

BAHFA Strategic Planning

Midpoint Status Update

BAHFA Advisory Committee

August 28, 2025



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

Agenda

1. BAHFA Strategic Planning Overview Reminder

2. Major Updates

- Strategic Planning Modules 1 and 2

3. Minor Updates

- Strategic Planning Modules 3 and 4

4. Committee Lookahead

BAHFA Strategic Planning Overview

North Star:

BAHFA was created to raise transformative revenue to meet regional affordable housing needs at scale

Purpose:

Articulate the vision and plan to sustain BAHFA until capitalized at scale

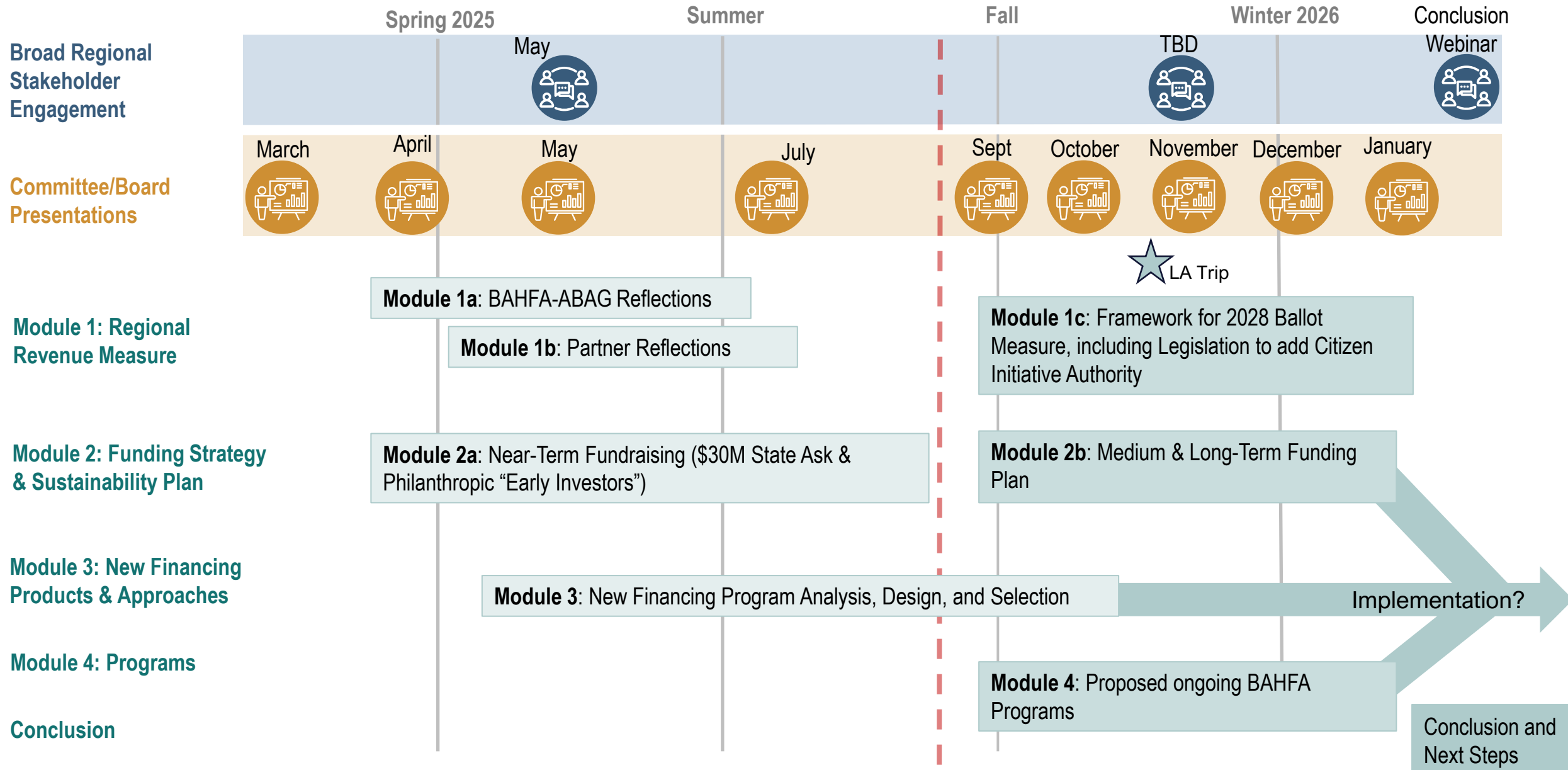
Process:

An inclusive process is necessary to maintain, strengthen, and expand coalition of BAHFA supporters

Four Modules:

1. Regional Revenue Measure: Reflections & Framework for Future Ballot Measure
2. Funding Strategy and Financial Sustainability Plan
3. New Regional Financing Products & Approaches
4. Regional Housing Programs

BAHFA Strategic Planning Timeline



Module 1 Updates (Regional Revenue Measure)

Lessons Learned from Regional Measure 4

- BAHFA-ABAG reflections on strengths and challenges of RM 4 discussed at Committees in May (Module 1a)
- Ad hoc briefing with external partners in June (Module 1b)
- Working draft of actions to mitigate challenges and create conditions for success for a future measure

Stakeholder Engagement

- Public webinar in May with broad attendance
- 1-on-1 and small group meetings
- Coordination with counties considering local housing measures

Module 1 Next Steps

- Prepare launch of Module 1c to focus on developing a framework for a future regional revenue measure.
- Threshold issue is timing of a bill to expressly add citizen initiative authority
 - Staff evaluating pros/cons of 2026 vs 2027
 - Seek Committee direction in October
 - Timing will shape goals, pace, and products for Module 1c
- Preparations for field study trip to Los Angeles in late October
 - Learn from success of Measure A (2024 sales tax generating \$1B annually for housing and homelessness)
 - Strengthen connections with regional housing finance agencies in LA and San Diego
- Ambitious schedule to wrap up by January 2026

Module 2 Updates (Funding Strategy)

State Budget Ask

- \$30 million request unsuccessful despite strong Bay Area support

Funding Partnerships

- Secured philanthropic grant to launch new Mixed-Income Financing Program (Module 3), contingent upon regional match
- Exploring diversification of funding partners

Self-Generated Revenue

- Draft operating model for Mixed-Income Program to grow towards program-level self-sufficiency
- Fee studies underway for service-related programs (e.g., Doorway, financing)

Stakeholder Engagement

- Pivoted from Technical Advisory Group to more targeted, relationship-based approach

Module 2: Mid-Planning Status Check

Reflections from Module 2a: Adapting to Resource Constrained Environment

- Significant headwinds for fundraising given federal cuts, economic uncertainty, and competing priorities
- Must sustain fundraising efforts while practicing fiscal prudence to stretch scarce resources
- Near-term scenarios for BAHFA likely involve winding down some activities from the Pilot Phase and delivering a more focused portfolio

Module 2b: Next Steps for Funding Strategy and Sustainability Planning

- Pursue funding partnerships with philanthropy and private sector
- Prepare to renew state request in 2026
- Develop medium and long-term sustainability plans

Module 3 Updates (New Mixed-Income Program)

- New Mixed-Income Financing Program concept presented to BAHFA Advisory Committee in June and BAHFA Oversight and ABAG Housing Committees in July
- Program design features a suite of products that can be easily layered to multiply impact, with initial focus on mixed-income, acquisition-rehab projects
- Incorporate existing Welfare Tax Exemption Program while expanding offerings to include tax-exempt bond issuances and subordinate debt product
- Multiple rounds of feedback with Technical Advisory Group and other stakeholders

Next Steps

- Continue refinement of program elements
- Detailed update planned for September/October Committee meetings
- Fall/Winter: Finalize program design including term sheets and underwriting guidelines

Module 4 Update (BAHFA Programs)

- Goals and approach being refined and right-sized based on funding limitations
- **Pilot Phase Program Evaluations**
 - Staff developing metrics and gathering preliminary data
 - Final products will support fundraising by showcasing impact
 - Document lessons from pilot programs to inform future program design, when more resources are available

Next Steps

- Assemble Technical Advisory Group(s); consider grouping based on 3Ps or individual programs
- Conduct program evaluations
- Prioritize programs to align with available funds



Strategic Planning Committee Lookahead

October

- Module 1c: Timing of Legislation & Proposed Policy Development Process
- Module 3: Mixed-Income Financing Program

November

- Module 1c Implementation
- Module 4: Pilot Program Evaluations

December

- Module 1c Implementation

January 2026

- Wrap Up