

Meeting Agenda - Final

Bay Area Housing Finance Authority Interim Advisory Committee

Thursday, May 14, 2020

2:05 PM

Remote

Bay Area Housing Finance Authority Interim Advisory Committee

The Bay Area Housing Finance Authority Interim Advisory Committee will be meeting on May 14, 2020, 2:05 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://mtc.ca.gov/whats-happening/meetings/live-webcasts>

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

Attendee Link: <https://bayareametro.zoom.us/j/92960951286>
Join by Telephone: 888 788 0099 (Toll Free) or 877 853 5247 (Toll Free)
Webinar ID: 929 6095 1286

Detailed instructions on participating via Zoom are available at:
<https://mtc.ca.gov/how-provide-public-comment-board-meeting-zoom>

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 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 BAHFA Interim Advisory Committee may act on any item on the agenda.

The meeting is scheduled to begin at 2:05 p.m.

Agenda, roster, and webcast available at <https://mtc.ca.gov/>
For information, contact Clerk of the Board at (415) 820-7913.

Roster

Kate Hartley, Casey McCann, Jackie Morales-Ferrand, Tomiquia Moss, Seema Patel, Matthew Schwartz, Alice Talcott, Leelee Thomas, Benjamin Wickham

1. Call to Order / Roll Call / Confirm Quorum

2. Scope of Work

2.a. [20-0707](#) Overview of Scope of Interim Advisory Committee

Welcome and overview of the responsibilities of the BAHFA Interim Advisory Committee.

Action: Information

Presenter: Therese McMillan

Attachments: [Item 2a 1 Summary Sheet Overview of Scope v3.pdf](#)
[Item 2a 2 Summary Sheet Attachment IAC Roster v2.pdf](#)
[Item 2a 3 Presentation Overview of Scope v4.pdf](#)

3. Expenditure Plan Framework

3.a. [20-0703](#) Report on Expenditure Plan Framework for Potential November 2020 Ballot Measure

Review legal and policy framework for the summary of the Expenditure Plan that must be included in the ballot materials if ABAG and BAHFA policymakers decide to pursue a November 2020 revenue measure.

Action: Information

Presenter: Daniel Saver

Attachments: [Item 3a 1 Summary Sheet Expenditure Plan Framework for Potential November](#)
[Item 3a 2 Presentation Expenditure Plan v4.pdf](#)

4. Public Comment / Other Business

4.a. [20-0708](#) Public Comment for May 14, 2020

Action: Information

Presenter:

5. Adjournment / Next Meeting

The next meeting of the BAHFA Interim Advisory Committee is to be announced.

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) 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 Título 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.

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)

File #:	20-0707	Version:	1	Name:	
Type:	Report	Status:		Informational	
File created:	4/24/2020	In control:		Bay Area Housing Finance Authority Interim Advisory Committee	
On agenda:	5/14/2020	Final action:			
Title:	Overview of Scope of Interim Advisory Committee				

Welcome and overview of the responsibilities of the BAHFA Interim Advisory Committee.

Sponsors:

Indexes:

Code sections:

Attachments: [Item 2a 1 Summary Sheet Overview of Scope v3.pdf](#)
[Item 2a 2 Summary Sheet Attachment IAC Roster v2.pdf](#)
[Item 2a 3 Presentation Overview of Scope v4.pdf](#)

Date	Ver.	Action By	Action	Result
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Overview of Scope of Interim Advisory Committee

Welcome and overview of the responsibilities of the BAHFA Interim Advisory Committee.

Therese McMillan

Information

Bay Area Housing Finance Authority

Interim Advisory Committee

May 14, 2020

Agenda Item 2.a.

Overview of Scope of Interim Advisory Committee

Subject: Overview of Scope of Interim Advisory Committee

Background: [AB 1487](#) (Chiu), effective January 1, 2020, created the Bay Area Housing Finance Authority (BAHFA). By statute, the Association of Bay Area Governments (ABAG) and the Authority Board of BAHFA (comprised of the same members as the MTC Commission) have the power to place an affordable housing revenue measure on the ballot in the nine Bay Area counties, among other powers.

The BAHFA Board, and ABAG's Executive Board "shall form an advisory committee composed of nine representatives with knowledge and experience in the areas of affordable housing finance and development, tenant protection, and housing preservation. The advisory committee shall assist in the development of funding guidelines and the overall implementation of the program." The advisory committee "shall provide consultation and make recommendations to the executive board and the authority board."

MTC and ABAG have approved the appointment of the persons listed on the attached Interim Advisory Committee roster to convene prior to placing a housing revenue measure on the November 2020 ballot. The Interim Advisory Committee could dissolve if a housing revenue measure is not placed on the November 2020 ballot, and/or if a measure is placed on the ballot but not approved by voters. Further, at the Board's discretion, a new Advisory Committee could be empaneled after a more robust selection process.

Issues: None

Recommended Action: Information

Attachments: A. BAHFA Interim Advisory Committee Roster
B. Presentation

Reviewed:



Therese W. McMillan

BAHFA Interim Advisory Committee Roster

Name	Affiliation	Expertise
Kate Hartley	San Francisco Accelerator Fund, Chief Lending and Investment Officer	Production; Preservation
Casey McCann	City of Brentwood, Director of Community Development	Production
Jackie Morales-Ferrand	City of San Jose, Director of Housing	Protection; Production
Tomiquia Moss	All Home, CEO	Protection & Homelessness
Seema Patel	East Bay Community Law Center, Clinical Director	Protection; Preservation
Matthew Schwartz	California Housing Partnership, CEO	Preservation; Production
Alice Talcott	MidPen Housing, Vice-President of Housing Finance	Production
Leelee Thomas	County of Marin, Community Development Planning Manager	Production; Protection
Benjamin Wickham	Burbank Housing, Chief Operating Officer	Production

Overview of Scope of BAHFA Interim Advisory Committee

May 14, 2020

BAHFA Interim Advisory Committee Meeting



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

AB 1487 – Bay Area Funding for 3Ps – Production, Preservation and Protection

- Established a new option to raise funding for affordable housing across the 9-county Bay Area
- ABAG Executive Board and BAHFA Board (which has the same members as the MTC Commission) are decisionmakers regarding whether to place a [measure on the ballot](#), what [revenue source](#) and how to spend regional share of funds.
- Counties develop [expenditure plans](#) for their respective portion of funds.
- 3 largest cities (SF, SJ and Oakland) receive suballocated funds while cities from other counties with more than 30% of that county's low-income RHNA from other counties receive suballocation option



Senior housing



Affordable housing preservation



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

MTC/ABAG Requested Amendments Were Largely Incorporated into Final Bill

Governance

- No new entity created—Instead ABAG and MTC (acting as BAHFA) share decision-making

Revenue options

- **General obligation (GO) bond funded by an ad valorem property tax**
- Parcel tax
- Gross receipts tax
- Corporate (per employee) “head tax”
- Commercial linkage fee (only authorized after voters approve a GO bond or parcel tax)

Start-up funding

- Not expressly provided for in legislation but FY 2019-20 State Budget trailer bill funding may provide one-time funds to ABAG in near term for housing-related planning work.

Revenue Distribution

- At least 80 % of revenue from a GO bond, a parcel tax, or gross receipts tax to county of origin.
- At least 50% of revenue from a head tax to county of origin.

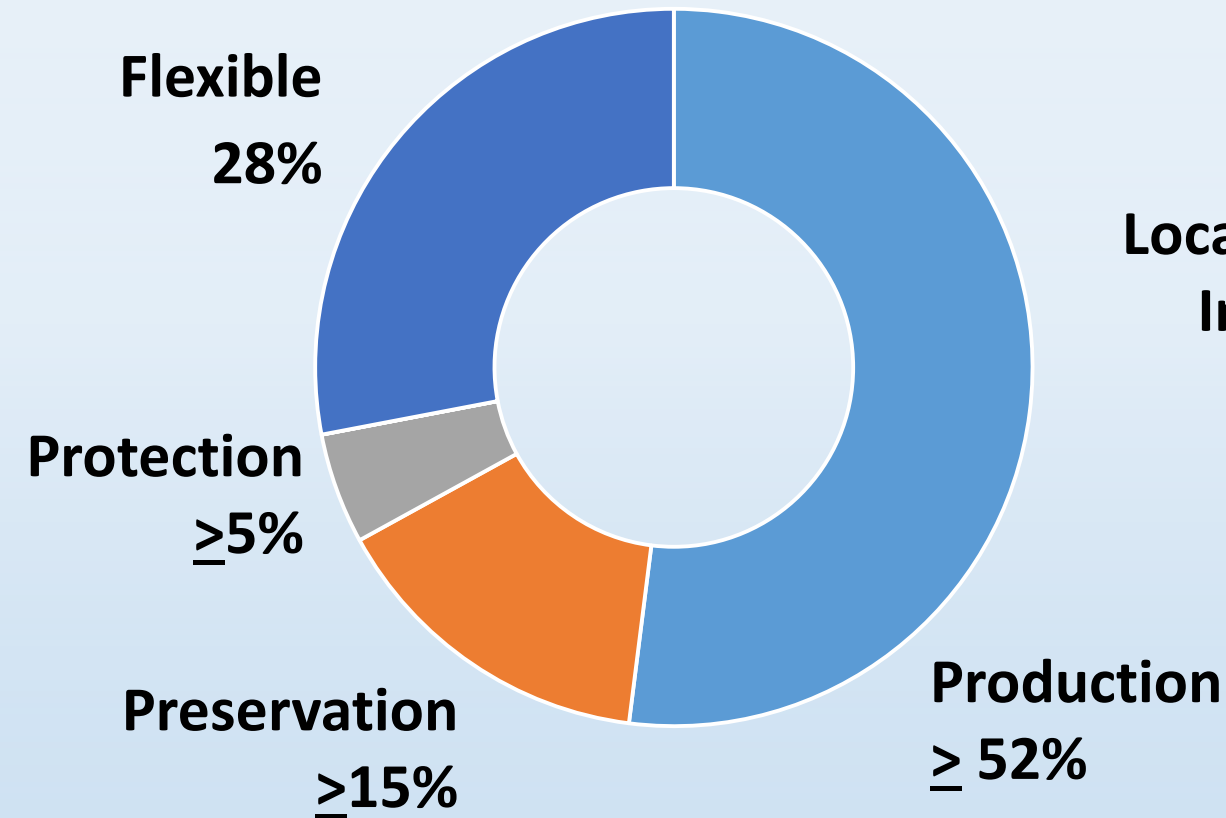


Local Government Grant Program

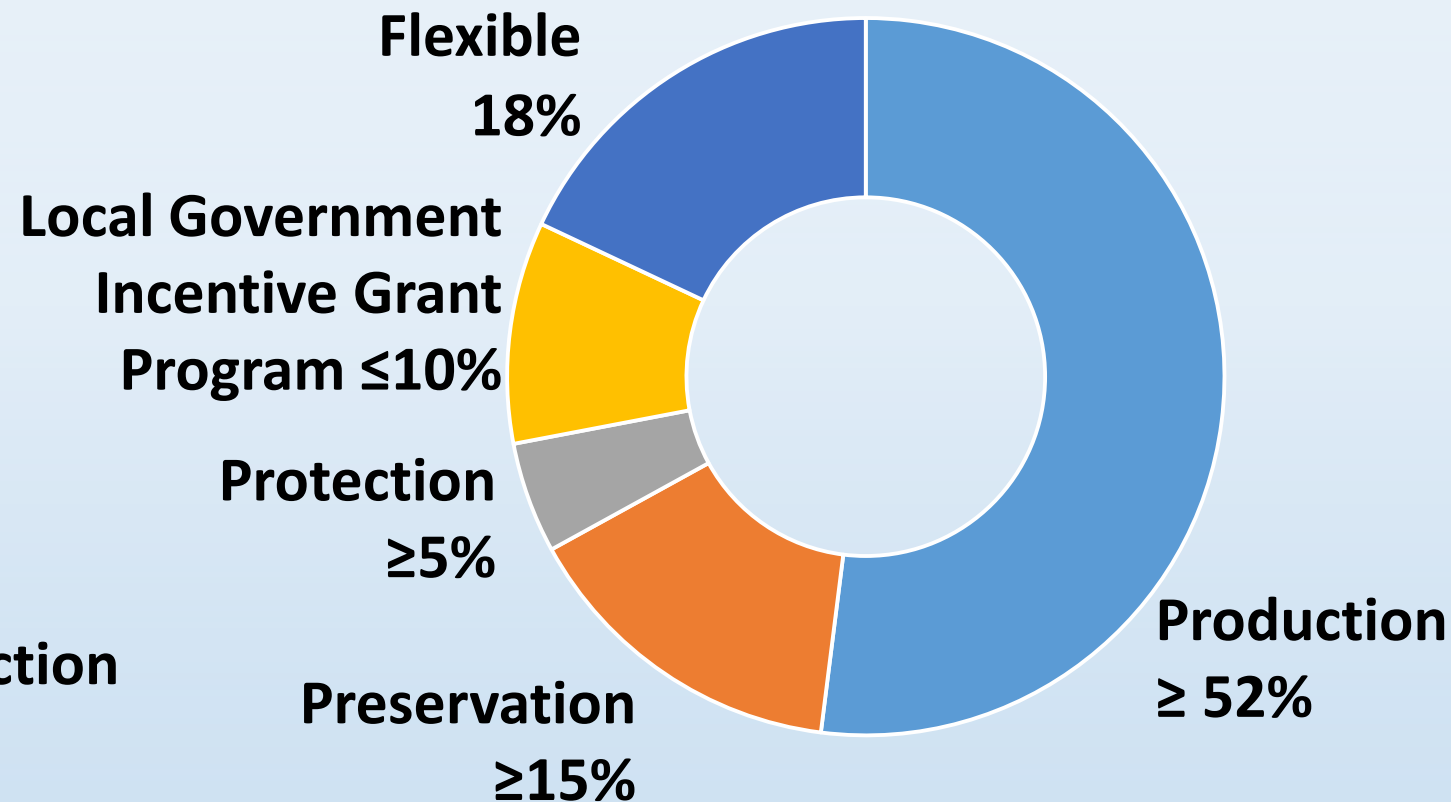
- Flexible program subject to ABAG and BAHFA guidelines developed in consultation with Advisory Committee
- Eligible Uses (*not exclusive*)
 - **Infrastructure** to support housing and related uses, including **transportation, schools and parks**
 - **Homeless** shelters and infrastructure to support shelters
 - Low and moderate-income **home-ownership** programs
 - Residential rehabilitation loan programs, including **mobile homes**
- Note that eligible activities is narrower in the case of a bond measure, which must be spent on capital expenditures.

Regional and County Housing Expenditures Under AB 1487 (Chiu)

***County Programs $\geq 80\%$**

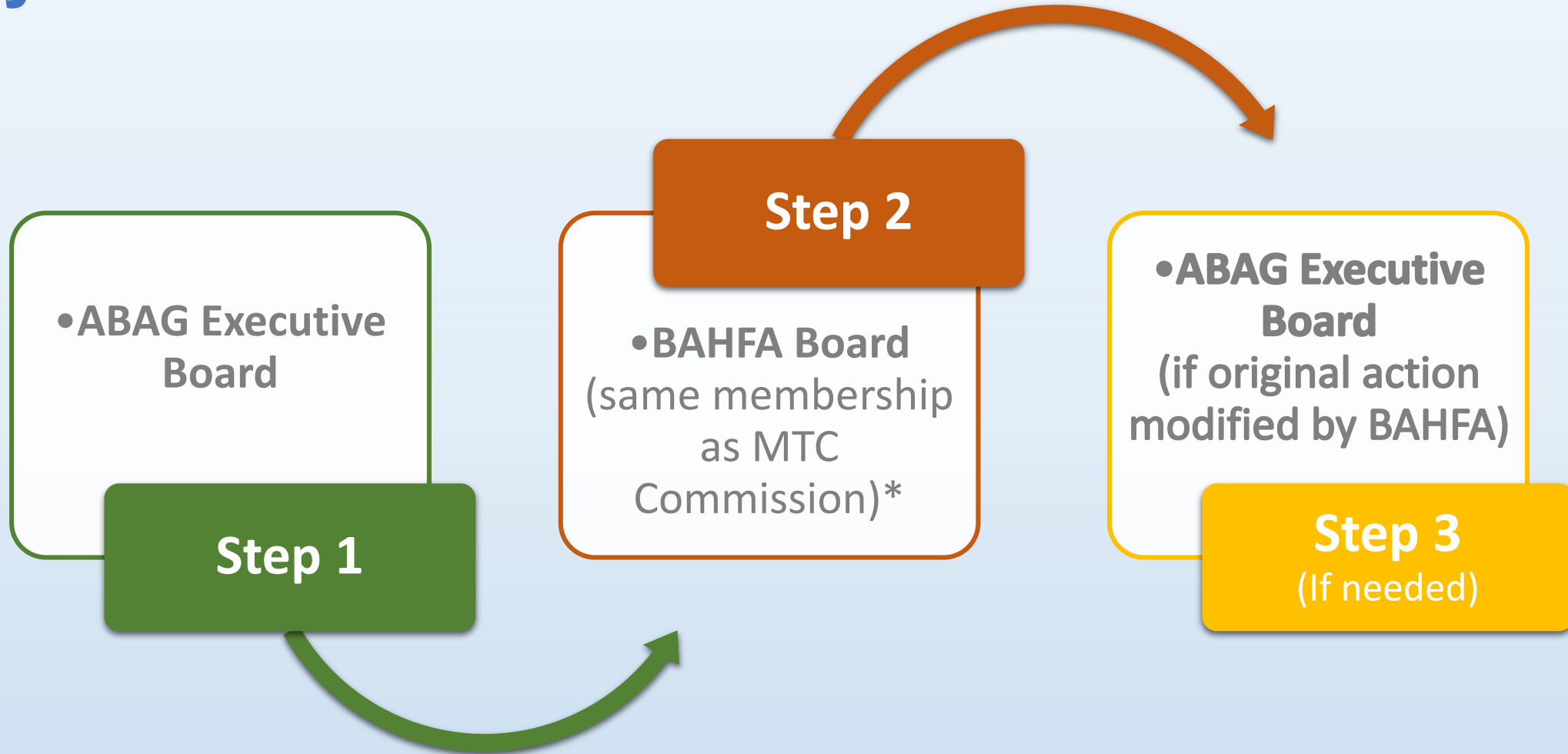


***Regional Program $\leq 20\%$**



*Note: These shares apply to voter-approved revenue sources except head tax which is $\geq 50\%$ to county

AB 1487 Decisions Require Joint Approval by ABAG and MTC



* AB 1487 establishes the Bay Area Housing Finance Authority (BAHFA) with the same board and staff as MTC (like the Bay Area Toll Authority) to serve as the entity through which MTC's roles in the legislation are conducted, including its financial responsibilities, such as bond issuance.

Public Input & Oversight

- **A nine-member public advisory committee** will provide input on funding guidelines and overall program implementation with expertise in affordable housing finance and development, tenant protection and housing preservation.
- BAHFA must encourage participation by a **broad range of stakeholders** and to hold a public meeting on key plans and programs at least 30 days before taking action.
- BAHFA must **annually report to Legislature** on expenditures at the regional and county levels, including a description of projects funded, households served and distribution across the 3Ps.



Advisory Committee

Legal Framework:

- ABAG/BAHFA **must convene an Advisory Committee** to consult on the regional expenditure plan, a summary of which must be included in ballot materials.
- Advisory Committee **makes recommendations**. ABAG Executive Board and BAHFA Board (same members as MTC Commission) retain all decision-making authority.
- Advisory Committee must have **9 members with expertise across the 3 Ps**: Protection, Preservation, Production. Intended to be a **technical committee** as opposed to a political body.



Scope for Interim Advisory Committee

- Convene **Interim Advisory Committee** for Nov. 2020 revenue measure.
- Prioritize **Expenditure Plan** required for ballot measure.
- Interim Advisory Committee could dissolve if no ballot measure or measure unsuccessful.
- Boards could empanel new Advisory Committee after more robust process, if desired.



BAHFA Interim Advisory Committee Roster

Name	Affiliation	Expertise
Alice Talcott	MidPen Housing, Vice-President of Housing Finance	Production
Leelee Thomas	County of Marin, Community Development Planning Manager	Production; Protection
Casey McCann	City of Brentwood, Director of Community Development	Production
Benjamin Wickham	Burbank Housing, Chief Operating Officer	Production
Seema Patel	East Bay Community Law Center, Clinical Director	Protection; Preservation
Tomiquia Moss	All Home, CEO	Protection & Homelessness
Jackie Morales-Ferrand	City of San Jose, Director of Housing	Protection; Production
Matthew Schwartz	California Housing Partnership, CEO	Preservation; Production
Kate Hartley	San Francisco Accelerator Fund, Chief Lending and Investment Officer	Production; Preservation



Metropolitan Transportation Commission

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Legislation Details (With Text)

File #:	20-0703	Version:	1	Name:	
Type:	Report	Status:		Informational	
File created:	4/24/2020	In control:		Bay Area Housing Finance Authority Interim Advisory Committee	
On agenda:	5/14/2020	Final action:			
Title:	Report on Expenditure Plan Framework for Potential November 2020 Ballot Measure				
	Review legal and policy framework for the summary of the Expenditure Plan that must be included in the ballot materials if ABAG and BAHFA policymakers decide to pursue a November 2020 revenue measure.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Item 3a 1 Summary Sheet Expenditure Plan Framework for Potential November 2020 Ballot Measure Item 3a 2 Presentation Expenditure Plan v4.pdf				
Date	Ver.	Action By	Action		Result

Report on Expenditure Plan Framework for Potential November 2020 Ballot Measure

Review legal and policy framework for the summary of the Expenditure Plan that must be included in the ballot materials if ABAG and BAHFA policymakers decide to pursue a November 2020 revenue measure.

Daniel Saver

Information

Bay Area Housing Finance Authority

Interim Advisory Committee

May 14, 2020

Agenda Item 3.a.

Expenditure Plan Framework

- Subject:** Report on Expenditure Plan Framework for Potential November 2020 Ballot Measure.
- Description:** Review legal and policy framework for the summary of the Expenditure Plan that must be included in the ballot materials if the Association of Bay Area Governments (ABAG) and the Bay Area Housing Finance Authority (BAHFA) policymakers decide to pursue a November 2020 revenue measure.
- Background:** Under Assembly Bill 1487, ABAG and the Metropolitan Transportation Commission (MTC) are exploring whether to activate the BAHFA Board to place a \$10 billion general obligation bond on the November 2020 ballot in the nine-county Bay Area to fund the production and preservation of affordable housing.
- AB 1487 requires an Advisory Committee to assist in the development of funding guidelines and the overall implementation of the program and to provide consultation and make recommendations.
- The Interim Advisory Committee's input is sought on the expenditure plan framework for the potential ballot measure which must include:
- A. A description of the purpose and goals of the measure.
 - B. A description of the categories of eligible expenditures to be funded.
 - C. An estimate of the number of affordable housing units to be built or preserved by household income category served and a description of any specific projects planned to be funded.
 - D. An estimate of minimum funding levels to be provided to different expenditure categories by county.
 - E. An overview of decision-making and oversight provisions applicable to the funds.

Bay Area Housing Finance Authority

Interim Advisory Committee

May 14, 2020

Agenda Item 3.a.

Expenditure Plan Framework

Issues: None

Recommended Action: Information

Attachments: A. Presentation

Reviewed:


Therese W. McMillan

Expenditure Plan Framework for Potential November 2020 Ballot Measure

May 14, 2020

BAHFA Interim Advisory Committee Meeting



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

Potential Measure: \$10B General Obligation Bond

- **GO Bond.** Discussion by MTC and ABAG has focused on a general obligation bond to raise \$10 billion regionally
 - GO bond is also supported by stakeholders in affordable housing community
- **Why GO Bond?** GO Bond is the only measure authorized by AB 1487 that can provide revenue at the necessary scale and do so swiftly
- **Polling of Alternatives.** Housing advocates polled other options (e.g., gross receipts tax) and concluded that GO bond was best available path
- **Future Polling.** Next round of polling that will be reviewed next week by MTC/ABAG is limited to GO bond
- **Limitations.** Significant limitation of bond revenue is that it can only be spent on capital expenditures, which does not support Protection within the “3 Ps” framework

What Can be Funded by a Bond?

Production

- Restricted to lower income households for at least 55 years
- Eligible for “development costs” consistent with current state law, including land acquisition, land improvements, construction, rehabilitation, engineering, surveys, etc.
- “Low-income” defined as at or below 80% AMI

Preservation

- Restricted to low or moderate income households for at least 55 years (up to 120% AMI)
- May be used to acquire, rehabilitate and preserve existing housing units restricted for affordability and market rate housing
- Requires equivalent number of units at an affordable rent or cost for existing residents in the event of demolition

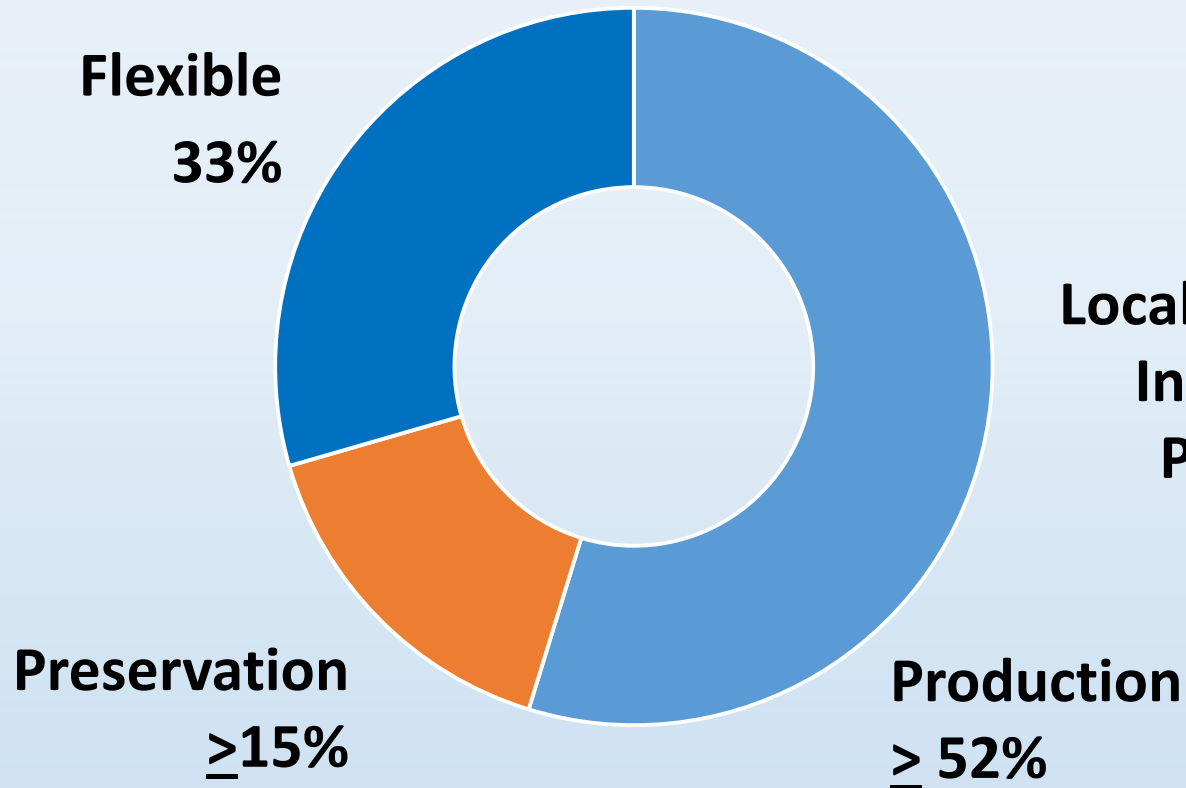
Anti-displacement provisions applicable to both programs, including relocation benefits and right-of-first refusal in the event of demolition.

Local Government Incentive Program

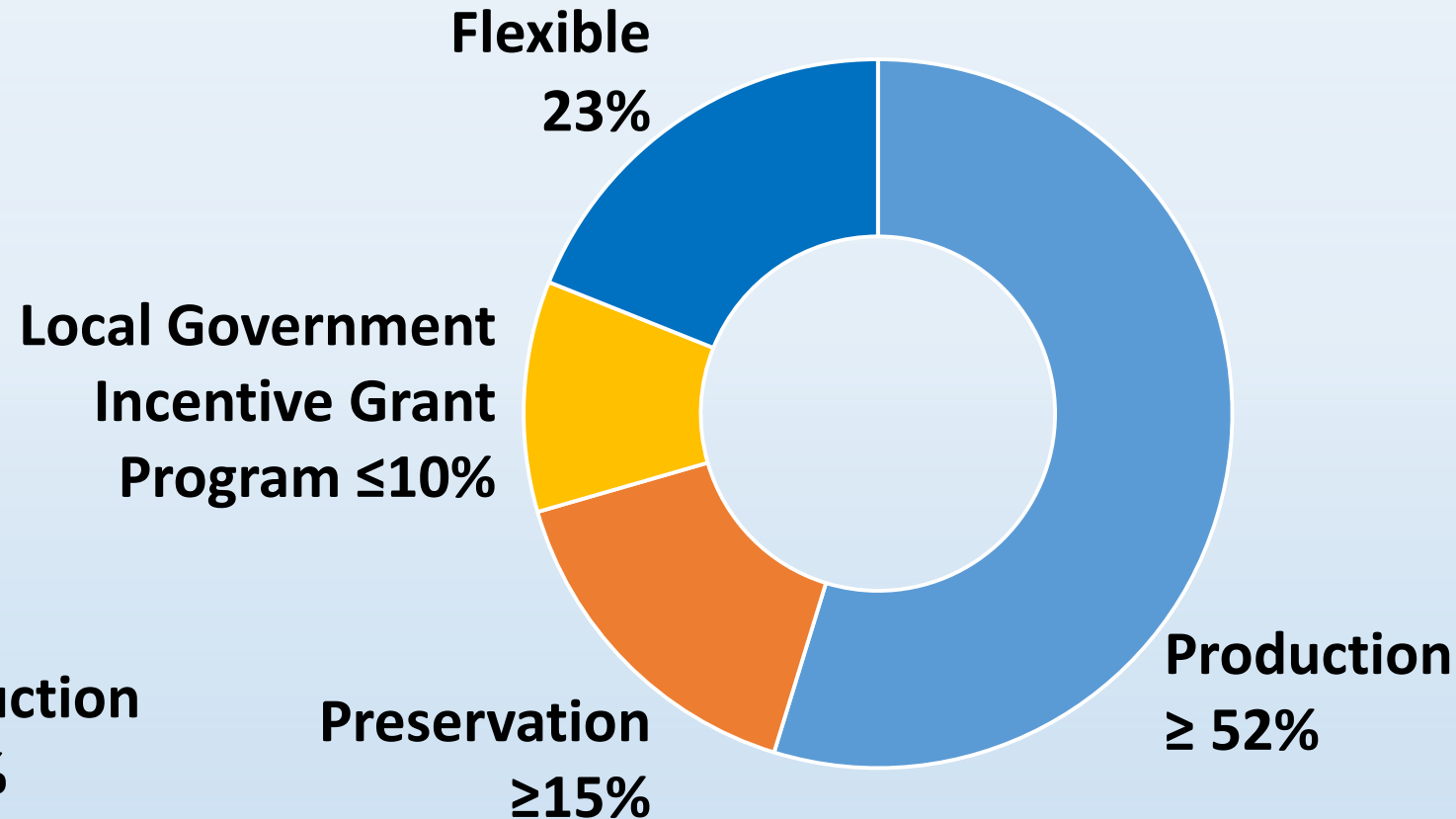
- AB 1487 authorizes up to 10% of regional funds for a “local government incentive program”
- Eligible Uses (*not exclusive*)
 - **Infrastructure** to support housing and related uses, including **transportation, schools and parks**
 - **Homeless** shelters and infrastructure to support shelters
 - Low and moderate-income **home-ownership** programs
 - Residential rehabilitation loan programs, including **mobile homes**
- Note that if revenue measure is a bond then eligible activities are limited to capital expenditures.

Regional and County Housing Bond Expenditures

County Programs $\geq 80\%$



Regional Program $\leq 20\%$



Distribution of County/City Portion of Housing Funding Under AB 1487

FUNDING

Tax Revenue Deposited with County in accordance with final regional/county shares

Counties & direct allocation cities may use up to 5% of their respective shares for administrative purposes

Oakland, S.F. and San Jose receive a direct allocation from their respective county's share of the funds based on those cities' share of their county's RHNA for lower-income households

Counties other than Alameda, S.F. and Santa Clara must **offer** direct allocation to any city that receives $\geq 30\%$ of that county's RHNA for lower-income households.

Estimated County Funding from a \$10 Billion Bond

- Note - with a bond measure, tenant protection services are not be an eligible expense, so the 5% category is not listed. New funding presents opportunities to partner with others on tenant protections.

Dollars in Millions.

County	Total Estimate (Min. 80% return to source by county)	Minimum Housing Production (52%)	Minimum Housing Preservation (15%)	Flexible Remainder** (33%)
Alameda*	\$ 1,343	\$ 698	\$ 201	\$ 443
Contra Costa	\$ 952	\$ 495	\$ 143	\$ 314
Marin	\$ 357	\$ 186	\$ 54	\$ 118
Napa	\$ 182	\$ 95	\$ 27	\$ 60
San Francisco	\$ 1,208	\$ 628	\$ 181	\$ 399
San Mateo	\$ 1,047	\$ 544	\$ 157	\$ 345
Santa Clara*	\$ 2,242	\$ 1,166	\$ 336	\$ 740
Solano	\$ 255	\$ 132	\$ 38	\$ 84
Sonoma	\$ 414	\$ 215	\$ 62	\$ 136
Grand Total	\$ 8,000	\$ 4,160	\$ 1,200	\$ 2,640

Estimated Regional Funding from a \$10 Billion Bond

Dollars in millions

Regional Funding Total	Minimum Production	Minimum Preservation	Maximum Local Grant	Maximum Flexible
\$2,000	\$1,040	\$300	\$200	\$660



Statutory Requirements for Summary of Expenditure Plan

- A. Description of the **purpose and goals** of the measure.
- B. Description of the **categories of eligible expenditures** to be funded.
- C. Estimate of the **number of affordable housing units** to be built or preserved by household income category served and a description of any **specific projects** planned to be funded.
- D. Estimate of **minimum funding levels** to be provided to different expenditure categories by county.
- E. Overview of **decision-making and oversight** provisions applicable to the funds.

For Discussion

A. Purpose and Goals of the Measure

Purpose

The purpose of the measure is to raise funding for affordable housing production and preservation in the San Francisco Bay Area, recognizing the need for a regional solution to address a regional housing crisis.

Regional funding will help address the housing crisis in the Bay Area by reducing the severe imbalance between jobs and housing and delivering resources and technical assistance at a regional scale.

Goals

- Provide critically needed funding to affordable housing projects across the Bay Area
- Provide staff support to local jurisdictions that require capacity or technical assistance to expedite the preservation and production of housing
- Monitor and report on progress at a regional scale

For Discussion

B. Categories of Eligible Expenditures Funded

Category	Eligible Expenditures
<u>Production</u>: min. 52% to produce rental housing for low- or moderate-income households	Development costs, as defined in Section 50065 of the Health and Safety Code.
<u>Preservation</u>: min. 15% to preserve of housing for low- or moderate-income households	Acquire, rehabilitate, and preserve existing housing units restricted for affordability, as well as housing from the private market, to prevent the loss of affordability.
<u>Local Gov Incentive Program</u>: max. 10%	Include: (1) Infrastructure needs associated with increased housing production; (2) Homelessness; (3) Homeownership assistance programs; (4) Mobilehome rehab & replacement.

For Discussion

C. Numbers of Affordable Units + Specific Projects

Number of Units:

- **Production**
 - 52% - 85% of funds within any 5-year period will be used for the production of new affordable housing available to households earning between 0 and 80 percent AMI.
 - This funding is estimated to produce 23,690 - 38,724 units of new affordable housing.
- **Preservation**
 - 15% - 48% of funds within any 5-year period will be used for the preservation of affordable housing available to households earning between 0 and 120 percent of AMI.
 - This funding is estimated to preserve 7,306 - 23,379 units of affordable housing.

Specific Projects:

- Not feasible to include specific projects—Numbers are very specific

For Discussion

D. Minimum Funding Levels by Category & County

Regional Funding Levels By Category

- Chart with breakout by expenditure category
- Maintain “Range Approach”
 - Production (52% - 85% = **\$1.04B – \$1.7B**)
 - Preservation (15% - 48% = **\$300M – \$960M**)
 - Local Gov Incentive Program (10% = **\$200M**)
 - Flexible Remainder (33% = **\$660M**)

Funding Levels for Each Category by County

- Chart with breakout by county AND expenditure category
- Maintain “Range Approach”
 - Production (52% - 85%)
 - Preservation (15% - 48%)
 - Flexible Remainder (33%)

For Discussion

E. Decision-Making and Oversight

- BAHFA shall be governed by the same board that governs the Metropolitan Transportation Commission.
- Advisory Committee composed of nine representatives with knowledge and experience in the areas of affordable housing finance and development, tenant protection, and housing preservation.
- Robust public participation processes, including public meeting 30-days before decision
- BAHFA Board and ABAG Executive Board shall review and approve expenditure plans and shall monitor expenditures in coordination with local jurisdictions.
- Annual report to the Legislature.
- Five-year review of implementation.
- Regular audits of BAHFA's accounts and records.

Metropolitan Transportation Commission

375 Beale Street, Suite 800
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File #: 20-0708 **Version:** 1 **Name:**

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File created: 4/24/2020 **In control:** Bay Area Housing Finance Authority Interim
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On agenda: 5/14/2020 **Final action:**

Title: Public Comment for May 14, 2020

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Public Comment for May 14, 2020

Information