



BAHFA 2024 Ballot Measure: Preparation for a 2024 Affordable Housing Bond

BAHFA July 26, 2023



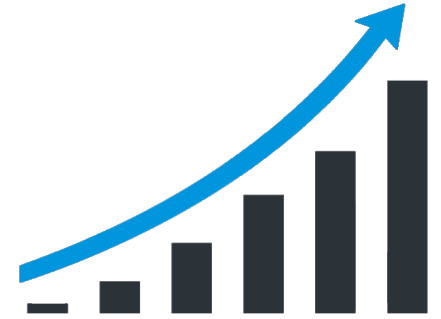
ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

Discussion Overview

- Decision points presented today concern BAHFA's **20% Regional Housing Revenue** only
 - Direct-allocation cities and counties create individual expenditure plans
- Today is an **informational presentation**, with more decision points presented for discussion in September
 - Approval is slated for October
- Why create a regional funding pool?

The Power of BAHFA: Regional Action

- A mission-driven, regional lender can reinvest loan funds back into the community
- Regional programs can assist community-based organizations vital to preservation efforts
- Regional programs can lower the cost and timelines of essential housing production
- Technical assistance, policy development, and higher-risk development innovations all happen at the regional level



BAHFA's Additive Approach

■ Work to Change the System

- Strength in numbers: BAHFA can serve as a unifying regional voice to advocate for more federal/state resources and more equitable and effective systems

■ Maximize Housing Benefits Across the Region

- Creatively, flexibly navigate the system in coordination with local government partners
- Advance development models that add to cities' and counties' affordable housing portfolios without diminishing access to resources

Discussion Overview, continued

Step 1 Decision Points:

- What portion of the Regional Housing Funds to program now?
- How to allocate BAHFA's initial 18% "flexible funds"?
- How do we implement our Equity Framework and set project priorities?
- Identify next set of decision points, including geographic distribution strategies

AB 1487 Refresher: 3Ps Funding Guidelines

BAHFA'S 20% Funding Allocation:

- Production: 52%
- Preservation: 15%
- Protections: 5%
- Local Government Incentive Grant Program: 10%
- Flexible Funding: 18%

Landscape Considerations

- All counties and direct-allocation cities will be in receipt of large bond funds simultaneously
- All counties and direct-allocation cities will fund projects that also need competitive state money
- State & federal funding application process is uncertain, costly, and subject to change

BAHFA should be additive and not competitive

BAHFA's Regional Implementation, Step 1

- **Consider 1st Bond Issuance Only (Q3-Q4 2025)**
 - \$400 million of BAHFA's \$2 Billion total
 - Adjust 2nd and future issuances based on successes
- **Program 1st Issuance “Flexible” Funding for Production**
- **Prioritize PSH and ELI for New Construction Funding**
 - If invited by jurisdictions or collaborative opportunities arise
- **Pursue Non-LIHTC Development in Competitive Conditions**
 - Advance innovation and scale
 - Avoid competition for scarce resources
 - Remain flexible – if market conditions change, adjust for best outcomes

BAHFA's 1st NOFA: Focus of Initial Policy Decisions

For \$10B Bond	Total Value
BAHFA	\$2 Billion
Counties & Direct-Allocation Cities	\$8 Billion
Total	\$10 Billion

In millions of dollars

	1 st Bond Issuance Values
BAHFA	\$400
County & Direct-Allocation Cities	\$1,600
Total	\$2,000

In millions of dollars

1 st Bond Issuance: BAHFA's Regional Funds	Value
Production	\$208
Flexible Funds	\$72
Preservation	\$60
Protections*	\$20
Local Government Grants	\$40
BAHFA Total – 1st Issuance	\$400

* Currently not eligible use of GO Bonds

Step #2 Recommendation Previews

How Will New Production Money Be Disbursed?

- Create a geographic investment plan that achieves regional goals while balancing distribution across all counties

Preservation Priorities (15% of Funding)

- Achieve anti-displacement goals and direct resources to historically disinvested communities

Local Government Incentive Grants (10% of Funding)

- Fund housing-related uses lacking access to other money (parks, infrastructure, school improvements, etc.)

BAHFA Ballot Preparation Timeline

September 2023

- How BAHFA geographically distributes its funds
- Preservation Program priorities
- 10% Local Government Incentive Grant Program priorities

October 2023

- Approval of BAHFA's Initial Funding Priorities (decision points from July & September meetings)
- Adoption of Business Plan Equity Framework & Funding Programs; informational presentation on draft operations and sustainability plan
- Protection Program priorities*

December 2023

- Adoption of final BAHFA Business Plan

January – May 2024

- Approval of BAHFA's Regional Expenditure Plan and Resolution to place bond on county ballots

Post-Bond (2025)

- Loan Term Sheets and Underwriting Guidelines, including developer preferences

Thank You



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