



Metropolitan Transportation Commission

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Meeting Agenda

Bay Area Housing Finance Authority Oversight Committee

Chair, Alfredo Pedroza, Supervisor, Napa County

Vice Chair, Nick Josefowitz, Commissioner, MTC

Wednesday, March 13, 2024

12:00 PM

Board Room - 1st Floor

Joint meeting with the ABAG Housing Committee

The BAHFA Oversight Committee is scheduled to meet at 12:00 p.m. or immediately following the 9:45 a.m. MTC Programming and Allocations Committee meeting, whichever is later.

This meeting shall consist of a simultaneous teleconference call at the following location(s):
None

Meeting attendees may opt to attend in person for public comment and observation at 375 Beale Street, Board Room (1st Floor), San Francisco, California. In-person attendees must adhere to posted public health protocols while in the building. The meeting webcast will be available at <https://mtc.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/83823045512>

Or One tap mobile :

+16699006833,,83823045512# US (San Jose)

Or Telephone:

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

+1 669 900 6833 US (San Jose)

+1 408 638 0968 US (San Jose)

877 853 5247 US Toll Free

888 788 0099 US Toll Free

Webinar ID: 838 2304 5512

Members of the public participating by Zoom wishing to speak should use the “raise hand” feature or dial *9. When called upon, unmute yourself or dial *6. In order to get the full Zoom experience, please make sure your application is up to date.

Detailed instructions on participating via Zoom are available at:

<https://mtc.ca.gov/meetings-events/how-provide-public-comment-board-meeting>

Members of the public may participate by phone or Zoom or may submit comments by email at info@bayareametro.gov by 5:00 p.m. the day before the scheduled meeting date. Please include the committee or board meeting name and agenda item number 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.

Roster

Margaret Abe-Koga, Cindy Chavez, Victoria Fleming, Federal Glover,
Nick Josefowitz, Nate Miley, Gina Papan, Alfredo Pedroza, Hillary Ronen
Libby Schaaf (nonvoting), Sheng Thao

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

Quorum is a majority of BAHFA Oversight Committee members present.

2. Public Comment

*Committee Members and members of the public participating by Zoom wishing to speak should use the "raise hand" feature or dial *9. When called upon, unmute yourself or dial *6.*

3. Committee Member Announcements

Information

4. Chair's Report

- 4a. [24-0308](#) ABAG Housing Committee and BAHFA Oversight Committee Chairs' Report for March 13, 2024
- Action: ABAG Housing Committee Information
 BAHFA Oversight Committee Information
- Presenter: Carlos Romero
 Alfredo Pedroza

5. ABAG Housing Committee Consent Calendar

- 5a. [24-0307](#) Approval of ABAG Housing Committee Minutes of February 14, 2024
- Action: ABAG Housing Committee Approval
- Presenter: Clerk of the Board
- Attachments: [05a HC Minutes 20240214 Draft.pdf](#)

6. BAHFA Oversight Committee Consent Calendar

- 6a. [24-0309](#) Approval of BAHFA Oversight Committee Minutes of February 14, 2024

Action: BAHFA Oversight Committee Approval

Presenter: Clerk of the Committee

Attachments: [06a BAHFA OC minutes 20240214 Draft.pdf](#)

- 6b. [24-0341](#) Authorization for the Executive Director or his designee to negotiate and enter into a third amendment in an amount not to exceed \$850,000 to the October 1, 2022 contract with Exygy Inc. ("Consultant") for Doorway Housing Portal web design services for a total contract amount not-to-exceed \$3.45 million

Action: BAHFA Oversight Committee Approval

Presenter: Barry Roeder

Attachments: [06b 1 Summary Sheet Doorway Exygy Contract Amendment 2024 v1.pdf](#)
[06b 2 Summary Approval Form Doorway Exygy Contract Amendment 2024 v1.r](#)

7. BAHFA Regional Expenditure Plan--Labor Standards

- 7a. [24-0306](#) BAHFA's Regional Expenditure Plan-Labor Standards

Update on labor standards for inclusion in BAHFA's 20% regional funding Expenditure Plan.

Action: ABAG Housing Committee Information
BAHFA Oversight Committee Information

Presenter: Kate Hartley

Attachments: [07a 1 Summary Sheet BAHFA Expenditure Plan Labor Standards Update v13.r](#)
[07a 2 Attachment A Presentation BAHFA's Regional Expenditure Plan_Labor S](#)

8. Adjournment / Next Meeting

The next joint meeting of the ABAG Housing Committee and BAHFA Oversight Committee will be held on Wednesday, April 10, 2024 at the Bay Area Metro Center, 375 Beale Street, San Francisco, CA.

Public Comment: The public is encouraged to comment on agenda items at Commission meetings by completing a request-to-speak card (available from staff) and passing it to the Commission 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 Commission 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: Commission 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) for public review for at least one year.

Accessibility and Title VI: MTC provides interpreter services/ADA accommodation upon request to persons with disabilities and individuals with limited-English proficiency who wish to address Commission matters. To request accommodation, please call (415) 778-6757. For TDD/TTY, call 711 and ask to be relayed to (415) 778-6700. We request at least three working days' notice to accommodate your request.

Acceso y el Título VI: La MTC proporciona servicios de interprete/asistencia del ADA solo con solicitarlo a las personas con discapacidades o las personas con conocimiento limitado del inglés que quieran dirigirse a la Comisión. Para solicitar asistencia, llame al (415) 778-6757. Para servicios TDD/TTY, llame al 711 y pida que lo conecten al (415) 778-6700. Le pedimos solicitar asistencia con tres días hábiles de anticipación.

無障礙及《民權法：第六章》措施：大都會交通委員會（MTC）會根據要求，為想了解委員會事務的殘障人士或英語能力有限的民眾，提供口譯/手語翻譯服務。如果您需要相關的無障礙語言服務，請致電 (415) 778-6757，如需使用TDD/TTY，請撥打 711 並請求轉接至 (415) 778-6700。為確保能夠為您提供符合需求的安排，請至少提前三個工作日通知我們。

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



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 24-0308 **Version:** 1 **Name:**

Type: Report **Status:** Informational

File created: 2/15/2024 **In control:** ABAG Housing Committee

On agenda: 3/13/2024 **Final action:**

Title: ABAG Housing Committee and BAHFA Oversight Committee Chairs' Report for March 13, 2024

Sponsors:

Indexes:

Code sections:

Attachments:

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Subject:
ABAG Housing Committee and BAHFA Oversight Committee Chairs' Report for March 13, 2024

Presenter:
Carlos Romero
Alfredo Pedroza

Recommended Action:
ABAG Housing Committee Information
BAHFA Oversight Committee Information

Attachments:



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 24-0307 **Version:** 1 **Name:**
Type: Minutes **Status:** Consent
File created: 2/15/2024 **In control:** ABAG Housing Committee
On agenda: 3/21/2024 **Final action:**
Title: Approval of ABAG Housing Committee Minutes of February 14, 2024
Sponsors:
Indexes:
Code sections:
Attachments: [05a HC Minutes 20240214 Draft.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Subject:
Approval of ABAG Housing Committee Minutes of February 14, 2024

Presenter:
Clerk of the Board

Recommended Action:
ABAG Housing Committee Approval

Attachments:



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

Meeting Minutes - Draft

ABAG Housing Committee

Wednesday, February 14, 2024

12:00 PM

Board Room - 1st Floor

Joint meeting with the BAHFA Oversight Committee

Roster

Jesse Arreguin, Nikki Fortunato Bas, Pat Eklund, Carroll Fife, Neysa Fligor,
Lisa Motoyama, Peter Ortiz, David Rabbitt, Belia Ramos, Carlos Romero,
Aaron Tiedemann, Wanda Williams

1. Call to Order / Pledge of Allegiance / Roll Call / Confirm Quorum

Chair Romero called the meeting to order at about 12:11 p.m. Quorum was present.

Present: 9 - Arreguin, Bas, Eklund, Fife, Fligor, Ortiz, Rabbitt, Romero, and Tiedemann

Absent: 3 - Motoyama, Ramos, and Williams

2. ABAG Housing Committee Election of Chair and Vice Chair

2a. [24-0038](#) Election of ABAG Housing Committee Chair and Vice Chair

Upon the motion by Tiedemann and second by Rabbitt, the ABAG Housing Committee elected Carlos Romero, Councilmember, City of East Palo Alto, as Chair and Neysa Fligor, Councilmember, City of Los Altos, as Vice Chair. The motion passed unanimously by the following vote:

Aye: 9 - Arreguin, Bas, Eklund, Fife, Fligor, Ortiz, Rabbitt, Romero, and Tiedemann

Absent: 3 - Motoyama, Ramos, and Williams

3. Public Comment

4. Committee Member Announcements

5. Chairs' Report

5a. [24-0166](#) ABAG Housing Committee and BAHFA Oversight Committee Chairs' Report for February 14, 2024

6. ABAG Housing Committee Consent Calendar

Upon the motion by Rabbitt and second by Tiedemann the ABAG Housing Committee approved the Consent Calendar. The motion passed unanimously by the following vote:

Aye: 9 - Arreguin, Bas, Eklund, Fife, Fligor, Ortiz, Rabbitt, Romero, and Tiedemann

Absent: 3 - Motoyama, Ramos, and Williams

- 6a. [24-0013](#) Approval of ABAG Housing Committee Minutes of November 8, 2023

7. BAHFA Oversight Committee Consent Calendar

The BAHFA Oversight Committee took action on this item.

- 7a. [24-0014](#) Approval of BAHFA Oversight Committee Minutes of November 8, 2023

8. BAHFA Business Plan

- 8a. [24-0163](#) Referral of Adoption of a Resolution on the Approval of the Bay Area Housing Finance Authority's Business Plan by the ABAG Executive Board as the Executive Board to the Bay Area Housing Finance Authority (Executive Board) and by the Bay Area Housing Finance Authority (BAHFA Board); CEQA Determination: Exempt Pursuant to Public Resources Code § 21065; Government Code § 64523

Upon the motion by Tiedemann and second by Rabbitt, the ABAG Housing Committee referred adoption of a resolution on the Approval of the Bay Area Housing Finance Authority's Business Plan by the ABAG Executive Board, as the Executive Board to the Bay Area Housing Finance Authority (Executive Board). The motion passed unanimously by the following vote:

Aye: 9 - Arreguin, Bas, Eklund, Fife, Fligor, Ortiz, Rabbitt, Romero, and Tiedemann

Absent: 3 - Motoyama, Ramos, and Williams

9. BAHFA Regional Expenditure Plan

- 9a. [24-0164](#) Referral to the ABAG Executive Board as the Executive Board to the Bay Area Housing Finance Authority (Executive Board) and to the Bay Area Housing Finance Authority (BAHFA Board) to adopt BAHFA's Regional Expenditure Plan; CEQA Determination Exempt Pursuant to Public Resources Code § 21065; Government Code § 64523

Kate Hartley gave the report.

The following gave public comment:

Adam Wood
Alison Cingolani
Anne Bradley
Bill Barnes
Charles Lavery
Chloe Salem
Charles Deffarges
Cindy Wu
Calum Weeks
Caroline McCormack
Corey Smith
Courtney Pal
Gina Galen
Glenn Lavall
Grecia Mannah Ayon
Heather Hood
Howard Wong
Irving Torres
Jack Buckhorn
Jean Cohen
Jenny Silva
Jordan Grimes
Jose Luis Rivera
Joshua Anijar
Judith Bloomberg
Judy Jackson
Keith Arivnwine
Ken Chan
Lizbet Modrigal
Matt Regan
Mitch Mankin
Monica Strauch
Rachel Shomake
Rich Hedges
Rodney Nickens, Jr.
Ronald Brown
Ruby Rodriguez

Scott Littlehale
Sharon Cornu
Sheila Gay

Upon the motion by Tiedemann and second by Rabbitt, the ABAG Housing Committee referred to the ABAG Executive Board as the Executive Board to the Bay Area Housing Finance Authority adoption of BAHFA's Regional Expenditure Plan and directed staff to report on the labor standards for inclusion in BAHFA's 20% regional funding Expenditure Plan at its next meeting. The motion passed unanimously by the following vote:

Aye: 9 - Arreguin, Bas, Eklund, Fife, Fligor, Ortiz, Rabbitt, Romero, and Tiedemann

Absent: 3 - Motoyama, Ramos, and Williams

10. November 2024 Ballot Measure for General Obligation Bond for Affordable Housing

- 10a. [24-0165](#) Referral to the ABAG Executive Board as the Executive Board to the Bay Area Housing Finance Authority ("Executive Board") and to the Bay Area Housing Finance Authority Board adoption of a resolution to approve or submit, as applicable, a ballot measure for a general obligation bond for affordable housing in an amount not to exceed \$20 billion to the voters of the counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano and Sonoma and the city and county of San Francisco (the "Nine Bay Area Counties") at the November 2024 general election consistent with the requirements of the final version of Assembly Constitutional Amendment No. 1 (2023)

Kate Hartley gave the report.

The following gave public comment:

Bart Pantoja
David Bini
E J Cire
Jack Buckhorn
Jose
Julie Lind
Keith Brown
Kim Tavaglione
Lisa Danz
Maddy Hirshfield
Rudy Gonzalez

The following submitted public comment:

Sharon Cornu, St. Mary's Center
Sophia DeWitt, East Bay Housing Organizations
Lawrence Florin, Burbank Housing
Heather Hood, Enterprise
David Lewis, Save The Bay
Sam Moss, Mission Housing Development Corporation
Karen Nemsick, United Way Bay Area
Elisa Orona, Partnership for the Bay's Future
Dan Sawislak, Resources for Community Development
Regina Celestin Williams, SV@Home
Joni Eisen
Nancy Haber
Jaclyn Kimball
Karen Kirschling
Jackie Pomies
David Roche
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Anonymous
Chandra Alexandre, Community Action Marin

Fred Blackwell, San Francisco Foundation
Ellen Wu, Urban Habitat
Keith Brown, Alameda Labor Council, et al
Rebecca Foster, San Francisco Housing Accelerator Fund
Ricardo G. Huerta Nino, San Francisco Foundation
Jen Klose, Generation Housing
Karen Mensick, United Way Bay Area
Noni Ramos, Housing Trust Silicon Valley
Matt Regan, Bay Area Council
Marti Roach, 350 Contra Costa Action
Cindy Wu, LISC Bay Area
Ellun Wu, Urban Habitat

11. Adjournment / Next Meeting

Chair Romero adjourned the meeting at about 3:20 p.m. The next regular meeting of the ABAG Housing Committee and BAHFA Oversight Committee is on March 13, 2024.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 24-0309 **Version:** 1 **Name:**

Type: Minutes **Status:** Consent

File created: 2/15/2024 **In control:** Bay Area Housing Finance Authority Oversight Committee

On agenda: 3/13/2024 **Final action:**

Title: Approval of BAHFA Oversight Committee Minutes of February 14, 2024

Sponsors:

Indexes:

Code sections:

Attachments: [06a BAHFA OC minutes 20240214 Draft.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
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Subject:
Approval of BAHFA Oversight Committee Minutes of February 14, 2024

Presenter:
Clerk of the Committee

Recommended Action:
BAHFA Oversight Committee Approval

Attachments:



Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Meeting Minutes - Draft

Bay Area Housing Finance Authority Oversight Committee

Chair, Alfredo Pedroza, Supervisor, Napa County
Vice Chair, Nick Josefowitz, Commissioner, MTC

Wednesday, February 14, 2024

12:00 PM

Board Room - 1st Floor

Joint meeting with the ABAG Housing Committee

Roster

Margaret Abe-Koga, Cindy Chavez, Victoria Fleming, Federal Glover,
Nick Josefowitz, Nate Miley, Gina Papan, Alfredo Pedroza, Hilary Ronen,
Libby Schaaf (nonvoting), Sheng Thao

1. Call to Order / Roll Call / Confirm Quorum

Chair Pedroza called the meeting to order. David Rabbitt was deputized to achieve quorum.

Present: 10 - Abe-Koga, Canepa, Fleming, Glover, Miley, Papan, Pedroza, Rabbitt, Ronen, and Schaaf

Absent: 3 - Chavez, Josefowitz, and Thao

2. ABAG Housing Committee Election of Chair and Vice Chair

2a. [24-0038](#) Election of ABAG Housing Committee Chair and Vice Chair

The ABAG Housing Committee took action on this item.

3. Public Comment

4. Committee Member Announcements

5. Chairs' Report

5a. [24-0166](#) ABAG Housing Committee and BAHFA Oversight Committee Chairs' Report for February 14, 2024

Chair Carlos Romero and Chair Alfredo Pedroza gave reports.

6. ABAG Housing Committee Consent Calendar

- 6a. [24-0013](#) Approval of ABAG Housing Committee Minutes of November 8, 2023

The ABAG Housing Committee took action on this item.

7. BAHFA Oversight Committee Consent Calendar

Upon the motion by Glover and second by Abe-Koga the BAHFA Oversight Committee approved the Consent Calendar. The motion passed unanimously by the following vote:

Aye: 10 - Abe-Koga, Canepa, Fleming, Glover, Miley, Papan, Pedroza, Rabbitt, Ronen and Schaaf

Absent: 3 - Chavez, Josefowitz and Thao

- 7a. [24-0014](#) Approval of BAHFA Oversight Committee Minutes of November 8, 2023

8. BAHFA Business Plan

- 8a. [24-0167](#) Referral of Adoption of a Resolution on the Approval of the Bay Area Housing Finance Authority's Business Plan by the ABAG Executive Board as the Executive Board to the Bay Area Housing Finance Authority (Executive Board) and by the Bay Area Housing Finance Authority (BAHFA Board); CEQA Determination: Exempt Pursuant to Public Resources Code § 21065; Government Code § 64523

Upon the motion by Papan and second by Abe-Koga, the BAHFA Oversight Committee referred adoption of a resolution on the Approval of the Bay Area Housing Finance Authority's Business Plan to the Bay Area Housing Finance Authority. The motion passed unanimously by the following vote:

Aye: 10 - Abe-Koga, Canepa, Fleming, Glover, Miley, Papan, Pedroza, Rabbitt, Ronen and Schaaf

Absent: 3 - Chavez, Josefowitz and Thao

9. BAHFA Regional Expenditure Plan

- 9a. [24-0168](#) Referral to the ABAG Executive Board as the Executive Board to the Bay Area Housing Finance Authority (Executive Board) and to the Bay Area Housing Finance Authority (BAHFA Board) to adopt BAHFA's Regional Expenditure Plan; CEQA Determination Exempt Pursuant to Public Resources Code § 21065; Government Code § 64523

Kate Hartley gave the report.

The following gave public comment:

Adam Wood
Alison Cingolani
Anne Bradley
Bill Barnes
Charles Lavery
Chloe Salem
Charles Deffarges
Cindy Wu
Calum Weeks
Caroline McCormack
Corey Smith
Courtney Pal
Gina Galen
Glenn Lavall
Grecia Mannah Ayon
Heather Hood
Howard Wong
Irving Torres
Jack Buckhorn
Jean Cohen
Jenny Silva
Jordan Grimes
Jose Luis Rivera
Joshua Anijar
Judith Bloomberg
Judy Jackson
Keith Arivnwine
Ken Chan
Lizbet Modrigal
Matt Regan
Mitch Mankin
Monica Strauch
Rachel Shomake
Rich Hedges
Rodney Nickens, Jr.
Ronald Brown
Ruby Rodriguez
Scott Littlehale
Sharon Cornu
Sheila Gay

Upon the motion by Glover and second by Papan, the BAHFA Oversight Committee referred to the Bay Area Housing Finance Authority adoption of BAHFA's Regional Expenditure Plan and directed staff to report on the labor standards for inclusion in BAHFA's 20% regional funding Expenditure Plan at its next meeting. The motion passed unanimously by the following vote:

Aye: 10 - Abe-Koga, Canepa, Fleming, Glover, Miley, Papan, Pedroza, Rabbitt, Ronen and Schaaf

Absent: 3 - Chavez, Josefowitz and Thao

10. November 2024 Ballot Measure for General Obligation Bond for Affordable Housing

- 10a. [24-0169](#) Referral to the ABAG Executive Board as the Executive Board to the Bay Area Housing Finance Authority (“Executive Board”) and to the Bay Area Housing Finance Authority Board adoption of a resolution to approve or submit, as applicable, a ballot measure for a general obligation bond for affordable housing in an amount not to exceed \$20 billion to the voters of the counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano and Sonoma and the city and county of San Francisco (the “Nine Bay Area Counties”) at the November 2024 general election consistent with the requirements of the final version of Assembly Constitutional Amendment No. 1 (2023)

Kate Hartley gave the report.

The following gave public comment:

Bart Pantoja
David Bini
E J Cire
Jack Buckhorn
Jose
Julie Lind
Keith Brown
Kim Tavaglione
Lisa Danz
Maddy Hirshfield
Rudy Gonzalez

The following submitted public comment:

Sharon Cornu, St. Mary's Center
Sophia DeWitt, East Bay Housing Organizations
Lawrence Florin, Burbank Housing
Heather Hood, Enterprise
David Lewis, Save The Bay
Sam Moss, Mission Housing Development Corporation
Karen Nemsick, United Way Bay Area
Elisa Orona, Partnership for the Bay's Future
Dan Sawislak, Resources for Community Development
Regina Celestin Williams, SV@Home
Joni Eisen
Nancy Haber
Jaclyn Kimball
Karen Kirschling
Jackie Pomies
David Roche
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Anonymous
Chandra Alexandre, Community Action Marin
Fred Blackwell, San Francisco Foundation
Ellen Wu, Urban Habitat
Keith Brown, Alameda Labor Council, et al

Rebecca Foster, San Francisco Housing Accelerator Fund
Ricardo G. Huerta Nino, San Francisco Foundation
Jen Klose, Generation Housing
Karen Mensick, United Way Bay Area
Noni Ramos, Housing Trust Silicon Valley
Matt Regan, Bay Area Council
Marti Roach, 350 Contra Costa Action
Cindy Wu, LISC Bay Area
Ellun Wu, Urban Habitat

11. Adjournment / Next Meeting

Chair Pedroza adjourned the meeting. The next regular meeting of the ABAG Housing Committee and BAHFA Oversight Committee is on March 13, 2024.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 24-0341 **Version:** 1 **Name:**
Type: Report **Status:** Consent
File created: 2/26/2024 **In control:** Bay Area Housing Finance Authority Oversight Committee
On agenda: 3/13/2024 **Final action:**
Title: Authorization for the Executive Director or his designee to negotiate and enter into a third amendment in an amount not to exceed \$850,000 to the October 1, 2022 contract with Exygy Inc. ("Consultant") for Doorway Housing Portal web design services for a total contract amount not-to-exceed \$3.45 million

Sponsors:

Indexes:

Code sections:

Attachments: [06b 1 Summary Sheet Doorway Exygy Contract Amendment 2024 v1.pdf](#)
[06b 2 Summary Approval Form Doorway Exygy Contract Amendment 2024 v1.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Subject:

Authorization for the Executive Director or his designee to negotiate and enter into a third amendment in an amount not to exceed \$850,000 to the October 1, 2022 contract with Exygy Inc. ("Consultant") for Doorway Housing Portal web design services for a total contract amount not-to-exceed \$3.45 million

Presenter:

Barry Roeder

Recommended Action:

BAHFA Oversight Committee Approval

Attachments:

March 13, 2024

Agenda Item 6.b.

Doorway Housing Portal – Exygy, Inc. Contract 3rd Amendment (\$850,000)

Subject:

Authorization for the Executive Director or his designee to negotiate and enter into a third amendment in an amount not to exceed \$850,000 to the October 1, 2022 contract with Exygy Inc. (“Consultant”) for Doorway Housing Portal web design services for a total contract amount not-to-exceed \$3.45 million.

Background:

On June 29, 2023, BAHFA launched the Doorway Housing Portal, a comprehensive, user-friendly site that allows housing seekers to find and apply for housing opportunities from their phones or personal computers. The portal will also make the lease-up process significantly simpler for both applicants and building owners and will provide critical data about who searches for what kinds of affordable housing throughout the Bay Area, enabling policy makers to better assist their constituents. The portal was launched through the Exygy contract and the support of a pro bono Google.org fellowship that provided more than a dozen full-time Google fellows January-June 2023.

Starting in July 2023, with funding assistance from a \$2.5 million grant from Google.org, BAHFA expanded the Consultant’s work scope to further develop the portal, adding regional accounts, application, and additional functionality for housing seekers, jurisdictions, and professional partners.

BAHFA will now further expand the Consultant’s work scope to add lottery, public reporting, and additional partner portal functionality per the additional phase information, below.

Contract Summary

The BAHFA Board approved BAHFA’s procurement of the Consultant through the Metropolitan Transportation Commission’s 2020 Website Support Services Bench – Cycle 1 (“Bench”) on September 28, 2022. On October 22, 2022, BAHFA first entered into a contract with Consultant for an amount not to exceed \$1 million. The BAHFA Board approved a first amendment to the Consultant’s contract on April 26, 2023, increasing the initial contract value by \$35,404 for completion of contract Phase 3b (described below). On July 12, 2023, the BAHFA Board subsequently authorized a second amendment to the contract in an amount not to exceed \$1.6 million, which superseded the first amendment approved by the BAHFA Board, which had not been executed for minor administrative reasons.

The Consultant’s first five contract phases are now largely complete:

- Phase 1: Discovery and Work Plan Creation, including regional product and system discovery, and technical discovery and integration exploration. Timeframe: September through December of 2022. Phase Cost: \$226,860.

March 13, 2024

Agenda Item 6.b.

Doorway Housing Portal – Exygy, Inc. Contract 3rd Amendment (\$850,000)

- Phase 2: Doorway Housing Portal Policy Development, including sustainability plan and data sharing development. Timeframe: January through June of 2023. Phase Cost: \$147,000.
- Phase 3: Doorway Housing Portal Development, including technical architecture guidance and supplemental goals research. Timeframe: January through June of 2023. Phase Cost: \$555,387.
- Phase 4: Additional Doorway Housing Portal Policy Development, including sustainability enhancement and regional policy alignment, and data systems development and strategic planning. Estimated timeframe: approximately July 2023 through March 2024. Phase cost: \$125,000.
- Phase 5: Enhanced Doorway Housing Portal Functionality, including regional application, lottery, and professional partner functionality. Estimated timeframe: July 2023 through March 2024. Phase Cost: \$1,475,000.

Second Contract Amendment Phases

The next three contract phases to be authorized under the second amendment are as follows:

- Phase 6: Doorway Placement and Data Development, including affordable housing placement research, sustainability enhancement, and data systems development and strategic planning. April 2024 - March 2025. Estimated phase cost: \$105,000.
- Phase 7: Additional Doorway Housing Portal and Doorway Partners Portal Functionality, including lottery, reporting, and expanded professional partner functionality. April 2024 – June 2024. Estimated phase cost: \$520,000.
- Phase 8: Maintenance Support for Doorway Housing Portal and Doorway Partners Portal, including limited web development. July 2024 – March 2025. Estimated phase cost: \$225,000.

March 13, 2024

Agenda Item 6.b.

Doorway Housing Portal – Exygy, Inc. Contract 3rd Amendment (\$850,000)

| Summary of BAHFA Doorway Housing Portal Work with Consultant | |
|--------------------------------------------------------------------------------|--------------------|
| Phase 1: Discovery and Work Plan Creation | \$226,860 |
| Phase 2: Doorway Housing Portal Policy Development | \$147,000 |
| Phase 3: Doorway Housing Portal Development | \$555,387 |
| Phase 4: Additional Doorway Housing Portal Policy Development | \$125,000 |
| Phase 5: Regional Application, Lottery, and Professional Partner Functionality | \$1,475,000 |
| <i>TOTAL TO DATE</i> | \$2,529,247 |
| Phase 6: Doorway Placement and Data Development | \$105,000 |
| Phase 7: Additional Doorway Housing Portal and Partners Portal Functionality | \$520,000 |
| Phase 8: Maintenance Support for Doorway Housing Portal and Partners Portal | \$225,000 |
| GRAND TOTAL | \$3,379,247 |

Issues:

None

March 13, 2024

Agenda Item 6.b.

Doorway Housing Portal – Exygy, Inc. Contract 3rd Amendment (\$850,000)

Recommended Action:

The BAHFA Oversight Committee is requested to authorize the Executive Director or his designee to negotiate and enter into a third amendment in an amount not to exceed \$850,000 to the October 1, 2022 contract with Exygy Inc. for Doorway Housing Portal web design services, increasing the total contract amount not-to-exceed \$3.45 million.

Attachment:

A. Summary Approval

Reviewed:



Andrew Fremier

**S U M M A R Y O F B A H F A A P P R O V A L**

| | |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Work Item No.: | 1620 |
| Consultant: | Exygy, Inc. |
| Work Project Title: | BAHFA Doorway Housing Portal |
| Purpose of Project: | Develop a regional online housing portal to help housing seekers find and apply for affordable housing, and to help housing partners (developer, leasing agents, etc.) more easily manage listings, applications, and placements. |
| Brief Scope of Work: | <p>Extend the Consultant scope of work over three phases through a third contract amendment:</p> <p>1) Doorway Placement and Data Development, including affordable housing placement research, sustainability enhancement, and data systems development and strategic planning. April 2024 - March 2025.</p> <p>2) Additional Doorway Housing Portal and Doorway Partners Portal Functionality, including lottery, reporting, and expanded professional partner functionality. April 2024 – June 2024.</p> <p>3) Maintenance Support for Doorway Housing Portal and Doorway Partners Portal, including limited web development. July 2024 – March 2025.</p> |
| Project Cost Not to Exceed: | <p>Third Amendment additional work scope value: \$850,000.</p> <p>Second Amendment additional work scope value: \$1.6 million (includes value of First Amendment)</p> <p>First Amendment additional work scope value: \$35,404 (superseded by Second Amendment)</p> <p>Original Contract Value: \$1 million</p> <p>Total amended not-to-exceed contract value: \$3.45 million</p> |



| | |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Funding Source: | <p>\$1 million: California HCD grant; fund source number 2409.</p> <p>\$1.6 million: Philanthropic grant from Google.org to BAHFA Leadership Fund, for intended transfer to BAHFA.</p> <p>\$850,000: California HCD grant; fund source number 2409.</p> |
| Fiscal Impact: | <p>\$1 million included in BAHFA FY22-23 budget</p> <p>\$2.15 million will be available in BAHFA FY23-24 budget</p> <p>\$550,000 will be available in BAHFA FY23-24 budget</p> <p>\$300,000 will be available in BAHFA FY24-25 budget</p> |
| Motion by Committee: | <p>The BAHFA Oversight Committee is requested to authorize the Executive Director or his designee to negotiate and enter into a third amendment in an amount not to exceed \$850,000 to the October 1, 2022 contract with Exygy Inc. for Doorway Housing Portal web design services, increasing the total contract amount not-to-exceed \$3.45 million.</p> |
| BAHFA Approval: | <p>Alfredo Pedroza Chair, BAHFA Board</p> |
| Approval Date: | <p>March 13, 2024</p> |



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

| | | | | | |
|----------------------|---------------------------------------------------|----------------------|---|------------------------|--|
| File #: | 24-0306 | Version: | 1 | Name: | |
| Type: | Report | Status: | | Informational | |
| File created: | 2/15/2024 | In control: | | ABAG Housing Committee | |
| On agenda: | 3/21/2024 | Final action: | | | |
| Title: | BAHFA's Regional Expenditure Plan-Labor Standards | | | | |

Update on labor standards for inclusion in BAHFA's 20% regional funding Expenditure Plan.

Sponsors:

Indexes:

Code sections:

Attachments: [07a 1 Summary Sheet BAHFA Expenditure Plan Labor Standards Update v13.pdf](#)
[07a 2 Attachment A Presentation BAHFA's Regional Expenditure Plan Labor Standards v6.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Subject:

BAHFA's Regional Expenditure Plan-Labor Standards

Update on labor standards for inclusion in BAHFA's 20% regional funding Expenditure Plan.

Presenter:

Kate Hartley

Recommended Action:

ABAG Housing Committee Information
BAHFA Oversight Committee Information

Attachments:

March 13, 2024

Agenda Item 7.a.

BAHFA's Regional Expenditure Plan – Labor Standards

Subject:

Update on labor standards for inclusion in BAHFA's 20% regional funding Expenditure Plan.

Background:

At its February 14, 2024 meeting, the ABAG Housing Committee and the BAHFA Oversight Committee (the "Joint Housing Committees") approved a referral to the ABAG Executive Board as the Executive Board to BAHFA ("Executive Board") and to the Bay Area Housing Finance Authority ("BAHFA Board") – collectively referred to as "the Boards" – to adopt BAHFA's Regional Expenditure Plan. This referral, however, was subject to the condition that staff return to the Joint Housing Committees with recommended labor standards to include in BAHFA's Regional Expenditure Plan.

Since the meeting, staff has continued discussions with stakeholders – including representatives from various subgroups of organized labor as well as nonprofit housing developers – to identify common ground for potential BAHFA labor standards. Those discussions are ongoing. Accordingly, staff is aiming to present a labor standards recommendation for inclusion in the Regional Expenditure Plan at your April 10, 2024 meeting. Today's report is intended to inform the Committees of the context and considerations involved in these discussions, with the goal of establishing a common vocabulary and understanding to help inform the anticipated action item in April.

Regional Expenditure Plan Context:

The San Francisco Bay Area Regional Housing Finance Act, BAHFA's enabling legislation, (California Government Code Section 64500, *et seq.* (the "Act")), gives BAHFA the authority to raise, administer, and allocate funding for affordable housing through several mechanisms that require voter approval. One such mechanism is a general obligation (GO) bond, for which the Act prescribes that BAHFA pass through 80% of the revenue to counties and several cities based on a return to source formula ("County Housing Revenue" or "the 80%"). BAHFA retains the remaining 20% ("Regional Housing Revenue" or "the 20%"). Staff is currently planning towards a GO bond for the November 2024 ballot.

BAHFA's portion of the funds must be spent according to a Regional Expenditure Plan ("Plan"), which only governs Regional Housing Revenue. Counties and direct allocation cities are required to adopt their own expenditure plans for the 80%, a step required after voter approval.

The Plan must comply with specified requirements set forth in the Act, including an estimate of number of units produced and preserved, the share of funding for each spending category (Production, Preservation, Protection, and Local Government Grant Program), and a description of BAHFA's programs. The Plan reviewed last month contains these elements, incorporating

March 13, 2024

Agenda Item 7.a.

BAHFA's Regional Expenditure Plan – Labor Standards

guiding principles from BAHFA's Business Plan's *Equity Framework* and *Funding Programs* as well as policy decisions affirmed by the BAHFA Advisory Committee and the Boards after multiple public meetings in the summer and fall of 2023.

On February 14, the Joint Housing Committees referred for adoption by the Boards all Plan elements proposed by staff to satisfy the statutory requirements and establish an initial set of investment priorities. The Committees also requested staff to return to provide information and recommendations regarding an outstanding issue – potential labor standards to include in the Plan.

Legal Limitations to Impose Labor Standards on Counties & Cities (the 80%)

Some labor stakeholders have requested that BAHFA impose labor standards on 100% of bond funds, including the 80% that will be administered directly by counties and direct-allocation cities. However, the Act does not grant BAHFA legal authority to impose any labor standards on direct recipients. Labor stakeholders with whom staff have been meeting over the past month have not disputed this.

State law could be amended to authorize BAHFA to impose labor standards on direct recipients. From a timing standpoint, it's important to note that such a change could be made *after* the Boards have taken their actions to approve placing a bond measure on the ballot, or even after voter approval of a bond. Some labor stakeholders have expressed an interest in pursuing legislation this year to allow BAHFA to impose labor standards. At the time this memo was finalized, staff was unaware of any bill in print related to BAHFA labor standards. Notably, even if state law were amended, federal law would prohibit BAHFA from requiring direct recipients to impose project labor agreements (PLAs) through regulation. Amendments to the Act would not override this prohibition given it is in federal law. Staff will update the Committees on any legislative efforts to modify the Act as it relates to allowing BAHFA to adopt labor standards applicable to the 80%.

This memo focuses on BAHFA's Regional Housing Revenue and aims to provide a strong foundation for the Committees' and Boards' consideration of labor standards for the Plan next month.

Context for Labor Standards for Regional Housing Revenue (the 20%)

Addressing California's housing shortage, housing unaffordability and homelessness has been a top state and local legislative priority since at least 2016. This policymaking has included determination of appropriate labor standards to attach to housing legislation. Table 1, below, summarizes the relevant approaches that have been at the center of legislative debates. It is provided here not with the intent of making recommendations, but for the purpose of establishing a common vocabulary and understanding of the key terms in the negotiations.

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Agenda Item 7.a.

BAHFA's Regional Expenditure Plan – Labor Standards

Table 1: Landscape of Potential Labor Standards

| Standard | Brief Description |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Baseline (CA Labor Code) | Prevailing wage with exceptions |
| AB 2011 (Wicks, 2022) | <ol style="list-style-type: none"> 1. Enforceable prevailing wage requirement (no exceptions) 2. For 50+ units, requires health care payments 3. For 50+ units, requires approved apprenticeship participation |
| SB 423 (Wiener, 2023) | <ul style="list-style-type: none"> • AB 2011 plus “skilled and trained” for projects over 85 feet • 100% affordable projects are exempt |
| “Skilled and Trained” | <ul style="list-style-type: none"> • Generally requires workers in apprenticeable occupations to be either skilled journeypersons or apprentices registered in an apprenticeship program approved by the chief of the Division of Apprenticeship Standards |
| Project Labor Agreements (PLAs) | <ul style="list-style-type: none"> • Could take many forms; likely scenario is BAHFA requires borrowers to sign PLAs with Building Trades Councils where project is located. • Set labor terms, e.g., wages, health care & pensions, contractor eligibility, dispute resolution, and worksite conditions. |

Context and Considerations: Balancing Multiple Goals

Establishing appropriate labor standards for the Regional Housing Revenue requires balancing an interrelated set of goals. Based on feedback from the Committees last month and the guiding principles in BAHFA's Business Plan, these goals include:

1. Expanding the protection of workers in the Bay Area's affordable housing construction industry.
2. Production and preservation of affordable housing at a scale commensurate with the need.
3. Pursuit of innovative finance and development strategies to deliver affordable housing more cost-effectively.

Each goal is important but tension arises between them at times. Weighing trade-offs and creating a balanced approach requires consideration of three critical elements, described more

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BAHFA's Regional Expenditure Plan – Labor Standards

extensively below: (1) affordable housing developer cohorts and their distinct approaches, (2) historical housing production trends and current goals, and (3) rising construction costs.

Affordable Housing Developer Cohorts

Generally speaking, two categories of developers build subsidized affordable housing and operate in different regulatory environments vis-à-vis labor standards. The first group is nonprofit developers that build most of the Bay Area's affordable housing. Nonprofit developers typically rely on low-income housing tax credits (LIHTC) administered by the California Tax Credit Allocation Committee (TCAC), private activity bonds from the California Debt Limit Allocation Committee (CDLAC), subsidy loans from the city and/or county in which they work, subsidy loans from the California Department of Housing and Community Development (HCD), and a variety of other sources. Given the requirements of most subsidy fund sources, nonprofit developers typically operate under enhanced labor standards that include, at a minimum, paying workers a prevailing wage. Some jurisdictions in the Bay Area attach additional labor standards such as a PLA.

The second group is for-profit, vertically integrated companies that typically rely solely on LIHTC, CDLAC, and deferred developer fees to finance their projects. Given their limited use of city and county financing (which serves as the linkage to construction labor standards), this second group of developers is typically not subject to the state's prevailing wage laws nor other labor standards imposed by local governments.

Common Development Practices & Expansion of Worker Protections

The first developer group, the nonprofits, are the likely borrowers of the vast majority of the proposed regional housing measure funds because these developers are accustomed to and competent at implementing the policies required by the jurisdictions in which they work, including labor standards. In this environment, labor practices tend to be more transparent through the oversight of nonprofit boards of directors and the community engagement typically conducted by Bay Area's nonprofit developers. These factors mitigate concerns about "bad actors" using bond funds to exploit workers.

Because the typical financing structure employed by the second developer group, for-profit developers, does not include local public sector funding, their use of regional bond funds may also be limited.

Inclusion of labor standards in BAHFA's Regional Expenditure Plan would cover projects in every Bay Area county, expanding worker protections to locations where enhanced labor standards are not common practice.

While the proposed labor standards for the Regional Expenditure Plan are still under discussion, they could exceed the Labor Code's "baseline" prevailing wage requirements by disallowing

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BAHFA's Regional Expenditure Plan – Labor Standards

exceptions to prevailing wage and including additional worker benefits and protections. Further, should the second group of developers, the for-profits, apply for and secure bond funds to build and preserve affordable housing in a competitive funding process, there will be an expansion of labor standards to developments where there otherwise are none.

Actively expanding worker protections by engaging with the full range of affordable housing developers will require, however, that BAHFA's financial products balance sufficiently favorable terms and manageable regulatory burden. An overly rigid labor standard could be counter-productive, by disincentivizing for-profit developers from using BAHFA funds at all. This would forestall BAHFA's pursuit of partnerships with all developers able to bring quality projects forward in a cost-effective way for the region's benefit. Further, BAHFA's commitment to pursue alternative financing models when state programs (e.g., CDLAC and LIHTC) are competitive will require streamlined, accessible and efficient financing.

Production at Scale: Historical Trends and Current Targets

The significant lack of homes affordable to all Bay Area residents – the foundation for health, community, and cultural and economic regional vibrancy – fuels a web of social challenges:

- Approximately 37,000 residents are unhoused.
- The region has the highest *unsheltered* rate of unhoused people in the U.S. (over 70%)
- 1.4 million renters pay more than half their income on rent, with one-quarter paying more than 50% of their income on rent ("severely rent-burdened")
- High rents and home prices cause many residents to live far from work, making congestion and pollution much worse, and putting a major strain on working families.
- Too many Bay Area residents live in overcrowded and unsafe housing.
- Vital employees and community members are leaving the area.

Recently compiled data for the 5th Cycle of the Regional Housing Needs Allocation (RHNA) process (2015-2023) quantifies the slow progress the region has been making towards achieving our affordable housing targets. The 2015-2023 dataset contains highly detailed reporting from local governments via their Annual Progress Reports ("APRs"), enhanced by verification efforts by staff, on the number of new homes (units) permitted by income category.

The complete dataset from the eight-year RHNA cycle underscores that while market-rate housing is being developed at rates *double* the state's targets the number of homes under development that are affordable to lower- and moderate-income residents is well below the targets, as summarized below. The reasons for this are complex, but the high cost of housing and the lack of sufficient subsidy for the construction of affordable housing are major factors. Providing a robust source of funding to accelerate the construction (and preservation) of new affordable units is a fundamental aim of the Bay Area affordable housing bond.

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BAHFA's Regional Expenditure Plan – Labor Standards

Table 2: Bay Area RHNA Cycle 5 (2015-2023) Performance

| Income Targets | 2015-2023 RHNA Cycle 5 | 2015-2023 Units Permitted | % RHNA Permitted |
|-----------------------------------------------------|---------------------------|------------------------------|---------------------|
| Very Low-Income (0-50% of AMI) | 46,680 | 18,751 | 40% |
| Low-Income (50-80% of AMI) | 28,940 | 16,025 | 55% |
| Moderate-Income (80-120% of AMI) | 33,420 | 20,071 | 60% |
| Above Moderate-Income (above 120% of AMI) | 78,950 | 163,018 | 203% |
| Total: | 187,990 | 217,865 | 116% |

The Bay Area's state-mandated housing targets for the 6th RHNA Cycle (2023-2031) more than doubled the region's housing goals relative to the 5th RHNA Cycle, presenting an unprecedented challenge. Even if the region maintained the historical trend of over-producing market rate ("above moderate-income") homes, it would still fall short of permitting the total new units required in the 6th Cycle. Bay Area residents' needs for lower- and moderate-income housing, as compared to 5th Cycle targets and regional performance, are particularly stark, as summarized below.

Table 3: Bay Area RHNA Cycle 6 (2023-2031) Targets Compared to Cycle 5

| Income Targets | 2015-2023 RHNA Cycle 5 | 2015-2023 Units Permitted | 2023 – 2031 RHNA Cycle 6 |
|-----------------------|---------------------------|------------------------------|-----------------------------|
| Very Low-Income | 46,680 | 18,751 | 114,442 |
| Low-Income | 28,940 | 16,025 | 65,892 |
| Moderate-Income | 33,420 | 20,071 | 72,712 |
| Above Moderate-Income | 78,950 | 163,018 | 188,130 |
| Total: | 187,990 | 217,865 | 441,176 |

A central tenet of BAHFA's Equity Framework is to operate at a scale that can truly meet the housing needs of the Bay Area's lower-income residents. The comparison of historical production trends (measured above in terms of units permitted) against RHNA's low-income housing targets underscores that to fulfill this mission, BAHFA and the entire housing industry in the Bay Area must build significantly more affordable housing, much faster. This will require

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BAHFA's Regional Expenditure Plan – Labor Standards

partnering with every available segment of the construction workforce and growing that workforce over time.

Cost-Efficiency

Just as the need for affordable housing is increasing, so too is the cost of constructing it. Many affordable housing projects in the Bay Area now cost roughly \$1 million per unit. For the regional housing bond to have the greatest impact in terms of the number of homes built, BAHFA must find creative solutions to bring down costs.

To better understand the cost landscape, staff has evaluated all Bay Area projects that submitted applications to TCAC and CDLAC between 2021 and 2023. The most salient characteristics that differentiate project costs are (1) location (which is a proxy for a variety of market conditions rather than simply the cost of land), and (2) whether the project received subsidy from a local government. The following table summarizes the findings, revealing the significantly higher per unit cost for projects that receive local public funds than those that don't in every county.

Table 4: Bay Area Total Development Costs for TCAC/CDLAC Applications, 2021-2023

| County | # of Projects with Local Funds | # of Projects without Local Funds | Avg. Cost Per Unit with Local Funds | Avg. Cost Per Unit Without Local Funds | % Cost Increase with Local Funds |
|---------------|--------------------------------|-----------------------------------|-------------------------------------|----------------------------------------|----------------------------------|
| Alameda | 11 | 4 | \$903,684 | \$491,500 | 84% |
| Contra Costa | 3 | 4 | \$772,417 | \$513,140 | 51% |
| Marin | 0 | 1 | <i>n/a</i> | \$767,873 | <i>n/a</i> |
| Napa | 0 | 0 | <i>n/a</i> | <i>n/a</i> | <i>n/a</i> |
| San Francisco | 10 | 1 | \$939,826 | \$734,585 | 28% |
| San Mateo | 4 | 2 | \$972,512 | \$448,642 | 117% |
| Santa Clara | 23 | 14 | \$782,945 | \$636,918 | 23% |
| Solano | 1 | 4 | \$687,334 | \$355,303 | 93% |
| Sonoma | 3 | 5 | \$568,732 | \$476,369 | 19% |
| Total: | 55 | 35 | \$835,406 | \$546,806 | 53% |

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Agenda Item 7.a.

BAHFA's Regional Expenditure Plan – Labor Standards

Unfortunately, isolating the data for 2023 shows a worsening trend in terms of increasing per-unit cost for projects receiving local funds. Table 5, below, summarizes the average per-unit costs of developments that applied for TCAC/CDLAC in 2023 that are also receiving local funds.

Table 5: Total 2023 Development Costs for TCAC/CDLAC Applications With Local Funds

| County | 2023 Average Per Unit Cost for Projects with Local Funds |
|---------------|----------------------------------------------------------|
| Alameda | \$984,300 |
| Contra Costa | \$998,250 |
| San Francisco | \$916,500 |
| San Mateo | \$998,400 |
| Santa Clara | \$1,016,500 |
| Solano | \$481,000 |
| Sonoma | \$661,600 |

This project cost data leads to several conclusions regarding labor standard considerations:

- A regional focus on construction costs is vital to addressing affordable housing needs.
- The cost differentials between counties cannot be attributable solely to prevailing wage obligations, which are typically born by nonprofit developers in all counties.
- Certain labor standards may increase construction costs.¹

In this high-cost environment, rigorous attention to all cost drivers is necessary to effectively bring costs down. Strict labor standards are one cost driver, among others, that require careful balancing.

Next Steps

Staff will continue to work with organized labor and affordable housing partners on proposed labor standards and will return to the Joint Housing Committees in April with recommended standards for inclusion in BAHFA's Regional Expenditure Plan.

¹ A 2021 study by RAND of Los Angeles' Measure HHH bond is one of the most recent, California-specific studies of the impacts of project labor agreements on the construction of affordable housing. The study concluded that inclusion of a PLA requirement increased costs by 15% and ultimately resulted in approximately 800 fewer affordable units. See Ward, Jason M., The Effects of Project Labor Agreements on the Production of Affordable Housing: Evidence from Proposition HHH. Santa Monica, CA: RAND Corporation, 2021. https://www.rand.org/pubs/research_reports/RRA1362-1.html.

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Agenda Item 7.a.

BAHFA's Regional Expenditure Plan – Labor Standards

Issues:

The prospect of a state legislative amendment to BAHFA's Regional Housing Act regarding labor standards requires close scrutiny, as it would significantly impact counties' and direct-allocation cities' own expenditure plans and development programs. The imposition of a single labor standard through an amendment of the Act would lead to a "one-size-fits-all" approach that may raise concerns about local control.

Recommended Action:

Information

Attachments:

A. Presentation

Reviewed:



Andrew Fremier



BAHFA's Regional Expenditure Plan – Labor Standards

2024 Affordable Housing General Obligation Bond

**Joint Housing Committees
March 13, 2024**



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

Recap

- BAHFA's 20% Regional Housing Revenue must be spent according to a Regional Expenditure Plan.
- On 2/14/24, the Joint Housing Committees referred for adoption BAHFA's draft Regional Expenditure Plan to their respective Boards.
- The referral was subject to additional discussion and potential action on labor standards that could be incorporated into the Regional Expenditure Plan prior to final adoption by the Boards.

Legal Limitations

- BAHFA does not have the legal authority to impose labor standards on the 80% of funds directly administered by the counties and direct allocation cities.
- If the state legislature were to amend the San Francisco Bay Area Regional Housing Finance Act at, BAHFA would be bound by state law, as amended.
- However, due to federal law about project labor agreements (PLAs), BAHFA could not impose that standard on the counties even with amended state legislation.

Potential BAHFA Labor Standards

For BAHFA's 20% of bond funds, the landscape of labor standards includes:

| Standard | Brief Description |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Baseline (CA Labor Code) | Prevailing wage with exceptions |
| AB 2011 (Wicks, 2022) | <ol style="list-style-type: none">1. Enforceable prevailing wage requirement (no exceptions)2. For 50+ units, requires health care payment3. For 50+ units, requires approved apprenticeship participation |
| SB 423 (Wiener, 2023) | <ul style="list-style-type: none">• AB 2011 plus “skilled and trained” requirement for projects over 85 feet• 100% affordable projects are exempt |
| “Skilled and Trained” | <ul style="list-style-type: none">• Generally, limits workforce to skilled journeymen and graduates of approved apprenticeship programs |
| Project Labor Agreements (PLAs) | <ul style="list-style-type: none">• Could take many forms; likely scenario is BAHFA requires borrowers to sign PLAs with Building Trades Councils where project is located• Set various terms including wages, health care & pension payments, contractor eligibility, dispute resolution, and worksite conditions |

Context: Balancing Multiple Goals

Establishing labor standards for BAHFA requires balancing interrelated goals:

- Expand worker protections in the Bay Area's affordable housing construction industry
- Produce and preserve affordable housing at the scale necessary to meet the needs of Bay Area residents
- Pursue innovative financing and development strategies to deliver affordable housing more cost-effectively and swiftly

Expanding Worker Protections: Developer Cohorts

Two different categories of developers build affordable housing:

1. Nonprofit Developers:

- Most likely borrowers of BAHFA funds; typically already pay prevailing wages, deep community engagement, subject to enhanced regulations; high project costs
- Expansion: AB 2011 standards or stronger would add healthcare & training requirements in parts of the region
 - Must balance concerns about impacts to project cost and viability.

2. For-Profit Developers:

- Typically forego local funds; less regulatory oversight (e.g., no prevailing wages)
- Expansion: Any standard would improve worker protections, but only if developers choose to borrow from BAHFA
 - Must balance goal of broad developer engagement and efficient financing

Production at Scale: Recent Trends

During the last Regional Housing Needs Allocation (RHNA) Cycle, the Bay Area dramatically underproduced affordable housing.

| Income Targets | 2015-2023 Cycle 5 RHNA | 2015-2023 Units Permitted | % RHNA Permitted |
|------------------------------------------------------------|---------------------------|------------------------------|---------------------|
| Very Low-Income <i>(0-50% AMI)</i> | 46,680 | 18,751 | 40% |
| Low-Income <i>(50-80% AMI)</i> | 28,940 | 16,025 | 55% |
| Moderate-Income <i>(80-120% of AMI)</i> | 33,420 | 20,071 | 60% |
| Above Moderate-Income <i>(Above 120% of AMI)</i> | 78,950 | 163,018 | 203% |
| Total Units | 187,990 | 217,865 | 116% |

Production at Scale: Increased Need

State-mandated housing targets for the current RHNA Cycle have more than doubled and far outpace recent trends.

| Income Targets | 2015-2023 Cycle 5 RHNA | 2015-2023 Units Permitted | 2023-2031 Cycle 6 RHNA |
|-----------------------|------------------------------|---------------------------------|------------------------------|
| Very Low-Income | 46,680 | 18,751 | 114,442 |
| Low-Income | 28,940 | 16,025 | 65,892 |
| Moderate-Income | 33,420 | 20,071 | 72,712 |
| Above Moderate-Income | 78,950 | 163,018 | 188,130 |
| Total Units | 187,990 | 217,865 | 441,176 |

Costs: Complexity and Burdens of Local Funds

Affordable housing construction costs are high across the region, with the complexity and regulatory burden of local funds driving costs even higher in nearly every county.

| County | Avg. Cost Per Unit w/ Local Funds | Avg. Cost Per Unit w/o Local Funds | % Cost Increase w/ Local Funds |
|---------------|--------------------------------------|---------------------------------------|--------------------------------------|
| Alameda | \$903,684 | \$491,500 | 84% |
| Contra Costa | \$772,417 | \$513,140 | 51% |
| Marin | <i>n/a</i> | \$767,873 | <i>n/a</i> |
| Napa | <i>n/a</i> | <i>n/a</i> | <i>n/a</i> |
| San Francisco | \$939,826 | \$734,585 | 28% |
| San Mateo | \$972,512 | \$448,642 | 117% |
| Santa Clara | \$782,945 | \$636,918 | 23% |
| Solano | \$687,334 | \$355,303 | 93% |
| Sonoma | \$568,732 | \$476,369 | 19% |
| Total: | \$835,406 | \$546,806 | 53% |

*Source: Applications
submitted to TCAC, 2021-
2023*

Costs: Recent Spike

Affordable housing construction costs have increased during the last 3 years. Isolating data from 2023 CDLAC/TCAC applications reveals nearly \$1 million per unit costs in many parts of the region.

| County | Avg. Cost Per Unit w/ Local Funds |
|---------------|--------------------------------------|
| Alameda | \$984,300 |
| Contra Costa | \$998,250 |
| San Francisco | \$916,500 |
| San Mateo | \$998,400 |
| Santa Clara | \$1,016,500 |
| Solano | \$481,000 |
| Sonoma | \$661,600 |

*Source: Applications
submitted to TCAC, 2023*

Trade-Offs & Considerations

- Lax labor practices in some segments of the affordable housing construction industry perpetuate poverty among affected workers.
- Exclusive or restrictive labor standards benefit some workers while negatively affecting others.
- High development costs negatively impact workers by reducing the amount of housing built and jobs created, while also reducing the potential number of stable homes for lower-income residents.
- BAHFA labor standards can “raise the bar” at regional scale. A balanced approach can protect all workers, create more jobs, and provide low-income housing urgently needed.

Next Steps: Decision-Making Timeline

March

Joint Housing Committees

- Labor standards (info)

ABAG Exec Board

- Preview of April decisions

April

Joint Housing Committees

- Labor standards (recommendation)

ABAG Exec Board

- Business Plan
- Expenditure Plan (w/ labor standards)
- Initiating Resolution (“up to \$20B”)

May

BAHFA Board

- Business Plan
- Expenditure Plan (w/ labor standards)
- Election Resolution (w/ Ballot Question, Full Text, Tax Rate Statement)

June

BAHFA Board

- Business Plan
- Expenditure Plan (w/ labor standards)
- Election Resolution (w/ Ballot Question, Full Text, Tax Rate Statement)

Green = action item

Thank You



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION