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June 8, 2023

Agenda Item 7.a

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**BAHFA Rental Assistance Pilot Program**

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**Subject:**

Recommendation to BAHFA Board to adopt BAHFA Resolution No. 0030, Approval of Acceptance of \$5 million in Metropolitan Transportation Commission (MTC) Exchange Funds and Creation of a BAHFA Rental Assistance Pilot Program

**Background:**

With the launch of BAHFA's anti-displacement pilot and staff's investigation into pressing tenant needs, the housing stability of low-income renters in the Bay Area, particularly seniors, emerged as an urgent concern. In 2019, an estimated 575,000 people were at risk of homelessness in the region, and at least 36,800 people were homeless. The rise in homelessness is highest among seniors: [between 2017 and 2020, there was a 108% increase in seniors 65+ experiencing homelessness in CA, compared with a 61% increase across other age groups.](#)<sup>1</sup> [People over 75](#) in particular face an increased risk of homelessness due to depleted savings, loss of a spouse, and declining health. Housing insecurity in the Bay Area is also infused with racial equity concerns: Black older renters are most likely to be cost-burdened (paying more than 30% of their income on rent) and severely cost-burdened (paying more than 50%), and [Black people are more likely to experience homelessness in the Bay Area](#) than any other racial group.<sup>2</sup>

**Program Elements:**

Given this well-established need, BAHFA plans to utilize \$5 million in MTC Exchange Funds to create a rental assistance program focused on low-income older adults. This program will build on the success of over [30 guaranteed income](#)<sup>3</sup> and [rental assistance](#)<sup>4</sup> pilots operating throughout the country, including multiple in the Bay Area. The Program Elements include:

1. Prevent new incidences of homelessness and improve long-term housing stability for extremely low- and low-income seniors in the Bay Area by providing ongoing rental assistance;

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<sup>1</sup> Justice in Aging. Fact Sheet: Older Adults in California Face Unaffordable Rents. Accessed from: <https://justiceinaging.org/fact-sheet-older-adults-in-california-face-unaffordable-rents/>

<sup>2</sup> All Home. Racial Equity and Homelessness. Accessed from: <https://www.allhomeca.org/racial-equity-and-homelessness/>

<sup>3</sup> Mayors for a Guaranteed Income Website. Accessed from: <https://www.mayorsforagi.org/about>

<sup>4</sup> Oakland Fund for Public Innovation. Oakland Shallow Subsidy Pilot. Accessed from: <https://www.oaklandfund.org/oakland-shallow-subsidy-housing-pilot/>

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2. Prioritize efficiency to reduce administrative burden and barriers for participants;
3. Learn from existing pilot programs; and
4. Create a foundation for future BAHFA programs.

BAHFA will launch the program as soon as possible and will fund the program until at least June 2026. Pending a successful 2024 housing revenue measure, the program may be continued and expanded with additional funds.

With respect to the initial phase of this Program, BAHFA intends to:

- Do an equity-focused outreach and recruitment process to enroll eligible participants in the program, with continual recruitment of new participants if possible, pending program exits;
- Provide a monthly housing subsidy of \$500-800<sup>5</sup> for up to 48 months, with the opportunity to renew for additional 48-month cycles for people over 62 years of age;
- Prioritize a service provider partnership that can provide connections to support services as appropriate for each participant, including but not limited to enrollment in other eligible benefits, housing programs, and case management; and
- Evaluation to refine the program model and measure program impact.

**Service Provider Selection Criteria:**

BAHFA plans to select an experienced service provider to facilitate the initial phase of this program, with the service provider meeting at a minimum, the following criteria:

- Experience designing and administering at least one rental assistance program, with the demonstrated ability to operate the program over multiple years;
- Experience administering direct social service programs within the 9-county region, with a preference for experience in homeless services and homelessness prevention programs and a presence in multiple counties;

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<sup>5</sup> This estimate is derived from the average amounts dedicated to rental assistance and guaranteed income pilots throughout the country. BAHFA anticipates determining the final subsidy amount in partnership with contracted provider, pending geographic AMI and average rent, and balancing the level of subsidy with the availability of funds.

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- Experience serving older adults; diverse, hard-to-reach households; and high-need populations with a high level of cultural competency; and
- Strong working relationships with local government agencies and service providers in the region.

To maximize impact and efficiency, BAHFA will give preference to service providers who can 1) contribute matching funds or in-lieu services to increase the program's impact, and/or 2) blend BAHFA funds with an existing rental assistance pilot that meaningfully expands or extends the ongoing program.

**Next Steps:**

- At its June 28, 2023 meeting, BAHFA Board considers adoption of Resolution No. 0030 to accept \$5M from MTC to establish the rental assistance program, in alignment with the principles outlined in this summary,.
- Following BAHFA Board approval, staff will proceed with an open procurement process to recommend a service provider to administer the program.
- Staff will return for authorization to negotiate and enter into a contract with the recommended service provider.

**Issues:**

None

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**Recommended Action:**

The BAHFA Oversight Committee is requested to recommend Bay Area Housing Finance Authority adoption of BAHFA Resolution No. 0030, approval of acceptance of \$5 million in Metropolitan Transportation Commission (MTC) Exchange Funds and creation of a BAHFA Rental Assistance Pilot Program.

**Attachment:**

- A. BAHFA Resolution No. 0030
- B. Presentation

**Reviewed:**



Andrew Fremier

Date: June 28, 2023  
W.I.: 1620  
Referred by: BAHFA Oversight

ABSTRACT

Resolution No. 0030

This resolution authorizes the acceptance of \$5 million from the Metropolitan Transportation Commission (MTC) to establish the Bay Area Housing Finance Authority Rental Assistance Pilot Program.

Further discussion of this action is contained in the BAHFA Advisory Committee Summary Sheet dated June 28, 2023.

Date: June 28, 2023  
W.I.: 1620  
Referred by: BAHFA Oversight

RE: Acceptance of \$5 million from the Metropolitan Transportation Commission and Approval of the Creation of a BAHFA Rental Assistance Pilot

BAY AREA HOUSING FINANCE AUTHORITY  
RESOLUTION NO. 0030

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 et seq.; and

WHEREAS, MTC and Association of Bay Area Governments (ABAG) adopted Plan Bay Area 2050 which outlines strategies to protect and preserve affordable housing, spur housing production for residents at all income levels, and to create inclusive communities; and

WHEREAS, Plan Bay Area 2050, adopted by MTC on October 21, 2021, includes Housing Strategy #7, which recommends, among other things, the provision of rental assistance to the residents of Equity Priority Communities as a means of creating inclusive communities; and

WHEREAS, there is an emerging and urgent need for rental assistance to support housing stability for vulnerable and low-income renters, such as seniors, who are at imminent risk of displacement and funds for this purpose are not available elsewhere; and

WHEREAS, the Bay Area Housing Finance Authority was created pursuant to Government Code section 64500, et seq., to raise, administer, and allocate funding and provide technical assistance at a regional level for tenant protection, affordable housing preservation, and new affordable housing production and could use the repaid funds being held pursuant to the TOAH II Funding Agreement to establish a Rental Assistance Program for low-income and vulnerable renters from displacement; and

WHEREAS, MTC adopted Resolution No. 4578 on May 10, 2023 to redirect approximately 50% of the Transit Oriented Affordable Housing Fund (\$5 million) to the Bay

Area Housing Finance Authority (BAHFA) to establish a new Rental Assistance Program to prevent homelessness; now, therefore, be it

RESOLVED, that the BAHFA Board authorizes the Executive Director to accept the \$5 million grant from the Metropolitan Transportation Commission (MTC) to establish the Bay Area Housing Finance Authority Rental Assistance Pilot Program (“Program”); and be it further

RESOLVED, the Executive Director or designee is authorized to establish the Program to: 1) prevent new incidences of homelessness and improve long-term housing stability for vulnerable populations, such as low-income seniors; 2) prioritize ease of participation for Program participants; 3) build on the experience of existing local rental assistance programs, and 4) to serve as a foundation for which BAHFA may expand the Program.

BAY AREA HOUSING FINANCE  
AUTHORITY

Alfredo Pedroza, Chair

The above resolution was entered into by the Bay Area Housing Finance Authority at a duly called and noticed meeting held in San Francisco, California and at other remote locations, on June 28, 2023.