



Committee July 8, 2022

Seeking Regional Solutions to Bay Area Housing Crisis

A secure and affordable home is the bedrock of a thriving community. When families have a safe, affordable place to live, kids learn better, health and well-being improves, and businesses thrive. But for far too long, the Bay Area’s housing shortage has exacerbated inequality, been a barrier to meeting climate goals, and threatened the region’s ability to remain a thriving and diverse economic powerhouse. Thanks to recent state legislation the Bay Area is now bringing the power of regional solutions to the housing crisis.

Building a Foundation for Innovative Housing Solutions

In 2019, the Legislature created the state’s first regional housing financing body, the Bay Area Housing Finance Agency (BAHFA)—charged with delivering housing affordability at scale. BAHFA is governed by the same board as the Metropolitan Transportation Commission and any expenditure plan must also be approved by the Association of Bay Area Governments. It offers a powerful new set of financing and policy tools to promote

new affordable housing development and combat displacement.

In 2020, the Bay Area was on track to pursue a \$10 billion regional housing bond measure but economic hardships from COVID 19 forced a postponement. Such a measure would help produce and preserve more than 45,000 affordable homes and leverage an additional \$15 billion in other resources. In the meantime, BAHFA is implementing five pilot programs, described in the box below, that can be scaled up once funding is secured.

Bay Area Housing Pilot Programs

BAHFA is implementing five pilots that aim to get the Bay Area on track to tackling our affordability crisis:



Photo: Noah Berger

Affordable Housing Pipeline

An inventory of planned affordable housing projects and how much money they need to start construction.



Photo: Joey Kotfilka

Preservation Strategy

Resources to help buy and rehab buildings and convert them to permanent affordable housing.

Anti Displacement Services Network

Creation of networks, partnerships, and regional strategies to protect vulnerable households from displacement.

Homelessness Protection System

Long-term, collaborative actions to better protect Bay Area residents from many of the events—such as eviction, medical emergencies, or job loss—that can lead to homelessness.

Doorway

An online portal allowing tenants to search and apply for affordable housing throughout the region.



Photo: Amie Holbrook



Photo: Peter Beeler



Photo: iStock



Photo: Karl Nielson



Photo: Karl Nielson



Photo: iStock

A Small Change to Federal Housing Tax Credits Can Boost Production by 75%

Our top federal priority is lowering the Low-Income Housing Tax Credit bond financing threshold to 25 percent from 50 percent. Enacting this provision until 2030 would cost \$10 billion, but boost California's annual housing production 75 percent.

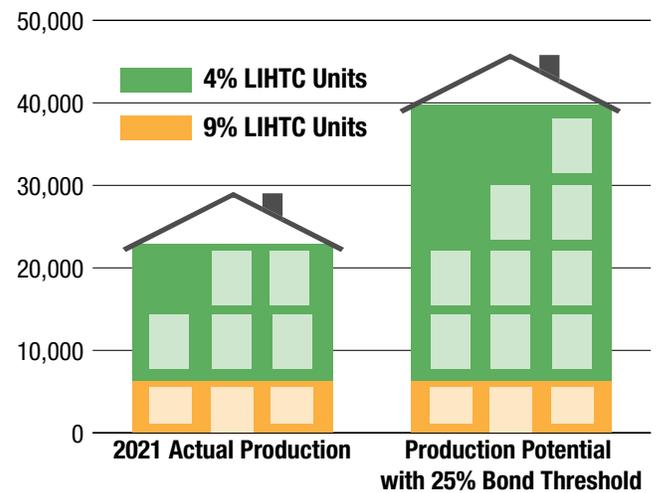
Thanks to unprecedented state funding, California has financed so many new units that we are in the unusual position of having hit our federally imposed ceiling on affordable housing financing capacity.

Lifting that ceiling would be transformational, unlocking tens of thousands of new affordable units that are ready to go each year but awaiting federal tax credits.

Expand Funding for Rental Assistance

Federal rental assistance helps 530,000 low-income California families, seniors and individuals with disabilities afford rent every month; and the Community Development Block Grant, HOME Investment Partnership and McKinney-Vento Homeless Assistance programs provide nearly \$150 million each year to help Bay Area cities and counties improve housing affordability and provide shelter and supportive services to individuals and families who are homeless. We urge Congress to

California Affordable Housing Production New Units Financed with Low-Income Housing Tax Credits (LIHTC)



grow these programs to expand **rental assistance** to better meet the need and help local governments and community partners combat housing instability and homelessness, especially as the Bay Area's homeless population includes an ever-growing percentage of seniors.

For More Information:

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