-three percent of current HCV recipients are extremely low-income (HUD, 2018).*

# Regional Action Plan (RAP) Briefing

Meeting with ABAG/BAHFA

APRIL 29, 2021





# All Home - who we are

All Home is a Bay Area organization advancing regional solutions that disrupt the cycle of poverty and homelessness, redress the disparities in outcomes as a result of race, and create more economic mobility opportunities for extremely low-income (ELI) individuals and families within the Bay Area.

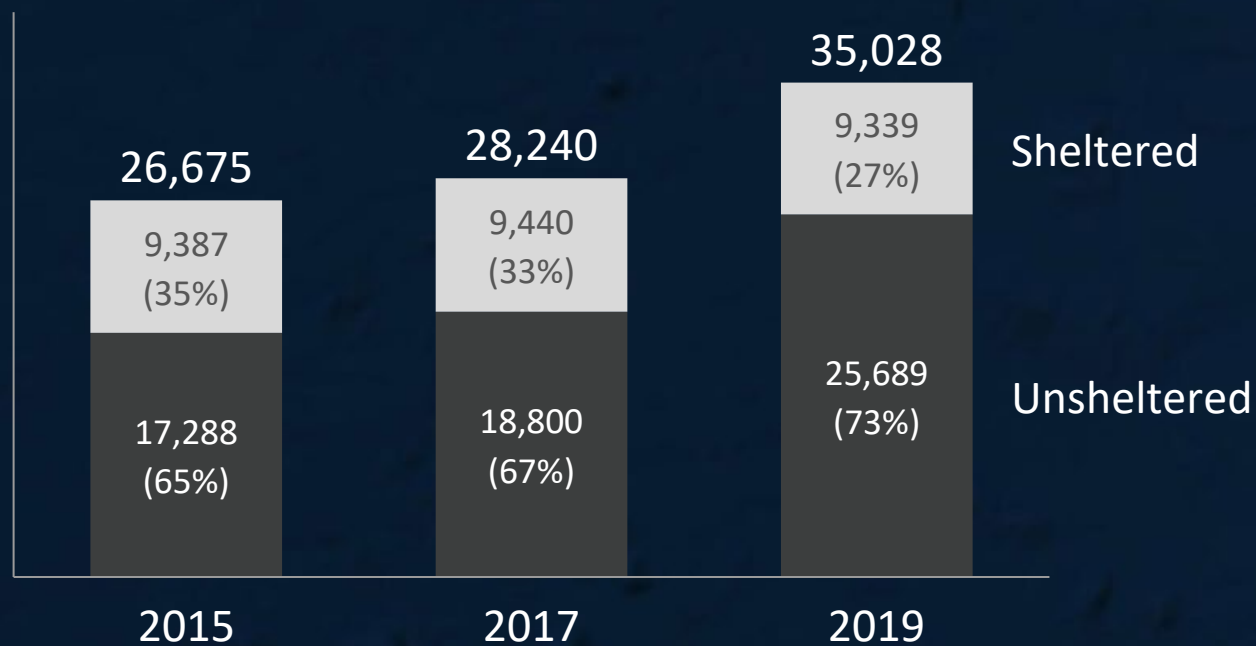
We are working across regions, sectors, and silos to advance coordinated, innovative service delivery and build coalition-supported momentum to challenge the long-standing systems that perpetuate homelessness.





# Bay Area homeless population

## 9 county total PIT count, sheltered vs. unsheltered



### Racial inequities persist:

below are ratios comparing the disparity in homeless vs. general population %'s by race/ethnicity:

- Black: 5x
- Indigenous: 12x
- Hispanic/Latinx: 1.13x
- White: 0.8x

# The Regional Impact Council

A roundtable of policymakers, key affordable housing, social equity and economic mobility stakeholders, housing and homelessness service providers, and business and philanthropic partners



**RIC**  
REGIONAL IMPACT COUNCIL

## **Phase I (Regional Action Plan)**

First-of-its-kind regional plan tackling homelessness and housing insecurity (Spring 2021)

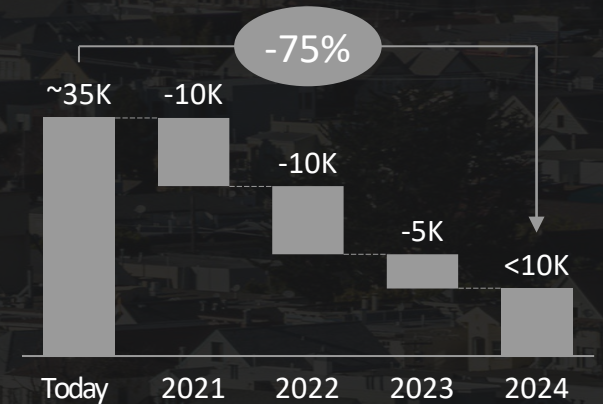
## **Phase 2**

Regional goals for systems change to truly disrupt homelessness and improve economic and social mobility for ELI individuals (early 2022)



## Regional Action Plan: Reduce unsheltered homelessness by 75% by 2024

The RAP aims to dramatically reduce the number of people experiencing unsheltered homelessness over next three years



The Regional Action Plan lays out a roadmap for reaching this goal through:



Implementing a 1-2-4 Framework: a new, integrated approach to allocating scarce housing resources



Leading a coalition to advocate for policies, programs and funding to achieve this goal

To achieve a 75% reduction, we must simultaneously invest in 3 interventions:

*For each addition to interim housing, 2x permanent housing solutions and 4x homelessness prevention*

## 1-2-4 Framework

### Unsheltered

+1x



#### Interim Housing

*(i.e., short-term / temporary solution on the path towards permanent exit)*

**Examples:**

- Navigation centers
- Tiny homes
- Shelter beds
- Etc..

+2x



#### Permanent Housing Solutions

**Examples:**

- Permanent Supportive Housing (PSH)
- Rapid re-housing (RRH)
- Flexible subsidy pools / shallow subsidies
- Section 8 vouchers
- Group housing
- Other long-term housing solutions

### Currently housed

*Stemming inflow*

+4x

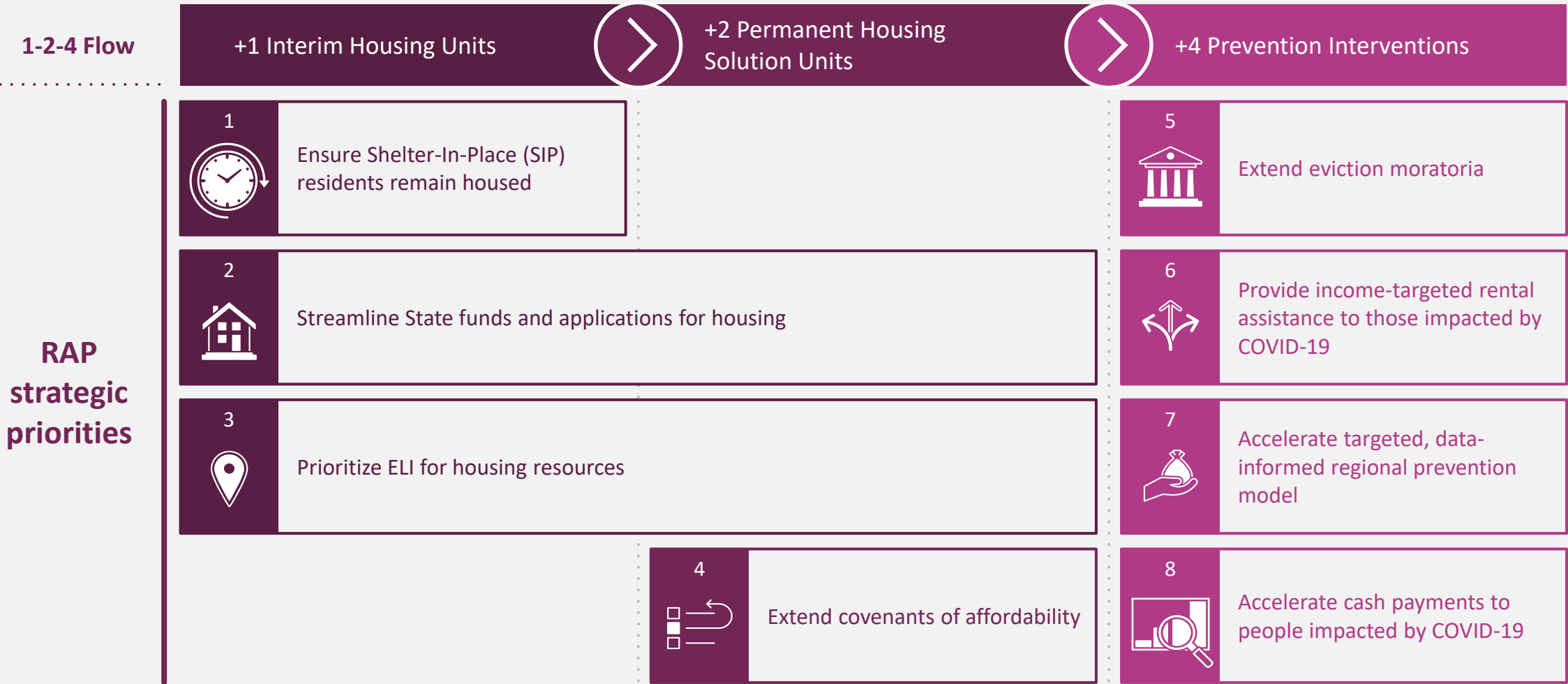


#### Homelessness Prevention

*Prevent at-risk households from experiencing homelessness through increased investment in strategies such as rental assistance*



# RAP strategic priorities support the 1-2-4 Framework and accelerate progress towards 75% reduction



## Regional Homelessness Prevention System:

### Common Elements and Value Added

- Geographic data-informed, equity-based targeting to high need areas
- Evidence-based Risk Assessment Tool
- Common Eligibility Criteria
- Services Offered/Consistency in Service Delivery
- User-friendly Online Portal for Applicants & Non-Profit Service Providers
- Training Curriculum/Learning Collaboratives
- Research Evaluation/Metrics – UCSF Benioff Homelessness and Housing Initiative
- Program Oversight for Continual Improvement
- Technical Assistance to Guide Implementation
- Alignment of Funding Streams with Best Practices
- Increased Donor Confidence
- Long-term Sustainability

# Three steps to implement the 1-2-4 Framework

## Evaluate

Evaluate how each county allocates existing resources

## Align

Identify opportunities to align **existing resources** with the 1-2-4 framework

## Advocate

Advocate for **new resources** to fill gaps and scale interventions commensurate with the need

# For discussion

## Feedback on the RAP / next steps

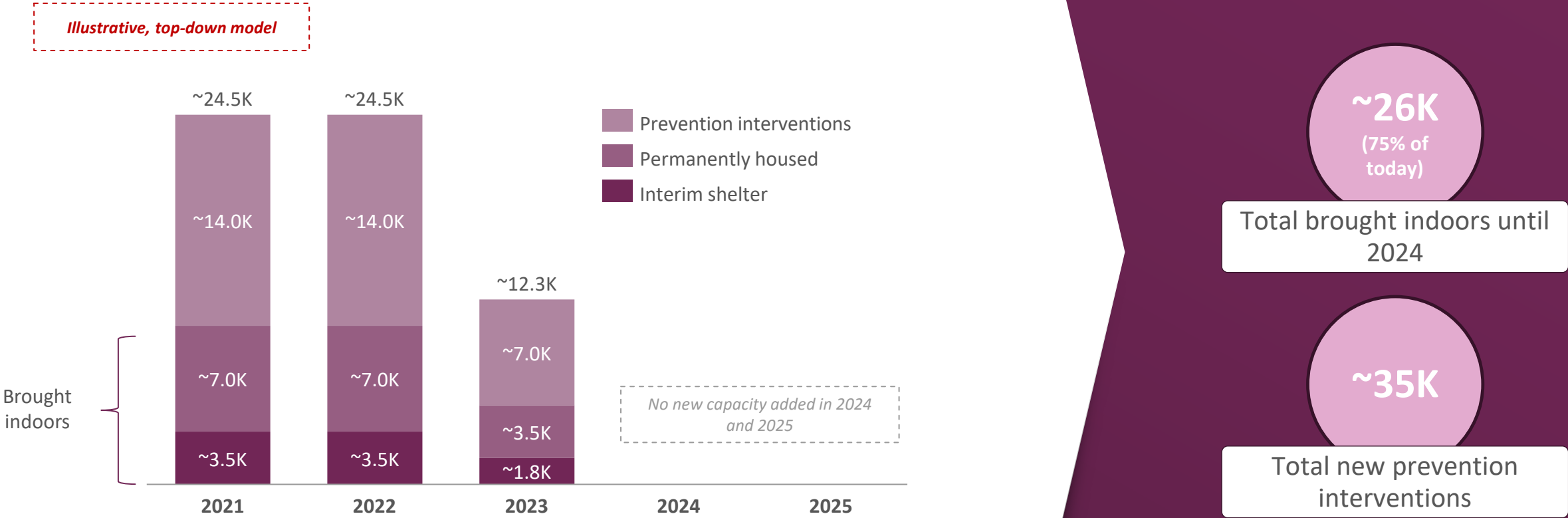
- Do the 75% reduction goal and implementation recommendations (1-2-4 Framework, 8 priorities, Regional Homelessness Prevention) resonate? Any questions / concerns?
- Is this something that ABAG/BAHFA could support?
- Who else should we be working with to accomplish these goals?



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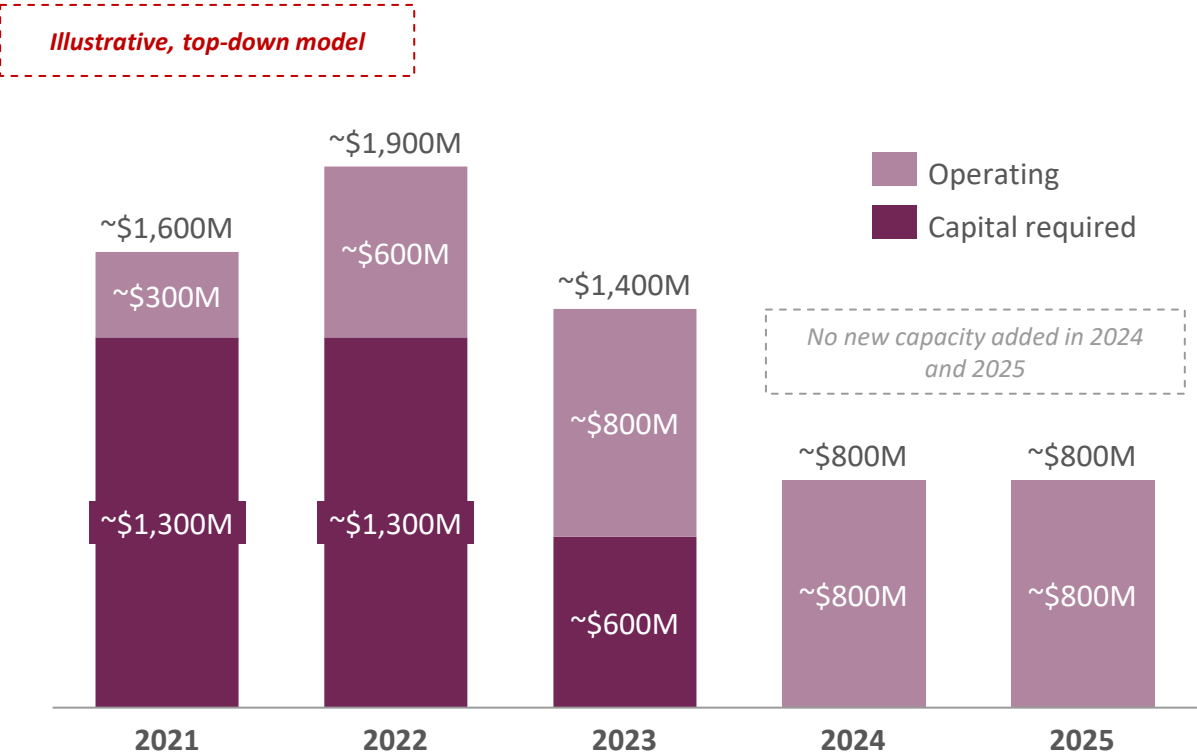
# Appendix

# 1-2-4 Framework | Illustrative modeling for 9 Bay Area Counties



Note: "Brought indoors" defined as brought from unsheltered to housing in interim housing or housing solutions (including subsidies); Sources: San Francisco, Alameda, Contra Costa County documents and experts; Bay Area Council Economic Institute Homelessness Report

# 1-2-4 Framework | Cost estimates for 9 Bay Area Counties



~\$6.5B

5-year cumulative cost

Funding to come from multiple sources (federal, state, local)

Note: Cost estimates based on ranges from various Bay Area sources; capital costs include construction costs and assume no land costs; operating costs include services provided and subsidies; no discounting applied; scenario modeled is 30%/30%/15% scenario housing 75% of unsheltered before 2024; construction timelines and funding pools assumed flexible to timeline shown; Sources: San Francisco, Alameda, Contra Costa County documents and experts; Bay Area Council Economic Institute Homelessness Report



[www.allhomeca.org](http://www.allhomeca.org)

*To get in touch with us, please reach out to Nahema Washington at: [nwashington@allhomeca.org](mailto:nwashington@allhomeca.org)*





# Metropolitan Transportation Commission

375 Beale Street, Suite 800  
San Francisco, CA 94105

## Legislation Details (With Text)

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**File #:** 21-0399      **Version:** 1      **Name:**

**Type:** Report      **Status:** Informational

**File created:** 2/22/2021      **In control:** ABAG Housing Committee

**On agenda:** 4/8/2021      **Final action:**

**Title:** Report on New Regional Data Tools for Local Housing Planning-Overview of regional data tools developed to assist local jurisdictions with adopting compliant Housing Elements

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [09a - 1 Summary Sheet Regional Housing Data Tools.pdf](#)  
[09a - 2 Attachment A - Regional Housing Data Tools Presentation.pdf](#)  
[Regional Data Framework \(Link\)](#)

Date	Ver.	Action By	Action	Result
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Report on New Regional Data Tools for Local Housing Planning-Overview of regional data tools developed to assist local jurisdictions with adopting compliant Housing Elements

Somaya Abdelgany and Michael Ziyambi

Information

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April 29, 2021

Agenda Item 9.a.

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**Regional Data Tools for Local Housing Planning**

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**Subject:** Report on New Regional Data Tools for Local Housing Planning—  
Overview of regional data tools developed to assist local  
jurisdictions with adopting compliant Housing Elements

**Background:** ABAG has launched the Regional Housing Technical Assistance program with the support of Regional Early Action Planning (REAP) funds from the State Department of Housing and Community Development (HCD). The program's goal is to assist local jurisdictions in adopting compliant Housing Elements and increasing housing opportunities in their communities. To avoid duplication of effort, ABAG staff is developing regional data tools that can be tailored by local staff to meet their respective needs. These products will be pre-reviewed by HCD to establish "safe harbors" and increase predictability in the Housing Element approval process.

**Report:** **Housing Needs Data Packets:** The Housing Needs Data packets consist of jurisdiction-level data in the form of editable tables, figures, and accompanying text that can be placed directly into the statutorily required Housing Needs Section of the Housing Element. This product has been pre-reviewed by HCD for consistency with state requirements and streamlines data collection so that jurisdictions can focus on developing meaningful policies and programs.

**Housing Element Site Selection (HESS) Tool:** The Housing Element Site Selection (HESS) Tool is a web-based mapping tool designed to guide jurisdictions in identifying potential sites for the statutorily required Sites Inventory of the Housing Element. The HESS Tool provides a wealth of data for every parcel in each jurisdiction and allows users to filter sites based on specified characteristics. It also screens out sites with environmental or infrastructure constraints and categorizes potential sites into groups that require specific analysis or action as required by HCD.

**Upcoming Products:** In Summer 2021, ABAG Staff will release additional regional data tools, including Affirmatively Furthering Fair Housing (AFFH) products that will assist local jurisdictions with the Housing Element's Assessment of Fair Housing as required by HCD, as well as additional modules to the HESS Tool that allow local planning staff to determine realistic housing capacity of sites and to apply an AFFH lens to the Sites Inventory.

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April 29, 2021

Agenda Item 9.a.

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**Regional Data Tools for Local Housing Planning**

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**Issues:** None

**Recommended Action:** Information

**Attachments:** A. Presentation

B. [Regional Data Framework](#) (Link)

**Reviewed:**

  
Therese W. McMillan



Association of Bay Area Governments



Technical Assistance  
for Local Planning

**HOUSING**

# Regional Data Tools for Local Housing Planning

ABAG Housing and BAHFA  
Oversight Committees

April 29, 2021



# Agenda

- I. Regional Housing Technical Assistance Program Overview
- II. Housing Needs Data Packets
- III. Housing Element Site Selection (HESS) Tool
- IV. Future Products

# Regional Housing Technical Assistance Program



# Program Goal

Assist local jurisdictions in adopting compliant Housing Elements and increasing housing opportunities in their communities

# Program Framework

Funnel state resources to jurisdictions at local, subregional, & regional scales



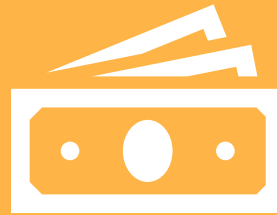


# Regional Value-Add

Establish Safe Harbors



Achieve Cost Savings



Standardize Data Regionally



Create Common Products Once



Peer-to-Peer Collaboration



# Housing Needs Data Packets

# Data Packets: Responding to Local Needs

## Local Need:

Housing Element law requires Housing Needs Section that quantifies and analyzes jurisdiction's housing needs and resources available to address them

**Response:** Data packets with tables, figures, and accompanying text that can be placed directly into the Housing Needs Section

# Key Product Features



Pre-reviewed by HCD for consistency with state requirements



Editable Word Document and Excel Workbook that can be tailored by each jurisdiction as they see fit



Streamlined data collection to allow jurisdictions to focus on developing meaningful policies & programs



# HCD Data Categories

## Projected Housing Needs

- Regional Housing Needs Allocation
- Extremely Low-Income Housing Needs

## Population, Employment, & Household Characteristics

## Housing Stock Characteristics

- Overpayment and Overcrowding
- Assisted Housing Developments at Risk of Conversion

## Special Housing Needs

- People Experiencing Homelessness
- People with Disabilities, Including Developmental Disabilities
- Large Families and Female-Headed Households
- Seniors
- Farmworkers

## Affirmatively Furthering Fair Housing\*



# Contextual Narrative

## 3 LOOKING TO THE FUTURE: REGIONAL HOUSING NEEDS

### 3.1 Regional Housing Needs Determination

The Plan Bay Area 2050<sup>1</sup> Final Blueprint forecasts that the nine-county Bay Area will add 1.4 million new households between 2015 and 2050. For the eight-year time frame covered by this Housing Element Update, the Department of Housing and Community Development (HCD) has identified the region's housing need as 441,176 units. The total number of housing units assigned by HCD is separated into four income categories that cover housing types for all income levels, from very low-income households to market rate housing.<sup>2</sup> This calculation, known as the Regional Housing Needs Determination (RHND), is based on population projections produced by the California Department of Finance as well as adjustments that incorporate the region's existing housing need. The adjustments result from recent legislation requiring HCD to apply factors to the RHND related to a target vacancy rate, the rate of overcrowding, and the share of cost-burdened households.<sup>3</sup> These new laws governing the methodology for how HCD calculates the RHND resulted in a significantly higher number of housing units for which the Bay Area must plan compared to previous RHNA cycles.

### 3.2 Regional Housing Needs Allocation

A starting point for the Housing Element Update process for every California jurisdiction is the Regional Housing Needs Allocation or RHNA - the share of the RHND assigned to each jurisdiction by the Association of Bay Area Governments (ABAG). State Housing Element Law requires ABAG to develop a methodology that calculates the number of housing units assigned to each city and county and distributes each jurisdiction's housing unit allocation among four affordability levels. For more information on the RHNA process this cycle, see ABAG's website: <https://abag.ca.gov/our-work/housing/rhna-regional-housing-needs-allocation>

Almost all jurisdictions in the Bay Area had a higher RHNA this cycle, primarily due to changes in state law that led to a much higher RHND compared to previous cycles. For Oakland, the proposed RHNA to be planned for this cycle is 26,252 units, a 77.8% increase from the last cycle. Per state law, cities need to put in place any zoning that may be needed and address constraints to ensure that development is possible. The RHNA is broken down by income category as follows:

<sup>1</sup> Plan Bay Area 2050 is a long-range plan charting the course for the future of the nine-county San Francisco Bay Area. It covers four key issues: the economy, the environment, housing and transportation

<sup>2</sup> HCD divides the RHND into the following four income categories:

Very Low-income: 0-50% of Area Median Income

Low-income: 50-80% of Area Median Income

Moderate-income: 80-120% of Area Median Income

Above Moderate-income: 120% or more of Area Median Income

<sup>3</sup> For more information on HCD's RHND calculation for the Bay Area, see this letter sent to ABAG from HCD on June 9, 2020: [https://www.hcd.ca.gov/community-development/housing-element/docs/abagr-hna-final060920\(r\).pdf](https://www.hcd.ca.gov/community-development/housing-element/docs/abagr-hna-final060920(r).pdf)

Table 1: Proposed Regional Housing Needs Allocation

Income Group	Oakland Units	Alameda County Units	Bay Area Units	Oakland Percent	Alameda County Percent	Bay Area Percent
Very Low Income (<50% of Area Median Income)	6,512	23,608	114,442	24.8%	26.5%	25.9%
Low Income (50-80% of Area Median Income)	3,750	13,591	65,892	14.3%	15.3%	14.9%
Moderate Income (80-120% of Area Median Income)	4,457	14,438	72,712	17.0%	16.2%	16.5%
Above Moderate Income (>120% of Area Median Income)	11,533	37,362	18,8130	43.9%	42.0%	42.6%
Total	26,252	88,999	44,1176	100.0%	100.0%	100.0%

Source: Association of Bay Area Governments Methodology and tentative numbers were approved by ABAG's Executive board on January 21, 2021 (Resolution No. 02-2021). The numbers [was](#) submitted for review to California Housing and Community Development in February 2021, after which an appeals process will take place during the Fall of 2021.



# Figures with Automated Text Explanations

## 4 POPULATION, EMPLOYMENT, & HOUSEHOLD CHARACTERISTICS

### 4.1 Population

The Bay Area is the fourth-largest metropolitan area in the nation and has seen a steady increase in population since 1990, except for a dip during the Great Recession. Most cities in the region experienced a similar pattern of job and population growth during this time, yet the production of housing did not meet the demand. This has resulted in higher housing costs and insufficient housing to meet the needs of communities. Since 2000, Oakland has grown above the region as a whole, with a total population of 7,790,537 in 2020.

Table 2: Population Growth Trends

Geography	1990	1995	2000	2005	2010	2015	2020
Oakland	372242	381428	399566	410189	390724	419571	433697
Alameda County	1276702	1344157	1443939	1498963	1510271	1613528	1670834
Bay Area	6020147	6381961	6784348	7073912	7150739	7595694	7790537

Source: California Department of Finance, E-5 series.

### 4.2 Age

The distribution of age groups in a city shapes what types of housing the community may need in the near future. An increase in the older population can mean there is a need for more senior housing options, while higher numbers of children and young families can point to the need for more family housing options. There has also been a move by many to age-in-place or downsize to stay within their communities, which can mean more multifamily and accessible units are also needed.

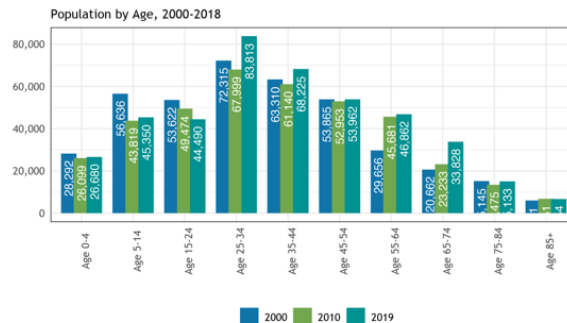


Figure 2: Population by Age, 2000-2019

Source: U.S. Census Bureau, Census 2000 SF1, Table P12; U.S. Census Bureau, Census 2010 SF1, Table P12; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B01001

In Oakland, the median age in 2000 was 32.6; by 2019, this figure had increased, landing at around 36.6 years. More specifically, the population of those under 14 has largely remained steady since 2010, while the 65-and-over population has increased.

Looking at the senior and youth population by race can add an additional layer of understanding, as families and seniors of color are even more likely to experience challenges finding affordable housing. People of color\* make up 63.1% of seniors and 72.5% of youth under 18 (see Figure 3).

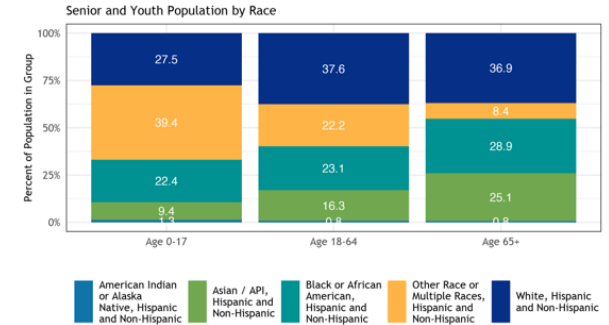


Figure 3: Senior and Youth Population by Race

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B01001(A-G)

### 4.3 Race and Ethnicity



Understanding the racial makeup of a city and region is important. These patterns are shaped by both market factors and government actions, such as exclusionary zoning, discriminatory lending practices and displacement that has occurred over time and continues to impact communities of color today<sup>2</sup>. Since 2000, the percentage of residents identifying as White has increased, changing by 16.3%, with the 2019 population standing at 28.3% (see Figure 4). By comparison, all other races and ethnicities decreased by a total of -4.0%. Overall, the *Hispanic or Latinx* population increased the most while the *Black or African American, Non-Hispanic* population decreased the most.

\* Here, we count all non-white racial groups

<sup>2</sup> See, for example, Rothstein, R. (2017). The color of law : a forgotten history of how our government segregated America. New York, NY & London, UK: Liveright Publishing.





	A	B	C	D
1	<b>Association of Bay Area Governments Housing Element Data Package</b>			
2	  ASSOCIATION OF BAY AREA GOVERNMENTS METROPOLITAN TRANSPORTATION COMMISSION			
3				
4				
5				
6	<b>Table of Contents</b>			
7				
8	<b>Table Number</b>	<b>Table Name</b>	<b>Table Source</b>	<b>HCD Building Blocks</b>
9				
10	Table 01	<a href="#">Population Growth Trends, 1990-2020</a>	California Department of Finance, E-5 series	<a href="#">Population, Employment, and Household Characteristics</a>
11	Table 02	<a href="#">Population by Race, 2000-2018</a>	U.S. Census Bureau, Census 2000, Table P004; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B01001	<a href="#">Population, Employment, and Household Characteristics</a>
12	Table 03	<a href="#">Population by Age</a>	U.S. Census Bureau, Census 2000 SF1, Table P12; U.S. Census Bureau, Census 2010 SF1, Table B01001	<a href="#">Population, Employment, and Household Characteristics</a>
13	Table 04	<a href="#">Resident Employment by Industry</a>	U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table C24030	<a href="#">Population, Employment, and Household Characteristics</a>
14	Table 05	<a href="#">Resident Employment by Occupation</a>	U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table C24010	<a href="#">Population, Employment, and Household Characteristics</a>
15	Table 05b	<a href="#">Workers, by Class of Worker</a>	U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B08128	<a href="#">Population, Employment, and Household Characteristics</a>
16	Table 05c	<a href="#">Workers, by Class of Worker, by Place of Work</a>	U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B08528	<a href="#">Population, Employment, and Household Characteristics</a>
17	Table 05g	<a href="#">Workers by Earnings, by Jurisdiction as Place of Work and Place of Residence</a>	U.S. Census Bureau, American Community Survey 5-Year Data 2015-2019, B08119, B08519	<a href="#">Population, Employment, and Household Characteristics</a>
18	Table 06b	<a href="#">Jobs in a Jurisdiction by Industry</a>	U.S. Census Bureau, Longitudinal Employer-Household Dynamics, Workplace Area Characteristics	<a href="#">Population, Employment, and Household Characteristics</a>
19	Table 06c	<a href="#">Job Holders in a Jurisdiction by Industry</a>	U.S. Census Bureau, Longitudinal Employer-Household Dynamics, Residence Area Characteristics	<a href="#">Population, Employment, and Household Characteristics</a>
20	Table 06d	<a href="#">Jobs-Household Ratio</a>	U.S. Census Bureau, Longitudinal Employer-Household Dynamics, Workplace Area Characteristics	<a href="#">Population, Employment, and Household Characteristics</a>
21	Table 06g	<a href="#">Jobs-Worker Ratios, By Wage Group</a>	U.S. Census Bureau, Longitudinal Employer-Household Dynamics, Workplace Area Characteristics	<a href="#">Population, Employment, and Household Characteristics</a>
22	Table 07	<a href="#">Unemployment Rate</a> <a href="#">Migrant Worker Student Population (Academic Years 2016-2017; 2017-2018; 2018-2019)</a>	California Employment Development Department, Local Area Unemployment Statistics (LAUS)	<a href="#">Population, Employment, and Household Characteristics</a>
23	Table 08	<a href="#">Farm Operations and Farm Labor by County</a>	California Department of Education, California Longitudinal Pupil Achievement Data System (CALPADS)	<a href="#">Farmworkers</a>
24	Table 09	<a href="#">Housing Tenure</a>	U.S. Department of Agriculture, Census of Farmworkers (2002, 2007, 2012, 2017), Table 7: Housing Tenure	<a href="#">Farmworkers</a>
25	Table 10	<a href="#">Housing Tenure by Age</a>	U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25003	<a href="#">Population, Employment, and Household Characteristics</a>
26	Table 11	<a href="#">Housing Tenure by Year Moved to Current Residence</a>	U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25007	<a href="#">Population, Employment, and Household Characteristics</a>
27	Table 12	<a href="#">Housing Tenure by Race of Householder</a>	U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25038	<a href="#">Population, Employment, and Household Characteristics</a>
28	Table 13	<a href="#">Household Size by Tenure</a>	U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25003(A-I)	<a href="#">Population, Employment, and Household Characteristics</a>
29	Table 14	<a href="#">Household Income Level by Tenure</a>	U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25009	<a href="#">Large Families and Female-Headed Households</a>
30	Table 15	<a href="#">Households by Presence Children</a>	U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy	<a href="#">Population, Employment, and Household Characteristics</a>
31	Table 16	<a href="#">Households by Household Type</a>	U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25032	<a href="#">Population, Employment, and Household Characteristics</a>
32	Table 17	<a href="#">Household Size by Household Income Level</a>	U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B11016	<a href="#">Large Families and Female-Headed Households</a>
33	Table 18	<a href="#">Household Type</a>	U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy	<a href="#">Large Families and Female-Headed Households</a>
34	Table 19	<a href="#">Households by Presence Children</a>	U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B11001	<a href="#">Large Families and Female-Headed Households</a>
35	Table 20	<a href="#">Housing Tenure by Household Type</a>	U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B11005	<a href="#">Population, Employment, and Household Characteristics</a>
36	Table 21	<a href="#">Female-Headed Households by Poverty Status</a>	U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25032	<a href="#">Large Families and Female-Headed Households</a>
37	Table 22	<a href="#">Households by Household Income Level</a>	U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B17012	<a href="#">Large Families and Female-Headed Households</a>
38	Table 23	<a href="#">Household Income Distribution by Race</a>	U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy	<a href="#">Extremely Low-Income Housing Needs</a>
39	Table 24		U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy	<a href="#">Extremely Low-Income Housing Needs</a>

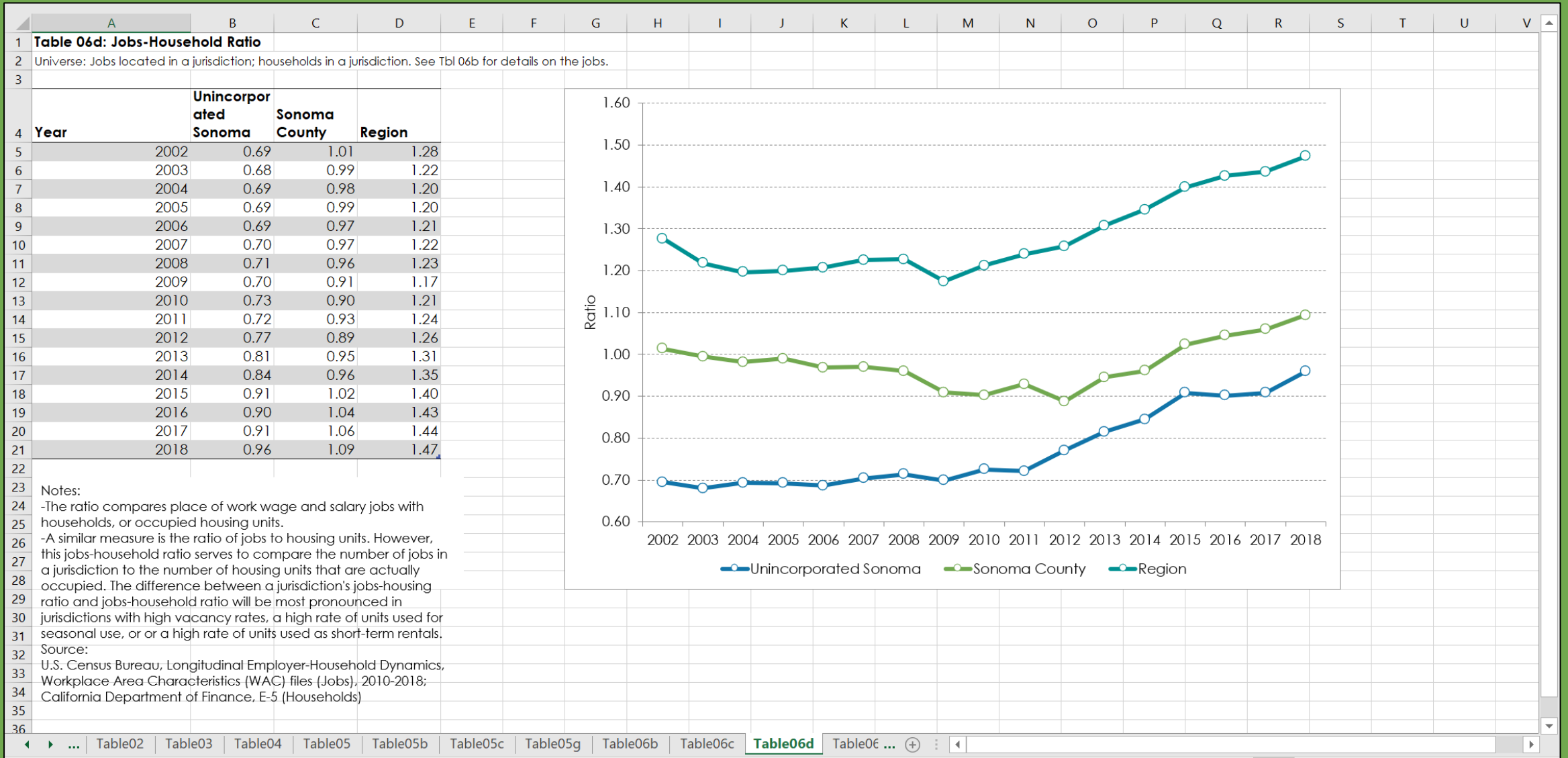


Technical Assistance  
for Local Planning  
**HOUSING**



Association of Bay Area Governments

# Excel Workbook with Raw Data



# Housing Element Site Selection Tool



Technical Assistance  
for Local Planning  
**HOUSING**



**Association of Bay Area Governments**

# HESS Tool: Responding to Local Needs

## Local Need:

Housing Element law requires a Sites Inventory of land suitable and available for new housing to accommodate RHNA by income level

**Response:** Web-based mapping tool to guide jurisdictions in identifying potential sites that meet state requirements & forward regional & local goals



# Key Product Features



Provides a wealth of data for every parcel in each jurisdiction and filters sites based on specified characteristics



Allows users to directly edit underlying land use data as needed



Screens out sites with environmental and infrastructure constraints

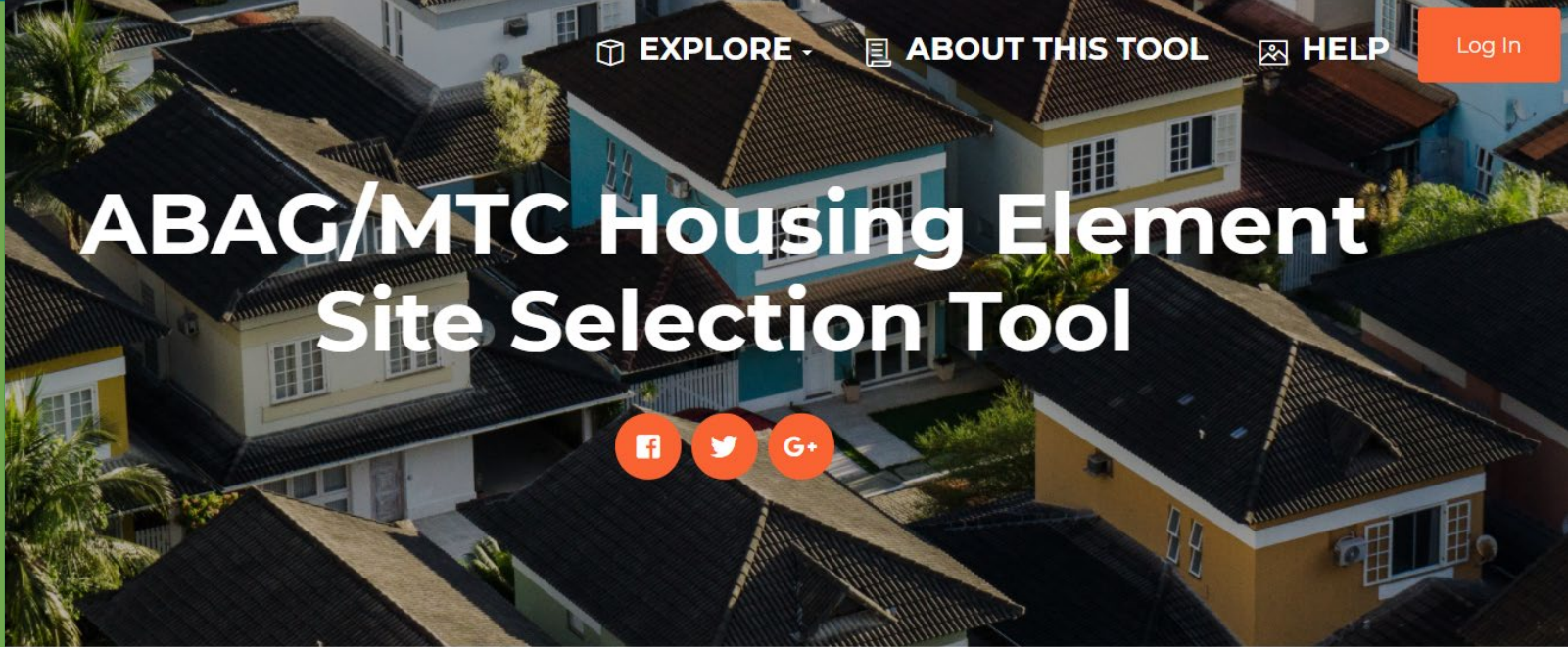


Categorizes potential sites into groups that require specific analysis or action as required by HCD



Auto-populates the new Sites Inventory Form required by HCD with relevant data for selected sites

# Demonstration



## ABAG/MTC Housing Element Site Selection Tool



### About This Tool

The Housing Element Site Selection (HESS) Tool is a web-based mapping tool developed by ABAG and MTC to guide Bay Area local jurisdictions in identifying potential sites for new housing that align with state Housing Element requirements and support regional and local priorities, including equity, growth, and climate goals.



# Upcoming Products: Summer 2021

- Affirmatively Furthering Fair Housing products to assist with the Assessment of Fair Housing, including:
  - Segregation and integration patterns and trends
  - Racially or ethnically concentrated areas of poverty
  - Disparities in access to opportunity
  - Disproportionate housing need and displacement risk
- Housing Element Site Selection Tool 2.0 Modules to assist with:
  - Realistic Capacity Calculations - Determine the number of units that each site in the Sites Inventory can realistically yield based on HCD standards
  - AFFH Lens for Sites Inventory - Equitably distribute housing of diverse types and affordability levels throughout jurisdiction





Thank You.

[housingTA@bayareametro.gov](mailto:housingTA@bayareametro.gov)



