
April 29, 2021

Agenda Item 7.a.

Expanded Regional Housing Portfolio

Subject: Update on Expanded Regional Housing Portfolio—Report summarizing the last six months of work to launch the Expanded Regional Housing Portfolio and the Bay Area Housing Finance Authority (BAHFA)

Background: In October 2020, the ABAG Housing Committee and MTC Executive Committee received a report to transition to Phase 2 of a three-phase implementation plan for the Expanded Regional Housing Portfolio and BAHFA. The Committees supported several new activities designed to strengthen regional capacity across the “3 Ps” (Protection, Preservation, and Production) and lay the foundation for successful implementation of potential future capital resources. The proposed activities included elements to complement and fortify the efforts of local governments, as well as the launch of five potential pilot projects:

1. Support a regional affordable housing application platform,
2. Develop an affordable housing pipeline database,
3. Strengthen regional preservation programs,
4. Strengthen the network of anti-displacement service providers and disseminate best practices, and
5. Support the design of a regional homelessness prevention system.

Launching the proposed pilot projects is contingent upon securing new resources. Staff has focused on advancing activities that do not require significant new resources while also developing a funding plan to secure the resources necessary to launch the full expanded portfolio.

Report: Since October 2020, staff has made the following progress on Phase 2 implementation activities:

Business Plan – On February 10, 2021, the agencies released the Request for Proposals (RFP) for the Expanded Regional Housing Portfolio and Bay Area Housing Finance Authority Business Plan. The Preliminary Scope of Work for the RFP is included as Attachment A. The RFP has an initial not to exceed budget of \$500,000 and includes three core tasks:

April 29, 2021

Agenda Item 7.a.

Expanded Regional Housing Portfolio

1. Develop a strategic, equity-focused framework and corresponding measurable outcomes.
2. Identify and design innovative funding and financing tools.
3. Design an effective structure and operations for the Expanded Regional Housing Portfolio and BAHFA.

The deadline for submissions to the RFP closed on April 15, 2021. Staff anticipates seeking Committee approval for a recommended consultant team in July.

Concept Paper – In February, ABAG and MTC jointly released a report titled *“Momentum for Lasting Solutions: Launching the Bay Area Housing Finance Authority and the Expanded Regional Housing Portfolio”* (Attachment B). The report describes the context and origin of the Expanded Regional Housing Portfolio, the transformative impact envisioned by the Portfolio and BAHFA, and the five near-term pilot projects. The report provides a comprehensive, public-facing narrative to ensure that stakeholders can easily track the agencies’ discussion and progress to date.

State Budget Appropriation Request – In December 2020 as part of ABAG and MTC’s joint advocacy program, the ABAG Executive Board and the Commission authorized a request for a one-time, \$18.5 million appropriation from the state budget to launch the five pilots. In March 2021, the Bay Area Delegation submitted a letter in support of the budget request (Attachment C), and staff continue to collaborate with legislators and housing-sector partners to advance the request within the budget process. A letter of support submitted on behalf of local jurisdiction and housing sector partners is included as Attachment D. A briefer that staff has provided to legislators that includes one-page descriptions of each of the pilots is included in the packet as Attachment E.

Private Sector Fundraising – ABAG and MTC/BAHFA leadership have collaborated with housing-sector partners to develop a private sector fundraising plan to supplement the state budget appropriation request. The fundraising plan includes two steps. Step One involves preliminary conversations with philanthropic and corporate partners to explore potential alignment around the five pilots. Step Two will kick off once the outcome of

April 29, 2021

Agenda Item 7.a.

Expanded Regional Housing Portfolio

the state budget request is more certain and will involve seeking commitments from potential partners.

Pilot Development – Though new resources are necessary to launch the pilots, staff has worked to lay the foundation necessary for the pilots to launch swiftly and successfully upon receipt of funds. The last six months included several key milestones. In February 2021, the Commission approved amendments to the Bay Area Preservation Pilot (BAPP) to more efficiently deploy previously authorized funds, including lowering the leverage ratio from 5:1 to 3:1 and converting up to \$6 million of the MTC funds to be available as subsidy. The updated BAPP program guidelines are included in Attachment F, and additional information is available in the February 10, 2021 Programming and Allocations Committee packet. Additionally, roughly a dozen ABAG and MTC policymakers and staff have participated in the Regional Impact Council, a multistakeholder initiative convened by the nonprofit All Home to develop regional solutions to the homelessness crisis. The Regional Impact Council recently completed its first phase, resulting in a comprehensive report known as the Regional Action Plan. All Home staff has been invited to present on this work to the Committees as Agenda Item 8.a.

Issues:

None

April 29, 2021

Agenda Item 7.a.

Expanded Regional Housing Portfolio

Recommended Action: Information

- Attachments:**
- A. Expanded Regional Housing Portfolio and Bay Area Housing Finance Authority Business Plan RFP, Appendix A, Preliminary Scope of Work
 - B. *Momentum for Lasting Solutions* report
 - C. Bay Area Delegation letter dated March 19, 2021 in support of one-time budget appropriation request
 - D. Local jurisdiction and housing-sector organization letter in support of one-time budget appropriation request
 - E. Brief on State Budget Appropriation Request
 - F. MTC Resolution No. 4454, Amendment of the Bay Area Preservation Pilot Fund Principles of Agreement
 - G. Presentation

Reviewed:


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