

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

March 13, 2020

Agenda Item 6

Proposed Work Plan for AB 1487 Revenue Measure

- Subject:** A presentation on the work plan required to meet the requirements for placement of a regional housing measure on the November 2020 ballot.
- Overview:** Staff will present a proposed work plan for AB 1487 implementation, focusing on the activities required in the next five months as the agencies decide whether to move forward to place a revenue measure on the November 2020 ballot. Staff will invite committee members to provide input on the proposed tasks to fulfill statutory requirements, the activities involved in preparing to launch the Bay Area Housing Finance Authority (BAHFA), and any other activities that staff should undertake to support the potential placement of regional housing measure on the ballot this November.
- Attachments:** Attachment A: Memo for Proposed Work Plan for Potential AB 1487 Revenue Measure on November 2020 Ballot Memo
- Attachment B: Detailed Proposed Work Plan


Therese W. McMillan



Memorandum

TO: Joint MTC Executive and ABAG Administrative
Committee

DATE: March 13, 2020

FR: Executive Director

RE: Proposed Work Plan for Potential AB 1487 Revenue Measure on November 2020 Ballot

Background and Overview

Assembly Bill 1487 (Chiu, 2019) established the Bay Area Housing Finance Authority (BAHFA) with the purpose of raising, administering, and allocating funding for affordable housing in the Bay Area. BAHFA is governed by the same board as the Metropolitan Transportation Commission (MTC), though various decision-making powers are shared between the BAHFA Board and the Association of Bay Area Governments (ABAG) Executive Board. AB 1487 authorizes the ABAG Executive Board and BAHFA to place a region-wide revenue measure on the ballot for approval by Bay Area voters.

Since the bill's passage in 2019, the Commission and ABAG Executive Board, as well as this Joint Committee, have engaged in ongoing discussions about implementation of AB 1487. These discussions have focused on placing a potential general obligation bond on the November 2020 ballot that could raise approximately \$10 billion for affordable housing production and preservation. On January 10, 2020, the Joint Committee directed staff to begin preparations for a potential November 2020 revenue measure. On January 31, 2020 at the Joint MTC-ABAG Workshop, the full Commission and ABAG Executive Board similarly directed staff to proceed with preparations for a November 2020 ballot measure. Policymakers identified several issues that would require additional information and discussion prior to making a final decision, including ongoing negotiations regarding Senate Bill 278 (Beall) that could result in a combined transportation-housing revenue measure, as well as additional polling results on a housing-only measure. Staff was directed to take all necessary steps to ensure that an AB 1487 revenue measure could qualify for the November 2020 ballot should the Commission and ABAG Executive Board ultimately decide to move forward.

Staff seeks Joint Committee input and approval for a proposed work plan that identifies the key steps necessary for a housing-only revenue measure to qualify for the November 2020 ballot. This work plan will require significant staff resources to be deployed on a tight timeframe. The statutory language of AB 1487 creates a unique process for placement of a revenue measure on the ballot that involves joint decision-making between both ABAG and MTC acting as BAHFA, as well as coordination with all nine counties. Additionally, the statute requires convening a new Advisory Committee and developing a summary of the expenditure plan for ballot measure revenues. Staff seeks approval to prioritize resources to ensure timely completion of all required tasks.

Proposed Work Plan Summary

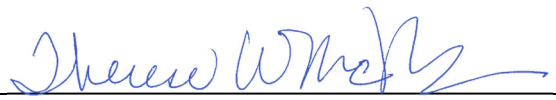
The proposed work plan is organized thematically based on categories of activities: (1) outreach to local officials and other stakeholders, (2) development of an expenditure plan, (3) oversight and decision-making by ABAG and MTC/BAHFA, (4) election logistics and compliance, (5) other research and BAHFA incubation tasks, and (6) development and dissemination of public information, should a November 2020 ballot measure move forward. A copy of the detailed proposed work plan is included as Attachment B.

In addition, the following steps will need to be taken to convene BAHFA:

- MTC Administration Committee refers BAHFA creation to the Commission for approval (April)
- MTC approves creation of BAHFA (April)
- BAHFA holds first meeting and approves appropriate housekeeping resolutions and, as appropriate, ratifies Interim Advisory Committee as described in more detail in agenda item 6.

The deadline for the ABAG Executive Board and Commission (acting as BAHFA) to approve final ballot materials is July. This will require staff to frontload a substantial amount of work in the five-month period from March to July. Staff estimates that dedication of roughly 2-3 full-time equivalent (FTE) staff will be necessary during this timeframe, plus additional substantial support from the General Counsel and potential outside counsel and other consultants. These considerations and their impacts will need to be absorbed into the existing FY 2019-20 resources; and prioritized as part of the FY 2020-21 budget as appropriate.

This work plan assumes that any polling related to a potential revenue measure will be conducted by a private party/non-governmental organization and not MTC or ABAG.


Therese McMillan

Attachment B – Proposed Detailed Workplan

Proposed Work Plan for Potential AB 1487 Revenue Measure

(1) Outreach		
Develop Informational Materials	<ul style="list-style-type: none"> • Develop FAQs and other information materials for a range of audiences (local officials, local staff, general public, etc.). Develop presentations for staff to deploy in outreach activities. • Develop and host BAHFA webpage. 	March/April
Outreach to Local Elected Officials	<ul style="list-style-type: none"> • Attend Board of Supervisors meetings in all 9 counties. Work with local staff on presentations for direct allocation cities (Oakland, San Jose, Fairfield, Napa, San Rafael, and Santa Rosa). • Attend mayors' conferences in all 9 counties. • Attend League of Cities sub-regional meetings (North Bay, East Bay, and Peninsula Divisions). 	April-June
Outreach to Local Staff	<ul style="list-style-type: none"> • Develop contact list for key staff in all 9 counties and direct-allocation cities. • Host monthly group calls with county and city staff, and monthly calls with staff from each county and city. Collect and process feedback. 	March-July
Outreach to Other Stakeholders	<ul style="list-style-type: none"> • Participate in Bay Area Housing for All Technical and subject-matter working groups. • Engage other key stakeholders including affordable housing developers, community-based and equity-focused organizations, and the business community. 	March-July
(2) Expenditure Plan		
Preliminary Analysis and Policy Development	<ul style="list-style-type: none"> • Conduct landscape analysis and needs assessment to identify potential expenditure priorities. • Review pipeline of affordable housing projects for potential inclusion in ballot measure. • Identify key policy and financing questions, including options for regional funds, whether to utilize optional "local grants program," and whether to include specific projects. • Develop financing and policy framework to guide draft expenditure plan. 	March-April
Develop Draft Expenditure Plan	<ul style="list-style-type: none"> • Based on feedback from outreach and preliminary analysis, develop initial draft expenditure plan that includes a description of eligible expenditures, minimum levels of funding devoted to each category, and an overview of applicable decision-making and oversight provisions. • Continue outreach to range of stakeholders to further refine draft expenditure plan. • Consult with Interim Advisory Committee. • Engage with Joint ABAG Admin/MTC Exec Committee, Executive Board, and Commission. 	April-May
Quantitative Analysis	<ul style="list-style-type: none"> • Finalize revenue estimates for regional funds and funds for each county/direct-allocation city. • Estimate number of units to be produced and preserved based on draft expenditure plan. 	May
Finalize Plan	<ul style="list-style-type: none"> • Approval consideration by ABAG Executive Board and BAHFA. 	June

(3) Oversight & Decision-Making Process		
Interim Advisory Committee	<ul style="list-style-type: none"> • Appoint Interim Advisory Committee. • Host Interim Advisory Committee meetings (staff meetings, develop materials, etc.). 	April-May
MTC, ABAG, and BAHFA Meetings	<ul style="list-style-type: none"> • Convene joint meetings of MTC Executive and ABAG Administrative Committees. • Convene first meeting of BAHFA, including start-up administrative tasks (adopt conflict of interest code, appoint general counsel, etc.). • Informational and action items at ABAG Executive Board. • Informational and action items at MTC (acting as BAHFA). 	March-July
(4) Election Logistics and Compliance		
Logistical Preparations	<ul style="list-style-type: none"> • Finalize cost estimate for placing measure on the ballot. • Retain election counsel. • Outreach to county election officials and county counsel offices regarding placement of measure on county ballots. 	March-April
Prepare Ballot Materials	<ul style="list-style-type: none"> • Draft ballot measure summary, including summary of regional expenditure plan. • Prepare ballot question and impartial analysis. • Complete translations of ballot materials. 	June-July
Adopt Final Resolutions	<ul style="list-style-type: none"> • ABAG Executive Board considers adoption of resolution to place revenue measure on the ballot. • BAHFA considers adoption of resolution to place revenue measure on the ballot. 	July 18 (ABAG); July 22 (BAHFA)
(5) Research and BAHFA Incubation		
Legal Questions	<ul style="list-style-type: none"> • Identify prioritized set of legal questions, with an emphasis on questions that must be resolved to place a revenue measure on the ballot. • Work with MTC/ABAG General Counsel's office to resolve high-priority questions to the extent possible. Potentially hire outside counsel for niche specialty questions. 	March-April
Business Plan	<ul style="list-style-type: none"> • Produce a "Phase 1" Business Plan for BAHFA that includes staffing models, operational needs, and compliance requirements. Prepare scope for "Phase 2" Business Plan should a revenue measure succeed at the November 2020 ballot. 	April-December
(6) Develop and Disseminate Public Information		
Provide Public Information	<ul style="list-style-type: none"> • Produce public information materials (including translations) about the ballot measure, and prepare presentation materials for staff and local elected officials to speak at events • Speak at events providing information on the ballot measure, as requested 	August-October