

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

May 18, 2020

Agenda Item 4.c.

Direction on Future Regional Housing Work Plan

Subject: Discussion of Bay Area Regional Housing Portfolio and Range of Activities for Potential Future Regional Housing Work Plan.

Preliminary overview of options and strategies for Bay Area regional agencies to expand their existing housing portfolio and seek new funding to support tenant protections, preservation of existing housing, and production of new affordable housing.

Overview: If the ABAG Executive Board and the MTC Commission decide against placing an affordable housing revenue measure on the November 2020 ballot, BAHFA nonetheless presents an opportunity to explore expanding the regional housing portfolio to address the Bay Area's ongoing housing challenges. AB 1487 confers powers on BAHFA to advance the "3 Ps" in ways that extend beyond the existing capacities of ABAG and MTC. However, the current fiscally constrained environment renders it infeasible for ABAG and MTC to underwrite entirely new housing programs without corresponding new revenue sources.

As described in Agenda Item 4a, this situation presents two options for consideration by the Joint Committee. "Option 2" would direct staff to explore expanding the regional housing portfolio through a variety of potential non-ballot activities, including a discussion of when to activate BAHFA. As part of this option, staff suggests integrating consideration of potential new activities with discussion of potential new revenue opportunities to ensure that any expansion of activities have dedicated funding. Alternatively, "Option 3" would direct staff to focus on housing activities in ABAG and MTC's existing housing portfolios, rather than seeking an expansion. Option 3 would involve holding BAHFA in hibernation unless and until the governing boards instruct staff otherwise.

On balance, staff recommends Option 2 to enable a balanced path forward that recognizes the need to address the Bay Area's ongoing housing challenges, which have only been exacerbated by the coronavirus pandemic, while doing so in a fiscally prudent, stepwise fashion that accounts for the agencies' constrained budget realities.

The attached memo provides a preliminary landscape analysis of the range of potential alternative revenue sources and potential future activities for BAHFA, in addition to a brief description of the existing housing portfolios of ABAG and MTC. If the Joint Committee members wish to pursue Option 2 to examine

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potential expansion of the regional housing portfolio, including through the activation of BAHFA, staff seeks direction to develop a proposed strategy that identifies realistic funding opportunities and prioritizes the highest-value activities that can be accomplished with the resources available in several funding scenarios. Staff would prepare to return in June with such a proposal.

Recommendation: ABAG Administrative Committee recommends to the ABAG Executive Board to direct staff to return in June with proposed strategies; MTC Executive Committee recommends to the MTC Commission to direct staff to return in June with proposed strategies.

Attachments: A. Memo on Potential Future BAHFA Activities and Expanded Regional Housing Portfolio

B. Letter from Bay Area Housing for All



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