



March 19, 2021

The Honorable Nancy Skinner
Chair, Senate Budget & Fiscal Review Committee
State Capitol, Room 5019
Sacramento, CA 95814

The Honorable Anna M. Caballero
Chair, Senate Budget Subcommittee #4
State Capitol, Room 5052
Sacramento, CA 95814

The Honorable Philip Y. Ting
Chair, Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

The Honorable Wendy Carrillo
Chair, Assembly Budget Subcommittee #3
State Capitol, 4167
Sacramento, CA 95814

RE: Budget Request: \$18.5 Million to Support Bay Area Affordable Housing Pilot Programs

Dear Senator Skinner, Senator Caballero, Assemblymember Ting and Assemblymember Carrillo:

As you well know, the Bay Area's housing crisis isn't just a San Francisco problem, an Oakland problem, a Silicon Valley problem, or a North Bay problem; it's a regional crisis that requires regional coordination and resources to make change at scale. This was the rationale for the establishment of the Bay Area Housing Finance Authority (BAHFA) by AB 1487 (Chiu, Chapter 598) in 2019. The bill authorizes BAHFA—which is jointly governed and staffed by the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) - to provide technical assistance and coordination to local jurisdictions to meet their housing needs and enables regional ballot measures to help fund housing affordability and stability across the 3Ps of tenant **protection, production, and preservation**.

We, the undersigned members, support the request by MTC and ABAG for BAHFA to receive \$18.5 million in general fund monies in this year's FY 2021-22 State Budget. This modest amount of one-time funding is a small down payment that will pay significant dividends in just a few years. While BAHFA had hoped to place a measure on the ballot last November, the pandemic caused voter support to fall below the two-thirds margin necessary for a successful regional housing measure. As a result, the Bay Area may have to wait until 2024 before voters will have the opportunity to approve significant new housing funds regionwide.

Despite this delay, there is an opportunity right now to empower the Bay Area to break ground on the transformative regional housing approach made possible with BAHFA. MTC and ABAG have identified five pilot programs that will enable the region to address urgent housing challenges facing Bay Area residents, such as the risks of displacement due to rent increases, while helping to ready the region to effectively and equitably deploy significant capital from a future regional ballot measure. A seed investment of \$18.5 million to launch the five pilot programs will work to sustain the momentum of grassroots support and philanthropic interest in BAHFA and begin to develop the programs and strategies that will ultimately be funded by a regional measure. The program could be funded by a modest contribution from the General Fund or other funding sources available for affordable housing. These five pilot projects are:

1. **Doorway – online platform to connect residents to opportunities for affordable homes across the region (\$5.3 million).** Through a coordinated regional housing online portal, Doorway will result in a simple and equitable way for residents to find and apply for affordable homes throughout the Bay Area – replacing an archaic project-by-project, paper-application system that exists in most of the region today. This tool will also provide useful data to inform effective housing policies and practices, such as local preference policies, and attract additional resources for affordable homes.
2. **Affordable Housing Pipeline – database to track the production and preservation of affordable homes (\$2 million).** Real-time data will allow the region to quantify the number of affordable homes in all stages of development and estimate the gap funding need across the nine Bay Area counties. The database will allow the region to develop a detailed financing strategy to most efficiently unlock 25,650 affordable homes that can house over 352,000 individuals and families for decades to come.
3. **Affordable Housing Preservation Strategy – financing and technical assistance to support and scale anti-displacement efforts (\$3.4 million), plus \$5 million in capital funding for property acquisition (Total \$8.4 million).** To help stop the rampant displacement and gentrification that has been displacing low-income, black, Indigenous and people of color communities, BAHFA will restructure and expand existing regional preservation finance tools for greater impact to help hundreds of Bay Area families remain in their homes and communities. BAHFA will also pilot preservation technical assistance collaboratives in partnership with local jurisdictions and community-based organizations pursuing acquisition-rehabilitation projects. With \$5 million in capital funding, BAHFA will be able to preserve existing affordable housing directly and apply this experience to the development of regional preservation financing tools.
4. **Rental Assistance Network – coordination and best practices for effective deployment of rental assistance (\$1.4 million).** BAHFA will develop a regional network of rental and mortgage assistance providers to deploy funds more efficiently and effectively. By developing standardized regional best practices and encouraging regionwide data collection and evaluation, BAHFA will ensure that Bay Area residents in greatest need of financial support to remain in their homes can better access the resources they need. This pilot will dovetail with the regional homelessness prevention system and position BAHFA as a nexus

March 19, 2021

Page 3

between the rental assistance and homelessness prevention networks to promote an integrated, enhanced social safety net to keep residents in their homes and off the streets.

5. **Homelessness Prevention System – integrated resources and services to keep people housed (\$1.4 million).** The Regional Homelessness Prevention System Pilot is an effort now underway to design and implement a coordinated homelessness prevention strategy across the Bay Area. This effort is currently led by the nonprofit All Home, with BAHFA joining as a partner to design the program. The pilot will unlock new opportunities to attract and leverage private funds and leverage state and federal funds to keep Californians housed.

To summarize, we request your support for this modest appropriation of \$18.5 million in funds for the five pilot projects described above. Collectively, these projects will help address the Bay Area's immediate affordable housing displacement challenges, coordinate the work of our 109 cities and nine counties across the 3Ps, and build the data tools and technical capacity at BAHFA so it can help create a future in the Bay Area where every resident has access to a safe, stable and affordable home. If you have any questions regarding this request, please contact Krista Pfefferkorn in Senator Wiener's office at (916) 806-0506.

Sincerely,



Scott Wiener
Senator, 11th District



David Chiu
Assemblymember, 17th District



Kevin Mullin
Assemblymember, 22nd District



Robert Rivas
Assemblymember, 30th District



Ash Kalra
Assemblymember, 27th District



Bill Quirk
Assemblymember, 20th District



Marc Berman
Assemblymember, 24th District



Buffy Wicks
Assemblymember, 15th District

March 19, 2021

Page 4

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Josh Becker
Senator, 13th District

A handwritten signature in black ink, appearing to read "Dave Cortese". The signature is cursive, with "Dave" and "Cortese" written in a connected style.

Dave Cortese
Senator, 15th District

A handwritten signature in blue ink, appearing to read "Rob Bonta". The signature is cursive, with "Rob" and "Bonta" written in a connected style.

Rob Bonta
Assemblymember, 18th District