

**Metropolitan Transportation Commission and Association of Bay Area Governments
Joint MTC ABAG Legislation Committee**

January 13, 2023

Agenda Item 4b

Bay Area Housing Finance Authority (BAHFA) Clean-Up Legislation

Subject:

Update on BAHFA “clean up” legislation to address unintended statutory limitations on BAHFA’s ability to effectively finance affordable housing and support preservation and protection in the Bay Area.

Overview:

MTC and ABAG’s Joint 2023 Advocacy Program – approved in December – directs MTC and ABAG to sponsor BAHFA clean-up legislation, with the aim of securing passage in 2023. Moving the bill to signature this year is important to give cities, counties, BAHFA, and other stakeholders certainty about the tools available to BAHFA to address the region’s housing challenges in advance of a regional housing bond, which MTC and ABAG directed staff to pursue for the 2024 ballot.

A high-level overview of the major provisions of the clean-up legislation is included in your 2023 Advocacy Program. This item provides additional background on the need for legislation, an update on a proposed legislative strategy, and a summary of key provisions (see Attachment A).

Background

As California’s first regional housing agency – created in 2019 by AB 1487 (Chiu) – BAHFA is pioneering a new model of regional cooperation to address our residents’ housing needs. In standing up this new model and drafting the BAHFA Business Plan, staff has identified statutory clarifications necessary to achieve the housing production, preservation, and protection goals laid out for BAHFA in AB 1487. Additionally, in the years since BAHFA’s creation, the COVID pandemic generated new best practices in homelessness prevention, and legislation authorizing a Los Angeles regional housing agency (modeled on BAHFA) included administrative efficiencies that would ideally be extended to BAHFA’s operations. Lastly, the newly introduced ACA 1 (Aguiar-Curry) and a parallel signature-gathering effort could potentially pave the way for a 2024 statewide ballot to amend the state constitution to reduce the vote threshold for local and regional housing revenue measures and expand the allowable use of bond proceeds. All these factors informed the proposed statutory changes summarized in Attachment A.

Last month, BAHFA retained Orrick Herrington & Sutcliffe to advise on bill language. We expect to have language ready for a bill introduction by mid-February.

Legislative Strategy

Assemblymember Buffy Wicks, chair of the Assembly Housing and Community Development Committee, has agreed to author the bill. BAHFA's authorizing legislation (AB 1487) was authored by the committee's former chair David Chiu and it's encouraging that the chair will again take up the BAHFA mantle. We plan to work with Chair Wicks' staff to build a robust list of co-authors from within the Bay Area's Sacramento delegation. Additionally, Enterprise Community Partners and the Nonprofit Housing Association of Northern California, co-sponsors of the bill creating BAHFA, have agreed to join as co-sponsors of this measure.

We aim to demonstrate strong regional consensus through our choice of author, co-authors, co-sponsors, and supporters.

Recommendation:

Information item

Attachments:

- Attachment A: Summary of AB 1487 Clean-Up Bill Provisions



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