



BAY AREA HOUSING FINANCE AUTHORITY BUSINESS PLAN

EQUITY FRAMEWORK

DRAFT

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[cover photo TBD]

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Introduction

Across the Bay Area, countless residents are experiencing the pain of insurmountable housing costs that have been escalating for years. Living one paycheck away from eviction, in overcrowded or unsafe conditions, out of a car or tent, and other harsh realities are the lived experience of the crisis. People are moving to the edges of the region, the climate crisis is worsened by “mega commutes,” employers have difficulty hiring workers, and community networks are disrupted as people are displaced.

The harmful impacts of the Bay Area’s chronic affordability challenges are far from equally distributed. Low-income communities as well as Black, Indigenous and other People of Color (BIPOC), immigrants, people with disabilities, and other members of protected classes are underhoused or unhoused at persistently higher demographic proportions. BIPOC residents own their homes at a rate of 49 percent, compared to 63 percent of white residents.¹ Twenty-five percent of BIPOC renters experience extreme rent burden compared to 20 percent of white renters,² with Black renters experiencing the most burden. Despite making up less than 7 percent of the region’s population, Black residents comprise nearly 30 percent of people experiencing homelessness.³

In the context of race, these disparities are the direct result of explicitly discriminatory policies and practices, such as redlining and racial covenants, as well as ostensibly race-neutral, but implicitly discriminatory, mechanisms such as exclusionary zoning.⁴ Research has documented how, throughout the Bay Area’s history, local public and private sector institutions used housing policies and practices to exclude people of color, and in several cases, established models for exclusion that were replicated throughout the rest of the US.⁵ This legacy, alongside other ongoing forms of structural racism,⁶ continues to shape patterns of segregation and disparities in life outcomes across the region today.⁷

The Bay Area Housing Finance Authority (BAHFA) is committed to advancing racial and social equity by confronting the structural drivers of disparities in access to housing. BAHFA defines equity as “inclusion into a Bay Area where everyone can participate, prosper, and reach their full potential.”⁸ Because housing is a cornerstone of health, opportunity, and belonging, equity can only be achieved if every person has a stable, affordable, and safe home.

The challenges of untangling the centuries-long threads of structural racism, ableism, classism and other forms of marginalization – all while building a new institution and responding to the urgency of the region’s affordability challenges – are immense. BAHFA is committed to an equity-focused approach that values diversity as a strength from which everyone benefits, and

which involves taking proactive steps to include communities that are most impacted by structural racism and housing insecurity. This means:

- Pursuing targeted strategies that actively reduce housing disparities faced by impacted communities, and furthermore, seeking to transform housing systems in ways that better enable the Bay Area to strive towards a future where housing is treated as a human right;
- A commitment to ongoing equity analyses, evaluation, iteration, and accountability as BAHFA develops its own institutional practices and infrastructure for equity; and
- Aligning with other public, nonprofit and private institutions in the broader effort to end structural racism and inequitable systems that perpetuate housing insecurity.

A comprehensive set of strategies that account for the particular capacities and barriers of every community will allow BAHFA to move the region toward a future where every Bay Area resident can thrive with a safe and affordable home. A future where residents from all walks of life – teachers, first responders, and service workers, families, veterans, and people with disabilities – are free to pursue their dreams, feel connected to their neighborhoods, and access the amenities that make the Bay Area such a great place to live. A future where the Bay Area’s racial and ethnic diversity is preserved and recognized as one of its core strengths, where everyone – Black and white, Latinx and Asian, and Indigenous – can comfortably call the Bay Area home.

Purpose of the Equity Framework

The Equity Framework serves as the foundation of the BAHFA Business Plan. It articulates BAHFA’s commitments to advancing social equity and sets objectives for BAHFA’s impact on equity through its programs.

The Business Plan identifies and describes the key funding and finance strategies, as well as Funding Programs, that can best meet the objectives and goals outlined in the Equity Framework. The funding and finance strategies shape how revenue will be generated and distributed across BAHFA’s Funding Programs for each of the 3Ps. The Funding Programs serve as the implementation plan for the Equity Framework within BAHFA’s statutory mandate.

As a new institution, BAHFA has a rare opportunity to integrate equity at its foundation and at every stage of its organizational development. This will involve building practices and an organizational culture where equity is a central and driving consideration, not simply an isolated analysis late in the process of program design or decision-making. The Equity Framework of the

Business Plan is both a reflection of this dynamic and a blueprint for how BAHFA can deliver on this commitment in the years and decades to come.

Affirmatively Furthering Fair Housing

Affirmatively Furthering Fair Housing (AFFH) is a thread woven throughout the Equity Framework. AFFH is rooted in the Fair Housing Act (1968), which requires the US Department of Housing and Urban Development (HUD) and its grantees to take proactive steps to further fair housing and end segregation. In 2015, HUD established a rule on the obligation to affirmatively further fair housing, though this rule was suspended and ultimately repealed by the Trump Administration only to be partially reinstated by the Biden Administration in 2021. During these shifts at the federal level, the State of California adopted Assembly Bill 686 (2018, Santiago) to codify and expand the 2015 federal AFFH rule as a matter of state law. Under California law, all state and local public agencies must affirmatively further fair housing through all programs and activities related to housing and community development.

Affirmatively Furthering Fair Housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

California Gov. Code Section 8899.50(a)(1); 24 C.F.R. Section 5.151

All of the Bay Area's 109 local jurisdictions have a responsibility to AFFH through their own actions and policies. Local change is essential, but because racialized and other disparities in access to housing and opportunity are shaped by regional dynamics of the housing market, BAHFA recognizes that local jurisdictions' efforts must be complemented by a regionwide fair housing framework.

A regional AFFH framework does not mean that the same policies or programmatic interventions must be applied across all of the region's cities, neighborhoods, or populations. The region's housing crisis is multidimensional; therefore, addressing its many layered causes and impacts will require multiple strategies that add up to a targeted universalist approach.⁹ While they should all point to the same overarching goal of equitable and fair housing, different strategies are needed to target the distinct forms of inequity experienced by individual communities, especially those most deeply impacted by housing insecurity. The strategies must

each respond to how different groups are situated within structures, across geographies, and as a result of historic and structural harms that shape their access to housing.

While a comprehensive approach is essential, housing strategies are often framed as “either/or” choices: social mobility or community reinvestment, developing housing at greater scale or providing deeper affordability, immediate responses to urgent needs or long-term transformative solutions, individual wealth building or collective wealth building. These different strategies can indeed be in tension with each other and require difficult tradeoffs, especially in the context of limited resources.

The Equity Framework Objectives reflect the need to hold, and eventually overcome, these tensions by taking a “both/and” instead of an “either/or” approach. For example, this means:

- Investing in expanding access to existing high-resource areas for low-income and other marginalized households, while also investing in existing lower-resource areas to stop displacement, maintain cultural vibrancy, and improve overall quality of life for existing residents;
- Investing in tried-and-true programs that can match the scale of the region’s housing shortage that disproportionately impacts people of color, while also investing intentionally in emerging and/or community-led organizations even if they are currently operating at a smaller scale.

The Equity Framework does not conclusively resolve these tensions. Rather, it calls for ongoing analysis and engagement to define a comprehensive “both/and” strategy that effectively prioritizes and balances all of the region’s needs. Through regular reporting on the metrics defined in the Equity Framework, along with other accountability and implementation strategies named in this report, BAHFA will continually evaluate, and when needed, recalibrate, its “both/and” approach.

The Equity Framework Development Process

To create the Draft Equity Framework, a team led by the Othering and Belonging Institute at UC Berkeley (OBI) facilitated a planning process designed to achieve broad public access and be deeply informed by the communities who have been most impacted by housing insecurity. This planning process included:

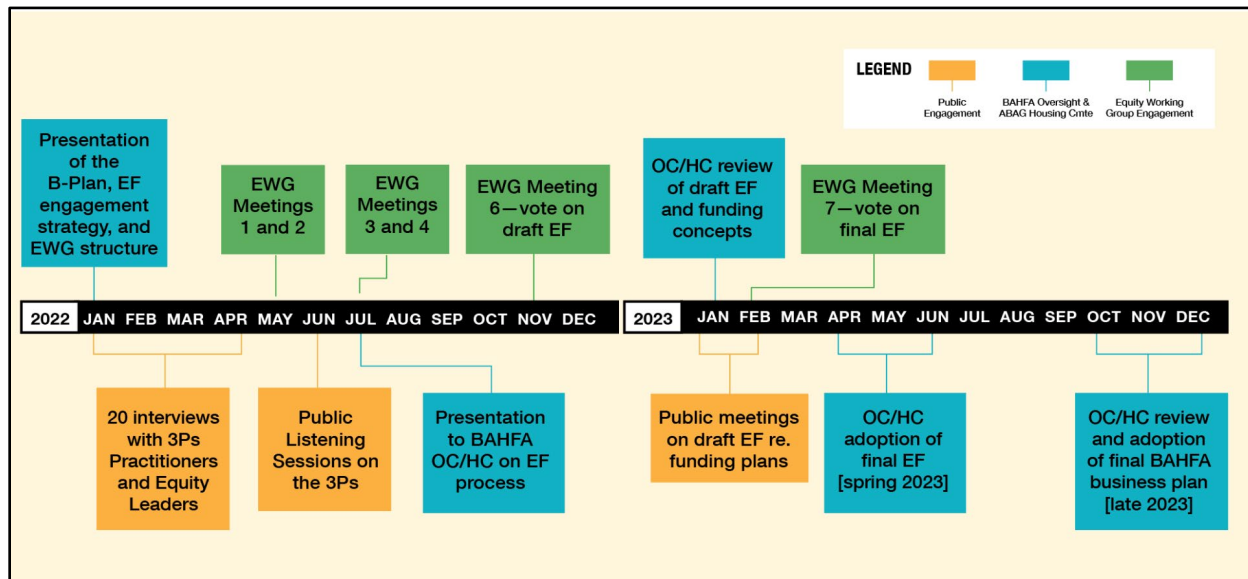
- **Interviews:** over 20 interviews with housing and equity leaders involved in housing production, preservation, and protection.

- **Public Listening Sessions:** three public listening sessions held in June 2022, during which 138 residents discussed and provided recommendations on draft goals, objectives, and metrics. Invitations for the sessions were distributed to over 300 stakeholders and 175 local government staff working across all 3Ps.
- **Equity Working Group Sessions:** several meetings with a group of 11 leaders from across the region between May and December 2022. The Equity Working Group used a consensus-based decision-making process to co-create the Equity Framework, drawing from their extensive experience related to housing preservation, production, protection, and social equity as well as relationships to the communities and places most impacted by the housing crisis. For a list of Equity Working Group members and criteria used in their selection, see Appendix B.

Drafting the Equity Framework was an iterative process of co-creation and numerous feedback loops through which BAHFA staff, Equity Working Group members, BAHFA's Business Plan consultant team, and members of the public provided specific language and ideas that were incorporated into working drafts, discussed at Equity Working Group meetings, and revised over the course of six months.

The goal of the Equity Working Group engagement process was to reach consensus on the content of a complete Draft Equity Framework to be reviewed, and ultimately adopted, by the BAFHA Board and ABAG Executive Board. The Draft Equity Framework presented here has been unanimously endorsed/approved by the Equity Working Group.

Figure 1. Equity Framework engagement timeline



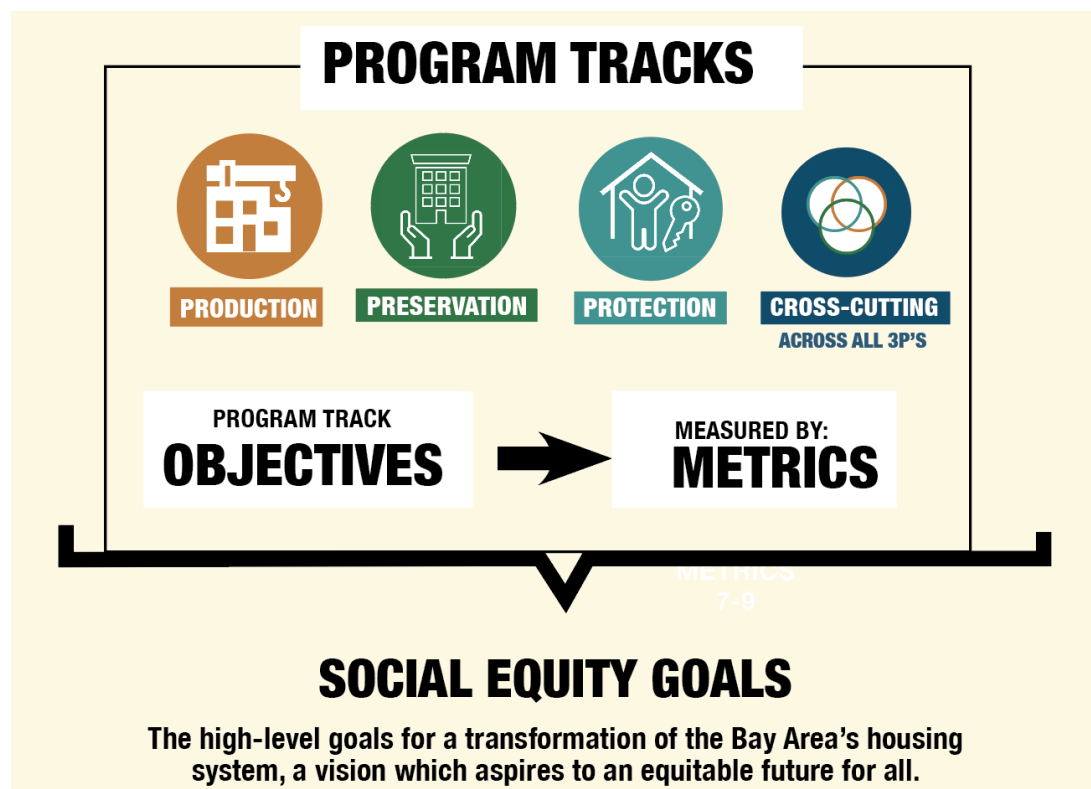
Structure of the Equity Framework

BAHFA recognizes that an equitable regional housing system and equitable housing conditions cannot be achieved by a single agency alone, but that the new regional agency has a critical role to play. The Equity Framework is designed to clarify specific outcomes BAHFA will aim to achieve (the “Objectives”); the ways that BAHFA will measure its impact (the “Metrics”); and the regional vision for an equitable future of housing that informs the Objectives (the “Goals”).

- **Objectives:** Specific outcomes that BAHFA’s actions should reach in order to move the region closer to the overarching equity goals. The objectives are the “destination” BAHFA plans to reach in terms of its impact.
- **Metrics:** Specific measurements of social equity by which BAHFA will design and evaluate program strategies. The metrics are the ‘yardsticks’ to measure progress toward achieving the objectives. Different Metrics for BAHFA and the cities/counties (“Jurisdictions”) are noted where relevant due to different governing requirements in AB 1487 for how revenue may be used.
- **Goals:** High level, overarching societal conditions that BAHFA's work should be oriented toward, but cannot be achieved by BAHFA actions alone. The goals are the “north star” for transformation of the region’s housing system.

In its mandate, BAHFA has three major program strategies: Production, Preservation, and Protection. For each of these, the Equity Framework establishes specific Objectives and Metrics designed to guide and evaluate programs. An additional “cross-cutting” track captures strategies that advance all 3Ps or do not otherwise fit easily within one of the Ps. Figure 2 shows how the program tracks relate to the Objectives, Metrics, and Goals.

Figure 2. Equity Framework conceptual structure



Within each program track, the Equity Framework also presents a summary of “Opportunities and Challenges” uplifted by stakeholders for BAHFA to consider as it implements the Business Plan and designs programs to further the Equity Objectives. These include opportunities that BAHFA should take advantage of, such as a promising program concept that could be scaled up to serve the whole region; and challenges that BAHFA may need to account for and address, such as a gap in the capacity of existing housing organizations to meet a specific community need. A more expansive discussion of Opportunities and Challenges raised during the

stakeholder engagement process is included in the Stakeholder Engagement Report (Appendix C).

This report has five appendices:

- **Appendix A (Definitions)** covers definitions of key terms referenced throughout the Equity Framework, including various developer types (community-based developers, BIPOC-led developers etc.) and geographic typologies (Equity Priority Communities, etc.)
- **Appendix B (Equity Working Group Members)** provides a list of the 11 members of the Equity Working Group who participated in co-creating the Equity Framework, in addition to a list of criteria used for selecting Equity Working Group members.
- **Appendix C (Stakeholder Engagement Report)** is a more comprehensive summary of feedback and recommendations received through the Equity Framework stakeholder engagement process, expanding upon the brief discussions of “Opportunities and Challenges” within the Equity Framework.
- **Appendix D (Guiding Questions for Program Development and Design)** is a set of “rubrics” that have been developed as planning tools to help generate ideas and evaluate program strategies that further the Objectives in the Equity Framework. BAHFA will use these questions to apply the Equity Framework as it further develops and implements its Business Plan and Funding Programs, as well as other future programs.
- **Appendix E (Data Sources)** provides a table of all Metrics included in the Equity Framework and identifies data sources for each. It also includes a discussion of opportunities and challenges related to data collection.

Equity Objectives and Metrics

Objectives are the desired outcomes that BAHFA’s programs will be designed to achieve. The Objectives can be thought of as the destinations that BAHFA should reach to move the region closer to the longer-term Social Equity Goals. While the Objectives set the destination for all of BAHFA’s programs, they do not specify the path that BAHFA will take to reach that destination.

Metrics are how BAHFA will measure its success in achieving the Objectives. They can be thought of as the yardsticks that BAHFA will use to measure changes in progress toward achieving the Objectives. The metrics also serve as a prospective guide for program development; they will inform program design choices by illuminating how different options may potentially advance equity along these measures.



Under AB 1487, “**Production**” for BAHFA-administered funds means creating new rental housing that is restricted by recorded document to be affordable to lower income households (up to 80% AMI) for at least 55 years.

Production Objectives

1. **Produce more affordable housing, especially for extremely low-income (ELI) households.** Increase housing production, with different housing types, across the region, and provide special focus on the production of housing for ELI households and populations most disproportionately impacted by housing inequity.

- a. BAHFA: limited to rental housing up to 80% AMI with a 55-year term
 - b. Jurisdictions: provide different tenure types
2. **Invest in historically disinvested areas.** Address systemic racism by investing in developments identified by impacted communities as priorities and that transform historically disinvested neighborhoods (such as Equity Priority Communities) into areas of opportunity.
 3. **Create affordable housing opportunities in historically exclusionary areas.** Address systemic racism by investing in developments that replace segregated living patterns with integrated and balanced living patterns in areas of concentrated affluence.
 4. **Create programs that address homelessness.** More housing is critical to end homelessness, and BAHFA is committed to working with counties to increase housing types that directly serve the needs of unhoused residents, including permanent supportive housing, while developing strategies to ensure that operating and services subsidies are available and utilized to the greatest extent possible.
 5. **Achieve regional climate and environmental justice goals.** Prioritize housing placement near high-quality transit and invest in housing that achieves high performance scores in recognized sustainable building systems.

Production Metrics

Note: Metrics apply to both BAHFA- and Jurisdiction-sponsored developments unless noted

1. Total funding value of production funds provided (including those generated/raised via non-ballot activities) and as a percent of total BAHFA funds
2. Number of homes entitled, permitted, and with certificates of occupancy
3. Number and percent of all homes created located in:
 - a. Racially and ethnically concentrated areas of poverty (R/ECAPs) and racially concentrated areas of affluence (RCAAs)
 - b. Equity Priority Communities
 - c. Estimated Displacement Risk Area
 - d. Transit Priority Areas
 - e. Priority Development Areas
 - f. High-Opportunity Areas
4. Average affordability at project levels

- a. Number and percentage of ELI, very-low income (VLI), and low-income (LI) units
5. Number and percent of total homes created as permanent supportive housing (PSH)
 - a. Number of 100% PSH buildings and, for all, source(s) of operating and services subsidies
6. Number and percent of total homes to accommodate people with disabilities
 - a. Number and percent of total homes designed to meet California Building Code Chapter 11B requirements for 'Residential Dwelling Units with Mobility Features' and 'Residential Dwelling Units with Communication Features'
 - b. Number and percent of total homes that exceed state and local accessibility requirements for people with disabilities through integration of design features and operational strategies for accessibility and inclusion¹⁰
 - c. Number and percent of total homes reserved for people with disabilities
 - d. Of homes with mobility and sensory accessibility features, percent occupied by people with disabilities
 - e. Of buildings with these homes, average percent of total units designated for people with disabilities
7. Number and percent of homes in developments identified by BIPOC and impacted communities as priorities
8. Number and percent of homes produced that are community-owned
9. For jurisdictions only, tenure of housing created
 - a. Number and percent homeownership units (note housing type, e.g., inclusionary; single-family; condominium; limited equity cooperative; other community-ownership models)
 - b. Number and percent rental
10. Number and percent of total homes created that achieve high or highest performance ratings for sustainable building systems (e.g., gold or platinum LEED ratings; gold or emerald for National Green Building Standard; etc.)
11. Number and percent of all homes produced in areas with high environmental pollution burden, as measured by tracts in the top quintile of Pollution Burden using the CalEnviroScreen scoring system
12. Resident characteristics (race, age, family size, income, disability status, etc.) at move-in, only.¹¹
13. By property, length of tenancy, disaggregated by:¹²
 - a. Less than 3 years
 - b. 3-5 years

c. Over 5 years

Production Opportunities and Challenges

Extremely Low-Income and Permanent Supportive Housing

Creating stable housing opportunities for extremely low-income households, including permanent supportive housing, is a top priority of many stakeholders. Production of ELI housing presents two main challenges: the tradeoff of providing fewer units in order to create deeper affordability, and especially in the case of permanent supportive housing, the need to secure ongoing funding for operating subsidies and supportive services. The need for supportive services arises from the focus on serving the most vulnerable members of our communities, including formerly homeless individuals and families, who face multifaceted and compounding effects of poverty and marginalization. Supporting these residents to remain housed for the long term often requires the right package of services as well as trauma-informed property management practices – all of which increases the cost of providing these specialized housing types. Adding to this challenge is the fact that currently bond proceeds cannot be used to support ongoing services, and thus BAHFA’s most likely source of near-term revenue would need to be paired with other sources to make these projects feasible – and there is a severe shortage of funding for operating subsidies and supportive services.

One potential opportunity for BAHFA to explore is the use of mixed-income housing models, with higher-income units that can cross-subsidize ELI units. Facilitating the creation of integrated, mixed-income housing for people with disabilities (rather than segregating ELI and accessible housing in separate buildings) can also be a potential strategy for advancing equal access to choice and opportunity. Another opportunity is to explore partnerships with local housing authorities, which control the most reliable sources of funding for operating subsidies, to coordinate investments. Moreover, BAHFA has the opportunity to serve as a regional leader by promoting evidence-based best practices for supportive services and trauma-informed property management. This can help ensure that residents of BAHFA-funded properties stay successfully housed and avoid retraumatization that comes with evictions or additional periods of homelessness – which can have a particularly detrimental impact on families with children and people with disabilities.

Balancing Social Mobility and Community Reinvestment Strategies

BAHFA’s goal to address systemic racism in housing seeks to advance a “both/and” approach that increases affordable housing opportunities in historically disinvested communities facing

displacement as well as historically exclusionary communities. To deliver new affordable housing at the necessary scale in all of these place types, BAHFA must leverage its funds with existing housing production programs, the largest of which by far is the Low Income Housing Tax Credit (LIHTC) program. However, LIHTC funds and other state and federal programs often come with their own explicit geographic targeting criteria (e.g., the California Tax Credit Allocation Committee “Opportunity Maps”) or implicitly favor certain geographies over others (e.g., by privileging low-cost areas). The priorities set by these state or federal programs may not always coincide with BAHFA’s “both/and” approach yet will influence BAHFA’s expenditures to the extent that BAHFA seeks to take advantage of the leverage they offer. Furthermore, regular changes to these other funding programs create a level of uncertainty that presents a challenge for BAHFA to design its own programs in a way that complements or enhances the sources of leverage. To respond to the constantly evolving landscape of affordable housing finance, BAHFA will need to regularly evaluate its own program outcomes and adjust as needed to more effectively advance the Equity Framework objectives – especially ensuring an appropriate mix of investments that can overcome the lingering impacts of systemic racism as those manifest in different place types.



PRESERVATION

Under AB 1487, “**Preservation**” funding must be used to preserve housing that is restricted by recorded document to be affordable to low- or moderate-income households (up to 120% AMI) for 55 years. Preservation funding may be used to acquire, rehabilitate, and preserve existing housing units restricted for affordability, as well as housing from the private market in order to prevent the loss of affordability.

Preservation Objectives

- 1. Preserve expiring-use affordable housing to prevent displacement.** Fund the acquisition and rehabilitation of existing affordable housing with expiring restrictions that without intervention could be converted to market-rate housing and result in displacement of lower-income residents.
- 2. Preserve existing unsubsidized housing and convert to permanently affordable housing.** Convert existing unsubsidized housing to permanently affordable housing for the purpose of preventing displacement and achieving stabilized, healthy living conditions for existing residents, especially low-income households, residents of Equity Priority Communities (EPCs), and other marginalized communities.
- 3. Target preservation investments for most impacted residents.** Tailor financing products to enable occupancy by ELI households and households at risk of homelessness.
- 4. Create opportunities for community-owned housing.** Invest in developments that enable community control and/or equity growth, especially in Equity Priority Communities and for households facing discriminatory and/or structural barriers to homeownership.

Preservation Metrics

1. Total funding value of Preservation funds provided (including those generated/raised via non-ballot activities) and as a percentage of total BAHFA funds

2. Number of existing subsidized homes preserved by affordability level and level of risk-of-loss¹³
3. Number of unsubsidized homes converted to affordable housing, by affordability level
4. Number and percentage of homes preserved or converted in:
 - a. RCAAs and R/ECAPs
 - b. Equity Priority Communities
 - c. Estimated Displacement Risk Areas
 - d. Transit Priority Areas
 - e. Priority Development Areas
 - f. High-Opportunity Areas
5. Per building, target average AMI cap to achieve over time
6. Number and percentage of homes identified by BIPOC and impacted communities as priorities
7. Number and percentage of existing units with Disabled Access
 - a. Number and percentage of units with mobility accessibility features
 - b. Number and percentage of units with sensory accessibility features
8. Number and percent of units made newly accessible and/or with enhanced accessibility features
9. Average affordability levels
 - a. Number and percentage of units for each income band (ELI, VLI, LI, M)
 - b. Number and percentage of units serving households that were formerly homeless or at-risk of homelessness (e.g., buildings assisted with Homekey)
10. Number and percentage of homes preserved or converted by tenure:
 - a. Rental
 - b. Individual household ownership
 - c. Community ownership and similar models
11. Resident characteristics (race, age, family size, income, disability status, etc.), at permanent finance closing, only

Preservation Opportunities and Challenges

Embracing Innovation and Risk

Very few funding sources exist for the preservation of unsubsidized housing, especially for the conversion of unsubsidized units to community-controlled or shared equity models that are deed-restricted as permanently affordable. While these models have not been supported at scale, they are an effective means of preventing displacement, maintaining the existing affordable housing stock, and advancing community self-determination, especially for marginalized groups who

have been historically excluded from homeownership opportunities. Because these types of development are less familiar to financing institutions and also have a variety of financing challenges distinct from new affordable housing construction, regional leadership is needed to expand funding programs designed for them. BAHFA can lead the sector in designing innovative preservation programs, including those specifically for community-controlled housing.

Innovation requires accepting and planning for risk. Too often, investment in emerging developers embedded in impacted communities is deemed too great of a risk because they have not yet established enough of a track record for traditional development. Stakeholders reported that this dynamic fails to recognize the value of community-controlled development organizations and reinforces the structural barriers that limit the self-determination of BIPOC and impacted communities. BAHFA could accept a small level of risk, for example, by creating a loan loss reserve to underwrite promising nascent organizations, which builds in a plan for a small percentage of potential loss. Additionally, BAHFA can incentivize partnerships between established and emerging or community-based developers to grow the capacity and track record of the latter.

AB 1487 requires a minimum of 15% of BAHFA's revenue to be used for preservation programs, which may be appropriate in the near term as the preservation ecosystem matures and develops the capacity to absorb more significant funding. However, in the medium to long term, a greater share may be required to create a transformative impact. BAHFA should actively monitor the capacity of the preservation community and the demand for preservation resources, and when appropriate, seek to create a greater balance in funding allocated to each of the 3Ps.

Defining Community Priorities

BAHFA is committed to advancing equity-focused, community self-determination by investing in housing production and preservation developments that are identified by EPCs and other impacted communities as priorities. It is important to note that defining "community priorities" and assessing what projects have meaningful community support is a challenge. EPCs and other impacted communities are not monoliths, and groups within them may hold different, even conflicting, priorities. As BAHFA seeks to prioritize the needs of communities most impacted by housing unaffordability, BAHFA will need to develop a rigorous methodology for making equitable determinations about which projects most represent the widest held or highest impact, equity-focused community priorities and meaningfully advance community self-determination. One opportunity is to set community engagement standards for proposed projects and create scoring criteria that awards points based on community involvement or sponsorship by a community institution.

Furthermore, BAHFA has the opportunity to create structures and pathways through which communities can more formally determine and articulate their priorities. Equity Working Group members recommended that BAHFA invest in community planning initiatives, which could be supported or run by community engagement experts; an opportunity here is for BAHFA to collaborate with MTC and ABAG on their programs related to community planning and engagement.

BAHFA will also need to develop its own practice of community engagement and equitable decision-making that allows members of EPCs and other impacted communities to meaningfully inform BAHFA's programs and investments. BAHFA should experiment, assess, and iterate on its approach to identifying and uplifting community priorities as it seeks to advance community self-determination in line with equity principles.



PROTECTION

Under AB 1487, “**Protection**” funding may be used for the following forms of tenant protection programs: preeviction and eviction legal services, counseling, advice and consultation, training, renter education, and representation, and services to improve habitability that protect against displacement of tenants; emergency rental assistance for lower-income households; relocation assistance for lower-income households beyond; and collection and tracking of information related to displacement and displacement risk, rents, and evictions in the region.

Protection Objectives

- 1. Increase access to tenant services.** Deploy BAHFA funding to programs with a track record of preventing displacement and homelessness, as well as improving tenant quality of life, such as legal assistance, counseling and advice, financial assistance, and enhanced relocation assistance.
- 2. Support tenant education and advocacy.** Invest in training, education, advocacy, and outreach that raises awareness of tenant rights and community resources available to support housing stability. Support tenant associations and similar organizations that reduce power disparities between renters and property owners.
- 3. Prioritize protections and investments in households and communities facing the greatest housing precarity.** Target BAHFA programs so that tenants at greatest risk of displacement and homelessness – disproportionately ELI, residents of Equity Priority Communities, and other impacted households in areas facing displacement pressures – are prioritized.
- 4. Ensure adequate funding for tenant protections.** For BAHFA revenue sources that prohibit expenditures on Protections (e.g., general obligation bonds), design BAHFA funding programs so that they generate new revenue streams that can be reinvested in Protections region wide. Proactively seek other revenue such as state and federal grants to enhance BAHFA tenant protection funding.

5. **Elevate the urgency of tenant protections through regional leadership.** Invest in research, data collection, and coordination to inform policy change and region wide adoption of best practices.

Protection Metrics

1. Total funding value of tenant protections provided (including those generated/raised via non-ballot activities) and as a percent of total BAHFA funds
2. Amount and percentage devoted to:
 - a. Legal services, counseling, and advice and consultation
 - b. Training, education and outreach
 - c. Emergency rental assistance
 - i. Value devoted to severely rent-burdened ELI seniors
 - d. Relocation assistance to supplement landlord-required assistance
 - e. Research, data collection and tracking, and regional coordination
 - f. Other/innovative forms of tenant services (not included in AB 1487)
3. For legal assistance, counseling, or advice:
 - a. Number of households served
 - b. Tenant characteristics (race, age, family size, income, disability status, etc.)
 - c. Case outcomes (tenancy preserved, "soft landing" secured, habitability improvements secured, etc.)
4. For Emergency rental assistance:
 - a. Number of households served
 - b. Tenant characteristics (race, age, family size, income, disability status, etc.)
 - c. Average amount of rental assistance provided
 - d. Household outcomes (drawing upon existing reporting systems of service providers)
5. For relocation assistance:
 - a. Number of households served
 - b. Average amount of relocation assistance provided
 - c. Tenant characteristics (race, age, family size, income, disability status, etc.)
6. Number and percentage of tenants served in:
 - a. RCAs and R/ECAPs
 - b. Equity Priority Communities
 - c. Estimated Displacement Risk Areas
 - d. Transit Priority Areas

- e. Priority Development Areas
- f. High-Opportunity Areas

Protection Opportunities and Challenges

Limited Funding to Match the Need and Urgency for Protections

Growing unaffordability, compounded by the lasting impacts of the Covid-19 pandemic, has elevated the region's already critical need for protection programs. AB 1487 revenue requirements specify that protection funding must account for, at minimum, 5% of BAHFA's revenue spending. With protection comprising the smallest percentage of BAHFA's funds, securing enough funding to match the need is a challenge. This challenge is further complicated by regulations that prohibit the use of certain forms of revenue, including those generated by a general obligation bond, for most types of tenant protections. BAHFA must therefore prioritize strategies and financing products that generate revenue that can be reinvested in its protection programs, while also pursuing funding opportunities for which tenant protections are an eligible expense (e.g., philanthropic donations, state or federal grants, etc.). Additionally, BAHFA should, within the scope of its authority, pursue and support actions that eliminate or mitigate existing constitutional prohibitions on the use of general obligation bonds for tenant protections and related services.

Stakeholders stressed the importance of protection programs that reduce people's vulnerability to displacement before reaching a crisis point of becoming unhoused. Recommendations for upstream interventions include permanent housing subsidies, expanded outreach and education programs that raise awareness of tenants' rights as well as available financial and legal resources, and overall strengthening of the region's institutional infrastructure (across public, nonprofit, and legal services agencies) to deliver these and other essential forms of support. Some of these interventions – such as long-term or permanent housing subsidies for ELI households who are not seniors – are not permitted uses of bond funds (as noted above) and also are limited by AB 1487 itself. As noted above, BAHFA should leverage its financing programs to generate unrestricted revenue that can be used to fund the full spectrum of tenant protection and homelessness prevention activities, complementing the activities that are enumerated in AB 1487. Additionally, BAHFA should consider pursuing amendments to AB 1487 that would expand eligibility of general obligation bond revenue to take full advantage of a potential constitutional change on that topic, as well as to enable a comprehensive suite of upstream as well as emergency interventions to protect against displacement and homelessness.

Regional Leadership on Protection Policies

In addition to programs that deliver protection services and assistance, many stakeholders emphasize the importance of local protection policies – specifically rent stabilization, just cause for eviction, and anti-harassment policies. While BAHFA does not have the authority to compel local governments to adopt these policies, it can lead the region by elevating the urgency of these specific policies as it coordinates with other regional agencies (e.g., MTC and ABAG) as well as local jurisdictions to, where possible, incentivize and support their adoption. BAHFA can promote best practices and emerging trends in tenant protections policies, such as pairing rent stabilization and just cause policies together, limiting no-fault evictions of families with school-age children during the academic year, and encouraging multijurisdictional collaboration on program administration to achieve greater economies of scale. One opportunity to explore is strengthening existing tenant protection policies by providing funding and technical assistance for enforcement to jurisdictions that have adopted these policies.

Another potential opportunity for BAHFA to explore is requiring or incentivizing tenant protections in BAHFA-funded developments. Lastly, BAHFA should explore collaborating with MTC on implementation of the Transit Oriented Communities Policy, which leverages transportation funding to incentivize housing policy adoption including tenant protections.

CROSS-CUTTING

Cross-Cutting Objectives and Metrics

The following objectives and metrics guide BAHFA’s overall work to advance the Equity Framework Goals and address systemic racism and exclusion in housing. They apply broadly – both across, as well as beyond, all 3Ps.

Cross-Cutting Objectives

1. **Support community-based and community-owned organizations and developers.** Expand, diversify and strengthen the capacity of the region’s housing ecosystem by investing in community-based developers and organizations across all 3Ps.
2. **Support individual and community wealth building.** Create opportunities for historically marginalized people and residents historically excluded from homeownership, to build wealth through housing, including traditional and shared homeownership opportunities.
3. **Serve as a regional leader on local equitable programs and practices.** Advance local alignment with regional equity priorities across all 3Ps, encouraging counties and cities to incorporate and build off of this Equity Framework.
4. **Commit to ongoing, meaningful, and equitable engagement.** Advance community participation among historically marginalized populations through ongoing engagement with and outreach to stakeholders equally distributed across the 3Ps, with an intentional focus on organizations who are accountable to and part of communities most impacted by housing unaffordability.
5. **Secure more flexible and unrestricted funding.** Seek to expand and secure funding sources to achieve a broader range of equity needs across all 3Ps, including uses that would be difficult to fund with likely fund sources (e.g., general obligation bond).
6. **Target most flexible BAHFA funding to accelerate AFFH.** Develop programs within BAHFA’s optional 10% Local Government Incentive Program that address any gaps in a

comprehensive AFFH approach given AB 1487's parameters. Target any non-housing investments (e.g., infrastructure, community or cultural spaces, and public services) in communities that have faced historic disinvestment and/or are home to the region's most impacted residents.

Cross-Cutting Metrics

1. Within each of the Ps, amount and percentage of total funding disbursed to community-based organizations (CBOs) & community-based developers:
 - a. Community-based developers
 - i. BIPOC-led
 - ii. Emerging
 - iii. Community-owned
 - b. To BIPOC led developers
 - c. To CBOs (for activities not related to development, e.g., tenant services CBOs)
 - i. BIPOC-led CBOs
2. For BAHFA's 10% Local Government Incentive Program (if it exists and as allowed by funding sources):
 - a. Amount and percentage of funding dedicated to:
 - i. 3Ps activities (measure separately for Production, Preservation, Protection)
 - ii. Technical assistance
 - iii. Infrastructure needs (transportation, schools, parks, etc.)
 - iv. One-time uses that address homelessness
 - v. Homeownership programs
 - vi. Other/innovative activities
 - b. For each of the categories above, amount and percent of funds spent in:
 - i. R/ECAPs and RCAAs
 - ii. Equity Priority Communities
 - iii. Estimated Displacement Risk Areas
 - iv. Transit Priority Areas
 - v. Priority Development Areas
 - vi. High-Opportunity Areas
3. Number of units and dollar value of investment in the following housing types that enable wealth building through some sort of ownership structure, including:
 - a. Deed-restricted traditional homeownership

- b. Shared equity models (community land trusts, limited equity cooperatives and similar models)
4. Engagement/participation of people from historically marginalized populations (including, but not limited to, BIPOC, people with disabilities, tenants, people with lived experience of homelessness) in:
 - a. BAHFA’s formal decision making bodies
 - b. Public engagement initiatives
 - c. BAHFA-funded community planning initiatives, and funds allocated for such initiatives
5. Number of counties and direct allocation jurisdictions that report to BAHFA and/or the public on the Equity Metrics contained herein for their own programs (regarding the ‘return to source’ provisions of a regional ballot measure)
6. Value and percentage of BAHFA’s total funds secured from sources other than a ballot measure (e.g., state or federal grants, BAHFA’s own revenue-generating activities, etc.)

Cross-Cutting Opportunities and Challenges

Capacity Building for Underrepresented Developers

Stakeholders expressed consensus around the need to expand, diversify and strengthen the capacity of the region’s housing ecosystem in order for BAHFA to address systemic racism and support projects prioritized by EPCs and other marginalized communities. One key recommendation for how to achieve this is the creation of programs that are designed to address the unique funding gaps faced by BIPOC, Emerging, Community-Based and Community-Owned Developers, especially for community-controlled or -stewarded housing models. Specific needs named by such developers include funding for organizational capacity building and pre-development capital. Investment in capacity building is necessary for the region as a whole; without growing the field, the region cannot deliver the wider range, in addition to a greater volume, of housing choices that communities need. While the need for capacity building is large, AB 1487 and regulations governing the use of general obligation bond revenue limit BAHFA’s ability to fund organizational capacity building or enterprise level funding for developers. Moreover, BAHFA alone cannot meet the full range of community-based developers’ funding needs, but it can play a leadership role in advancing strategic coordination among the many other institutions throughout the region who are dedicating resources and support toward advancing projects led by Emerging, Community-Based and Community-Owned Developers.

Wealth Building

Requirements set by AB 1487 also present a challenge to the objective of supporting wealth building for historically marginalized people. The legislation requires that regional housing

revenue directly administered by BAHFA for production is utilized for rental housing only, not individual or collective homeownership opportunities. The Equity Working Group recommends that BAHFA pursue amending AB 1487 in the future to enable programs targeted toward homeownership and expand BAHFA's ability to fund capacity building for developers. Importantly, revenue raised by a regional ballot measure that is returned to the county of origin is eligible for homeownership; BAHFA could play a role in encouraging counties and other direct allocation jurisdictions to develop production funding portfolios with an appropriate mix of rental and wealth building programs.

Regional Leadership and Technical Assistance

Achieving BAHFA's Equity Objectives will only be possible if the housing sector as a whole can increase its capacity and take bold, coordinated action to solve the housing crisis. This notion was strongly reinforced by stakeholders through the Equity Framework engagement process.

Part of BAHFA's role is to provide regional leadership and technical assistance that serves to expand, diversify and strengthen the capacity of the region's housing ecosystem and marshal the collective resources in service of equitable outcomes. BAHFA's contribution in this regard is at least three-fold. First, BAHFA can use its regional stature and financing powers to **spur transformation of the financing and funding landscape to be more streamlined, strategic, and targeted to achieve the Equity Objectives**. This will involve collaborating with local jurisdictions, state and federal agencies, as well as private financial institutions such as CDFIs and private banks. This is a long-term, systems change effort that is critical to delivering on the transformational vision in BAHFA's social equity goals. In the near term, BAHFA must take concrete, incremental steps towards making the housing finance system more efficient and equity-focused.

Second, BAHFA can demonstrate regional leadership by **supporting local jurisdictions in developing and implementing their own housing programs and practices**. For many of BAHFA's most powerful revenue mechanisms, 80% of the funds are administered directly by counties and larger cities. Additionally, local jurisdictions retain land use authority and bear ultimate responsibility to protect the health and wellbeing of residents within their boundaries. Therefore, it is critical that BAHFA assist, complement, and fortify the efforts of local jurisdictions to deliver projects and programs that will collectively move the needle on BAHFA's equity goals at a regional scale.

Third, BAHFA can support **enhancing the capacity of nonprofit developers, service providers, and other community-based organizations that operate on the front lines of housing precarity and within impacted communities**. The particular needs of these organizations vary across organization type, geography and the phase of an organization's development (e.g., emerging vs established organizations). Additionally, the capacity of the nonprofit and community-based housing ecosystem is not evenly spread across the region; some locations may require intentional and sustained efforts to build new or expand the scope of existing organizations to respond to their communities' housing needs. BAHFA – in partnership

with community-serving organizations, impacted community members and local government partners – can play a role in strategically evaluating the highest priority capacity building needs across the region while working toward enhancing the capacity of the overall ecosystem throughout the Bay Area.

Taken together, these three components of BAHFA’s mandate to provide regional leadership and increase the capacity of the Bay Area’s housing practitioners function as necessary ingredients to enable effective coordination across sectors and institutions, driving collective impact and equitable outcomes.

All of these activities require financial resources of some kind, and ultimately BAHFA will need to devote significant resources to fully leverage the opportunity for regional leadership and to respond to the full range of technical assistance needs. However, requirements set forth by AB 1487 and limitations on the eligible uses of bond funding present challenges for funding this work. BAHFA will therefore need to secure unrestricted funding and leverage opportunities to partner with other regional agencies that fund or directly provide technical assistance, including MTC, ABAG and philanthropic institutions, as it develops its own technical assistance offerings.

There are some lower-cost steps that BAHFA can take in the near term to fulfill this mandate, while simultaneously pursuing strategies to raise funding for technical assistance and related activities. As the state’s first regional housing finance agency, BAHFA has a powerful opportunity to lead by example as it develops its own programs in alignment with the Equity Framework, while also coordinating and providing resources that support local implementation. For example, BAHFA can establish models and best practices for various housing programs that advance equity, address shared needs across jurisdictions for data or other resources, and convene peer learning and strategy spaces.

BAHFA is committed to further engagement with local stakeholders to understand how the agency can effectively support their efforts through regional leadership and technical assistance. As the agency implements its technical assistance program, BAHFA will include a report on program activities and outcomes in its regular report on Metrics for each of the Equity Framework Objectives.

Equity Framework Accountability and Implementation Strategies

To stay on track in its commitment to the Equity Objectives, BAHFA will need to implement practices for continually applying the Equity Framework and maintaining accountability to stakeholders and impacted communities. This section of the Equity Framework describes how BAHFA will apply and iterate upon the Equity Framework throughout future cycles of evaluation, program design, and engagement with local jurisdictions and impacted communities.

Data collection and reporting on program outcomes

AB 1487 imposes annual statutory reporting obligations on BAHFA regarding its performance (e.g., funds raised, expenditures, satisfaction of 3Ps minimum allocations, and the characteristics of households served). In addition, BAHFA will report annually on the Metrics associated with each equity Objective and accept public comments on the annual report. This will require rigorous, consistent data collection and tracking of the agency’s program activities and outcomes, with a goal of analyzing equity in outcomes by race, gender, income, and disability status (and their intersections) through disaggregated data on people served by BAHFA investments. BAHFA will seek to inform its equity reporting with the regional indicators associated with the Framework’s social equity Goals as a means of analyzing broader trends and housing needs (see Appendix E). Where quantitative data is insufficient for assessing impact, BAHFA may also engage in qualitative evaluation methods, such as interviews and listening sessions. Reporting on broader regional indicators outside of BAHFA’s control and qualitative evaluations are not anticipated every year, especially during the BAHFA’s early years as it builds towards significant revenue and scaled programmatic and organizational infrastructure.

BAHFA will need to have dedicated staff and funding for data collection, analysis and reporting – though this will need to be scaled appropriately in accordance with BAHFA’s operating budget and program revenues. To support counties and direct-allocation jurisdictions in their reporting, BAHFA will provide guidance on data collection practices and reporting forms to coordinate and standardize efforts across the region.

To strengthen efforts to gather information from the people whom BAHFA’s programs are intended to serve, BAHFA could allocate funding toward partnerships with community-based organizations who have trusting relationships with “hard to reach” populations for community-led data collection efforts. Further out in the future, BAHFA could also consider conducting a survey of residents in BAHFA-supported affordable housing developments. Such forms of

primary data collection could complement data collected through affordable housing providers, local jurisdictions, and other secondary data sources.

Equity analysis as part of future program design

The Equity Framework includes a rubric that BAHFA will utilize to help identify, evaluate, and prioritize program strategies that most effectively further the Framework’s Equity Objectives (Appendix C). BAHFA will contemplate these guiding questions as it develops and designs all future funding programs, with an eye toward forecasting program impacts (e.g., who will benefit or be burdened by different program design choices), examining the potential unintended consequences, and developing strategies to mitigate unintended negative consequences. To inform this analysis, the rubrics build in a process of reviewing available data and reports on precedents for potential programs. BAHFA will also gather input from stakeholders involved in the program area (Production, Preservation, or Protection) on the rubric questions. The resulting equity analysis will be included in relevant staff reports to the BAHFA Advisory Committee and Oversight Committee.

Commitment to engaging with the BAHFA Advisory Committee, stakeholders, and equity leaders

As specified in AB 1487, BAHFA will work with a nine-member Advisory Committee that will assist in the development of funding guidelines and the overall implementation of the program. The composition of the BAHFA Advisory Committee reflects both racial diversity and gender equality, as well as elevating the voices of equity-focused housing practitioners working with communities across the diverse geographies of the region.

BAHFA will also continue its engagement with and outreach to stakeholders equally distributed across the 3Ps, with an intentional focus on equity-oriented organizations who are accountable to and part of communities most impacted by housing unaffordability. As part of its engagement with stakeholders, BAHFA will query organizations that are categorically eligible for funding, and/or have placed themselves on a notification list, but which did not apply for funding, as to why they did not apply.

BAHFA will also strive to create equitable structures that will inform its operations, in collaboration with MTC’s newly formed Access(ibility), Culture, and Racial Equity Office and other equity leaders. One opportunity is to develop long-term relationships with existing equity-focused coalitions and resident-led spaces where BAHFA staff can periodically present updates and receive feedback, making an attempt to “meet people where they are at,” rather than expecting impacted residents to attend formal meetings of the various advisory and governing

bodies mentioned above in order to participate in BAHFA’s work. This approach can support ongoing equity analysis and provide a direct connection to impacted communities as BAHFA implements the Equity Framework and Business Plan.

Periodic reevaluation of the Equity Framework

The Equity Framework should be considered a living document that will be periodically reevaluated and, if needed, amended to remain relevant and responsive to the region’s changing context and housing needs. Reevaluation will provide the opportunity to consider, for example, shifts in BAHFA’s legislative mandate and other relevant state or federal policies, evolving equity priorities of stakeholders, and outcomes of BAHFA programs in prior periods. BAHFA will conduct this reevaluation every five years though could make adjustments more frequently as circumstances warrant. In accordance with the reevaluation and potential amendment of the Equity Framework in five years, BAHFA may seek to adjust the minimum percentages designated for each of the 3Ps under AB 1487.¹⁴

Coordination and collaboration with local jurisdictions on program evaluation and Equity Framework implementation

Advancement of the Equity Framework will require a coordinated regional strategy that is designed to most effectively leverage the region’s resources to advance equity goals. Toward this end, BAHFA will work with counties and other jurisdictions receiving a direct allocation of regional housing revenue to facilitate and support their alignment with the Equity Framework. This may involve, for example, collaboration on reporting and evaluation of program outcomes, modeling and incentivizing best practices, and providing technical assistance to local jurisdictions on implementing equity strategies.

These implementation strategies are important ways of facilitating BAHFA’s accountability to the Equity Framework, stakeholders, and Bay Area residents and communities as a whole.

Social Equity Goals

The Social Equity Goals detail BAHFA’s long-term, aspirational vision for an equitable future of housing in the Bay Area. They represent the “north star” for transformation of the region’s housing system that serves to orient BAHFA’s work.

Each Goal is associated with **metrics** that serve to measure the region’s progress towards the goal over the long term. It is important to note that progress on these metrics cannot be achieved by BAHFA’s actions alone. While BAHFA can serve as a key leader, progress will ultimately require action and transformation across all institutions that comprise the region’s housing ecosystem, in addition to change in other sectors and levels of government. Rather than direct measures of BAHFA’s impact, these metrics thus serve to illuminate regional trends in housing that BAHFA should track and respond to, particularly with regard to how inequity in housing manifests and who it disproportionately impacts. These metrics can be applied longitudinally as new data become available as a way to guide strategic decisions and course correction of BAHFA programming based on changing conditions. Existing and potential data sources for all Equity Framework metrics are contained in **Appendix E**.

Core Metrics

In addition to the metrics associated with each Goal, the following is a set of **core metrics** that apply across all of the Goals:

- Number and percentage of households experiencing housing cost burden by tenure, race/ethnicity, income level, and disability status
- Number and percentage of overall population and K-12 student population experiencing homelessness by race/ethnicity
- Percent homeowner households by race/ethnicity
- Median wealth by race/ethnicity
- Regional affordable housing shortfall by affordability level

Individual-Level Outcomes

GOALS

Choice and Opportunity. All people, regardless of race or income, have autonomy in deciding where and how they live – whether that means staying in their existing home or community or moving to a different one – and accessing opportunities and resources within their community. These include quality schools and jobs, well-maintained transit and other public infrastructure systems, neighborhoods free from violence, and home- and community-based services and amenities that support health and wellbeing.

Stable, affordable housing for all. Every resident enjoys a safe, stable, accessible, affordable, habitable home.

Security, safety and belonging. Every resident has a sense of security in and belonging to their local community and the region, which is manifested through social systems and trusting relationships that ensure that they are fully integrated into the community and that their full range of human needs are met and cared for.

METRICS

- Change in number and share of BIPOC population by HCD/TCAC opportunity designation¹⁵
- Percent extreme commuters by race/ethnicity, poverty level, mode of transportation and housing tenure

- Percent of homes meeting the American Housing Survey (AHS) definition of physical adequacy¹⁶
- Percent of households living in overcrowded homes¹⁷
- Percent of regional housing supply accessible to people with disabilities

- Security, safety and belonging are difficult concepts to measure, but nonetheless crucial to an equitable future of housing. Evaluating progress towards this goal may be best accomplished using qualitative methods (e.g., surveys or focus groups of residents in Equity Priority Communities or BAHFA-supported housing developments).

Community-Level Outcomes

GOALS

Neighborhood stabilization and cultural placekeeping. Families and individuals have the ability to stay in their homes, maintain community connections, and preserve the cultural fabrics of their neighborhoods, without being displaced by unaffordable housing costs, policy decisions, or other forces.

METRICS

- Percent of low-income households by race/ethnicity across areas with Estimated Displacement Risk (EDR)
- Metro comparison of displacement risk (Bay Area compared to other metros)
- Change in number and share of BIPOC populations within Equity Priority Community (EPCs)

Community self-determination and participation. People most impacted by the housing affordability crisis have the power to collectively shape the future of their communities.

- Percent of elected officials by race/ethnicity compared to percent of regional population by race/ethnicity
- Number of housing units stewarded by community-owned housing organizations
- Voter turnout in local elections, including affordable housing ballot measures, by race/ethnicity

Systems-Level Outcomes

GOALS

Repair. Public institutions and social systems are transformed in order to acknowledge and, when possible, repair the harms and indignities of historic and contemporary housing policies, practices, and systems that have perpetuated racial and social inequities. This includes the advancement of opportunities for historically marginalized communities to build economic and social wealth, at both individual and community levels.

Environmental Health and Justice. Homes have healthy living conditions and neighborhood environments such that no community is disproportionately exposed to air pollution, climate change effects, or other hazards. Persons and communities have viable opportunities to make choices that reduce climate impacts; and the design, location and construction of homes reduces climate impacts.

Prevention. The Bay Area’s housing ecosystem has built in structural safeguards that respond to moments of crisis to prevent people from experiencing housing precarity, thereby ending homelessness throughout the region.

METRICS

- Percent of census tracts designated as Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs)
- Percent of census tracts designated as Racially Concentrated Areas of Affluence (RCAAs)

- Percent of population by race/ethnicity and pollution burden quintile¹⁸
- Percent of sensitive populations by environmental exposure and adaptive capacity¹⁹
- Percent of population by race/ethnicity and Healthy Places Index (HPI) quintile²⁰

- Number and percent of households receiving Housing Choice Vouchers or other permanent housing subsidies
- Percent of households protected by rent stabilization, just cause eviction, right to legal counsel, and/or anti-harassment policies.
- Number of people who are unhoused by race/ethnicity

Conclusion

Achieving the long-term vision for equitable housing in the Bay Area would bring to their fullest potential the cherished diversity and dynamic cultures of the region. Beginning from where the region is today means starting with the varied interests and particular challenges that span the 101 cities and 9 counties around the Bay Area. The launch of BAHFA as the first regional housing finance authority provides a platform for collective efforts to chart a pathway toward an equitable housing system.

This Equity Framework articulates the specific Objectives that BAHFA will use to design and evaluate its programs, such that the homes built, preserved, and protected will make measurable progress in equitable ways for neighborhoods across the region. The Metrics provide a tool for the public and all stakeholders to observe what BAHFA's impact is and where improvement must be made.

BAHFA cannot achieve the vision in this Framework without partnerships with local jurisdictions, developers, tenants, lenders, and policymakers. Much of what BAHFA can accomplish will depend on the revenue that is made available, which in turn will rely on voter approval and thus reflects a need for BAHFA to demonstrate its value proposition to Bay Area residents as a whole.

The Bay Area faces a shortfall of over 220,000 homes affordable to its poorest residents. According to the State's Regional Housing Needs Determination, this translates to a collective responsibility to build at least 30,000 homes for moderate-, low- and extremely low-income residents each year over the next eight years. This is more than five times the number built each year in recent years. Even if production approaches this pace, protections for low-income tenants and preservation of affordable housing must expand substantially to stem the tide of displacement in the meanwhile. To accelerate the region's housing system and achieve this progress requires a transformation of what is normal.

What is at stake is the opportunity to live in a region where *everyone* thrives, where current residents can enjoy improvements in their neighborhoods without the threat of displacement, and where future generations of Bay Area residents can comfortably live and prosper.

¹ Homeownership. (2019). Bay Area Equity Atlas. <https://bayareaequityatlas.org/indicators/homeownership/>

² Housing burden. (2019). Bay Area Equity Atlas. <https://bayareaequityatlas.org/indicators/housing-burden>

³ Bellisario, J., Covert, A., Sciaruto, A., & Lopez, E. (2021, June). *Bay Area Homelessness - New Urgency, New Solutions*. Bay Area Council Economic Institute. <http://www.bayareaeconomy.org/files/pdf/HomelessnessReportJune2021.pdf>

⁴ Rothstein, R. (2017). *The Color of Law: A Forgotten History of How Our Government Segregated America*. Liveright Publishing.

⁵ Moore, E., Montojo, N., & Mauri, N. (2019). *Roots, Race and Place: A History of Racially Exclusionary Housing in the San Francisco Bay Area*. Othering and Belonging Institute, University of California, Berkeley. <https://belonging.berkeley.edu/rootsraceplace>

⁶ Structural racism refers to the totality of ways in which societies foster racial discrimination through mutually reinforcing systems of housing, education, employment, earnings, benefits, credit, media, health care, and criminal justice. These patterns and practices in turn reinforce discriminatory beliefs, values, and distribution of resources. See Bailey, Z. D., Krieger, N., Agénor, M., Graves, J., Linos, N., & Bassett, M. T. (2017). Structural racism and health inequities in the USA: evidence and interventions. *Lancet* (London, England), 389 (10077), 1453–1463. [https://doi.org/10.1016/S0140-6736\(17\)30569-X](https://doi.org/10.1016/S0140-6736(17)30569-X)

⁷ Menendian, S., Gambhir, S., & Gales, A. (2019). *Racial Segregation in the San Francisco Bay Area*. Othering and Belonging Institute, University of California, Berkeley. <https://belonging.berkeley.edu/segregationinthebay>

⁸ *Equity Platform*. (2022). Metropolitan Transportation Commission. <https://mtc.ca.gov/about-mtc/what-mtc/equity-platform>

⁹ powell, j., Menendian, S., & Ake, W. (2019). *Targeted Universalism - Policy & Practice*. Othering and Belonging Institute, University of California, Berkeley. <https://belonging.berkeley.edu/targeted-universalism>

¹⁰ Examples of design features and operational strategies for accessibility and inclusion include: design charrettes with people with disabilities, 100% visitability, wayfinding and cognitively clear signage, accessible community spaces that enables connection with nature and neighbors, flexible shower arrangements, usable kitchens, wide corridors, and disability-friendly parking. [For more information, see The Kelsey, Housing Design Standards for Accessibility and Inclusion \(2022\), page 14](#)

¹¹ Any demographic information collected for these metrics would be requested, but not required, of residents via questionnaire.

¹² BAHFA anticipates collecting this information from housing providers on a periodic basis, likely initially on five-year intervals to coincide with the update to the Equity Framework.

¹³ The California Housing Partnership (CHPC) analyzes conversion patterns among the state’s stock of subsidized affordable rental housing to identify which homes are most at risk of converting to market rate. “At-risk homes” are defined as affordable homes with very high, high and moderate risk of losing affordability in the next 10 years. [For more information on risk levels see CHPC’s 2022 report Affordable Homes at Risk.](#)

¹⁴ Government Code Section 64650(b)(3) authorizes the BAHFA Board and the ABAG Executive Board to reconsider the minimum expenditures across the 3Ps no earlier than five years after approval of a regional ballot measure.

¹⁵ The HCD/TCAC Opportunity Map is designed with specific policy goals in mind, including the goal of increasing access to opportunity for low-income families. It should not be used for understanding the general opportunity landscape. BAHFA should evaluate other existing and future opportunity models in the context of its programs. [For more details in the HCD/TCAC Opportunity Maps, see the detailed methodology document.](#)

¹⁶ Housing adequacy is measured at the metro level in the biennial AHS. [For more details on how adequacy is defined, see this HUD report on the AHS.](#)

¹⁷ The U.S. Census defines an overcrowded home as one that is occupied by more than 1 person per room, excluding bathrooms and kitchens. Homes with more than 1.5 persons per room are considered severely overcrowded.

¹⁸ Using CalEnviroScreen 4.0 pollution scores, CalEPA has found clear disparities between the racial composition of neighborhoods and highest pollution burden, especially for Black and Latino populations. [For more details, see this report from the Office of Environmental Health Hazard Assessment at CalEPA.](#)

¹⁹ Climate Change & Health Vulnerability Indicators for California (CCHVIs) are produced by the California Department of Public Health (CDPH). Sensitive communities include, but are not limited to, children, the elderly, and those with physical or mental disabilities. [For more details, see CDPH’s data visualization platform for CCHVIs.](#)

²⁰ HPI is a health equity project of the Public Health Alliance of Southern California. HPI can be used to compare the health and well-being of communities, identify health inequities and quantify the factors that shape health. [For more details, see the HPI homepage.](#)