Association of Bay Area Governments
Housing Committee

Bay Area Housing Finance Authority
Oversight Committee

July 8, 2021   **Agenda Item 9.a.**

Regional Affordable Housing Pipeline Update

Subject: Status Update on the Regional Affordable Housing Pipeline
                     Database

Background: The system of affordable housing finance in California is
                     fragmented and uncoordinated, requiring developers to piece
                     together financing from many sources. One consequence of this
                     system is that there has been no centralized repository of all
                     affordable housing projects at various stages of development in
                     the Bay Area. Historically, there has been no data-driven estimate
                     of the number of affordable homes in the pipeline, nor the gap
                     funding needed to unlock these opportunities. Another
                     consequence is that the financing system is rife with inefficiencies,
                     with each stage of the development process fraught with
                     uncertainty and lack of resources that ultimately increase costs
                     and delay much needed housing.

                     To address these challenges, one of the five pilot programs
                     proposed for the Bay Area Housing Finance Authority (BAHFA)
                     and the Expanded Regional Housing Portfolio is to develop a
                     regional Affordable Housing Pipeline Database (the "Pipeline").
                     The Pipeline would track all the affordable housing projects in the
                     Bay Area in the pre-development, planning, financing, and
                     construction phases. The Pipeline would quantify the number of
                     units, estimate gap funding needs, and provide a snapshot of
                     current regional production and preservation capacity. The
                     Pipeline would also facilitate greater coordination to create
                     efficiencies in the affordable housing finance system and could
                     inform future programming decisions when BAHFA secures
                     capital funding. Additional framing for the Pipeline pilot program is
                     included as Attachment A.

                     <u>Report</u>

                     While fundraising for the BAHFA pilot programs is ongoing, staff
                     has partnered with Enterprise Community Partners to jumpstart
                     development of the Affordable Housing Pipeline database.
                     Enterprise collected data on the pipeline from publicly available
                     sources as well as private databases, and leveraged their
                     relationships with local public agencies and large nonprofit
                     developers for additional data points. Enterprise's research
                     culminated in a preliminary database using 2020 data that is
                     estimated to capture approximately 80% of the region's affordable
                     housing projects.

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The preliminary pipeline database includes over 300 projects in various stages of pre-development across all nine counties, representing approximately 26,500 affordable homes. Of those, roughly 19,000 homes require an estimated $4 billion in gap funding. A county-by-county summary is included as Attachment B.

The next steps for this program include partnering with Enterprise to map the preliminary pipeline and evaluating options to transition future management of the Pipeline to BAHFA, including integration of the Pipeline with other databases housed at MTC and ABAG such as the permit data from the Annual Progress Reports submitted by local jurisdictions to the California Department of Housing and Community Development.

Issues: None

Recommendation: Information

Attachments: A. Affordable Housing Pipeline Pilot Program

B. Preliminary Regional Affordable Housing Pipeline (2020) – Summary by County

C. Presentation

Reviewed:

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