Summary of Reflections and Lessons Learned from 2024 Election Cycle

Background

In 2025 BAFHA engaged in a strategic planning process to chart the course forward after Regional Measure 4 (RM 4) was pulled from the 2024 ballot. The goal of Module 1 of the strategic planning process was to lay the groundwork to unite the region for a future housing revenue measure, as early as November 2028. BAHFA and ABAG policymakers underscored the importance of starting the process by reflecting upon the 2024 election cycle to identify lessons learned, rebuild trust, and clarify best practices for the development of a potential future measure. This document summarizes key themes that emerged during the reflection process.

Staff held over fifty meetings with a broad spectrum of external stakeholders representing advocacy organizations, nonprofit and for-profit housing developers, labor, business, philanthropy, grassroots and social justice organizations, as well as other civic groups. Input from BAHFA and ABAG policymakers was solicited throughout the process including at eight Committee meetings in 2025.

A catalyzing event for Module 1 of BAHFA's strategic planning was the first Regional Housing Finance Authorities Exchange ("RHFA Exchange") in Long Beach in November 2025. This event brought together policymakers, staff, and stakeholders from the three regional housing finance authorities in California: BAHFA, the Los Angeles County Affordable Housing Solutions Agency (LACAHSA), and the San Diego Regional Housing Finance Authority. The RHFA Exchange sought to strengthen statewide relationships among the regional housing agencies, in part to build alignment around joint advocacy opportunities in Sacramento. Most notably, the Exchange included a deep-dive series of learning sessions on Los Angeles' successful Measure A in November 2024, which will raise approximately $1 billion annually for homelessness services and also capitalize LACAHSA. Over the course of proceedings, the RHFA Exchange spurred conversations among the Bay Area delegation, including from stakeholders who were less involved in the development of Regional Measure 4, regarding a potential future funding measure. The Exchange was discussed with ABAG Housing and BAHFA Oversight Committees in November of 2025. Notes presented at that meeting are attached hereto for ease of reference.(**Appendix 1)**

Reflections and Lessons Learned from Regional Measure 4 and Statewide Proposition 5

Strengths:

Several aspects of the RM 4 development process can serve as a strong foundation to build upon and highlight the significant progress made during BAHFA's brief history. Efforts to

advance a potential future regional revenue measure should draw upon and further cultivate these strengths:

- **BAHFA & ABAG Partnership**. Joint Committee structure and strong spirit of collaboration enabled smooth decision-making within "double green light" process required by statute.
- **Staff Capacity & Expertise.** BAHFA, ABAG and MTC swiftly demonstrated "proof of concept" through pilot programs and facilitated significant policy development required for RM 4.
- **Regional Priority Setting Process (BAHFA's 20%)**. BAHFA and ABAG policymakers reached broad agreement on key policy "decision points" by late 2023, establishing many features of the Regional Expenditure Plan more than a year before the election.
- **Regional Support for Local Expenditure Plans (the 80%)**. BAHFA strengthened cross-jurisdictional relationships by regularly convening County and Direct Allocation City housing staff, providing a robust package of technical assistance to support Local Expenditure Plans.

Challenges and Improvements:

There are important "lessons learned" from RM 4 that should be a focus for improvements with a potential future revenue measure. The most salient challenges are described below and each is linked to a corresponding action to underscore the through line between backward looking reflections and the need to transition towards planning for BAHFA's future.

- **Economic Conditions and Tax Fatigue**: BAHFA was created by the Legislature in 2019 at a time when strong economic growth combined with rising income inequality to create conditions favorable to a regional affordable housing revenue measure. In early 2020, a $10 billion regional housing bond was polling close to the two-thirds threshold required for passage. However, the COVID-19 pandemic wrought cataclysmic changes to the economy and many other features of daily life. As the post-pandemic landscape transitioned to a period of high inflation and greater economic uncertainty, polling showed that voters' attitudes shifted to greater fatigue of taxes and lack of trust in government's ability to address social problems. By mid-2024, polling indicated that voter support for a regional housing bond had slipped to 50-55%. Housing affordability has consistently remained the top issue for voters, but this concern no longer translates consistently into support for taxes that will raise revenue to address the challenges.
    - Action: Ensure that efforts to develop any potential revenue measure are informed at key decision points by public opinion research. Ideally, policy development for a revenue measure will be iterative and flexibly designed to enable adjustments should voter sentiment continue to evolve.
- **Two Measures At Once:** Proposition 5 was a proposed statewide constitutional amendment that would have established a 55% voter threshold for housing bonds, rather than the two-thirds supermajority currently required. Proposition 5 would have applied the 55% threshold to housing bonds on the same ballot, including Regional Measure 4 had it proceeded to a vote in November 2024. Given the level of support for a regional housing bond in public opinion research in 2024, Proposition 5 was a critical

path component of Regional Measure 4's success. RM 4's reliance upon Proposition 5 during the same election exposed it to risks and externalities, which contributed to the BAHFA Board's decision to remove RM 4 from the ballot. Proposition 5 was defeated by a 55-45 margin in November 2024.

- Action: Empower Bay Area residents and expand options for a regional measure to be placed on the ballot by adding explicit citizen initiative authority to BAHFA's enabling statute.

- **Accuracy:** An inadvertent error in ballot question for RM 4, although corrected in time to ensure accurate information for voters should RM 4 have proceeded, nonetheless affected BAHFA's credibility.
  - Action: Implement enhanced internal controls to ensure accuracy and restore trust.

- **County and City Support:** Concerns from some counties about BAHFA's Regional Expenditure Plan took longer to resolve than other elements of the Expenditure Plan. For example, there was discussion of options to ensure that BAHFA's 20% of bond funds would be fairly and effectively distributed across counties, as well as the degree to which BAHFA should prioritize funding for homes at specific levels of affordability. Additionally, many cities expressed concern about county-led Local Expenditure Plans, due *after* the election per statute. These concerns included whether and how to ensure that county-led Expenditure Plans would fairly distribute funds across their constituent cities.
  - Action: Earlier and deeper engagement with elected officials at both counties and cities to surface tensions and build consensus for solutions.
  - Action: Consider timing and support needed for Local Expenditure Plans.

- **Stakeholder Support**: Although many stakeholders participated throughout the process and supported the policy framework adopted by BAHFA and ABAG in RM 4, consensus was not reached with key interest groups such as labor and business.
  - Action: Earlier and ongoing engagement with a broad set of stakeholders who could be in a "big tent" coalition, including labor and business groups.

- **Complexity**: BAHFA's multilayered statutory framework posed a challenge to concisely describe how funds would be distributed, eligible activities for the various pots of funds, and the anticipated impacts of the measure.
  - Action: Develop and disseminate simple, clear public education materials.
  - Action: Build upon materials developed for RM 4 to release robust technical assistance materials to local jurisdictions earlier.

- **Timing**: Issues arising from topics above (and others) created a time-crunch to resolve a small but significant set of policy issues in spring and into summer of 2024. This in turn delayed BAHFA's ability to develop and disseminate neutral information about the potential impacts of the measure.
  - Action: Develop "go/no go" checklist with key interim milestones.

Comparison of LACAHSA's Measure A in Los Angeles and BAHFA's RM 4

Topic	LACAHSA (Los Angeles County)[1]	BAHFA (Bay Area)[2]
Ballot Measure	Measure A	Regional Measure 4
Geography	Single county	Nine counties
Funding Mechanism	1/2-cent permanent sales tax (no sunset), approx. $1 billion per year	$20 billion general obligation bond backed by ad valorum property tax
Funding Distribution	60% to LA County for homeless services, 35.75% allocated to LACAHSA, and 4.25% for data, accountability, and other administrative costs. For LACAHSA's portion, funding will be split 70/30 (regional/local), with minimum 52/15/5 investment targets across the 3Ps (production, preservation, and protections).	Statutory 80%/20% split (local/regional) in distribution of revenue, with minimum 52/15/5 investment targets across the 3Ps (production, preservation, and protections). However, 5% "protections" funding generally ineligible given limitations of general obligation bond funding.
Method of Placement on Ballot	Citizen initiative under County general powers (not utilizing tax authority in LACAHSA statute)	BAHFA Board and ABAG Executive Board votes, pursuant to authority granted in enabling statute
Relationships Among Stakeholders	Strong preexisting coalition including grassroots groups, nonprofit advocacy organizations, and labor had worked together on multiple prior successful campaigns	Strong coalition of advocacy organizations, but some groups felt peripheral to or not included within coalition, such as some grassroots organizations, organized labor, and business representatives.
Stakeholder Complexity	Single-county geography enables more consolidated labor (e.g., Los	Decentralized ecosystem including partially county-based labor

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[1] More information about Measure A is available on the Los Angeles County Homeless Initiative website: https://homeless.lacounty.gov/measure-a/
[2] The ballot measure text of RM 4 is available here: https://mtc.ca.gov/sites/default/files/documents/2024-07/2024_Housing_Bond_Language_6-18-2024.pdf?cb=77e755ba

	Angeles County Federation of Labor) and business organizations (e.g., Los Angeles Business Council)	organizations (e.g., seven Central Labor Councils) plus overlapping business organizations (e.g., Bay Area Council, Silicon Valley Leadership Group)
Messaging	Public safety, loss avoidance (prior 1/4 -cent sales tax for homeless services was set to expire), and acknowledgement that status quo was not working ("repeal and replace" of prior sales tax)	Housing need framing was less resonant given tax sensitivity

Applying Lessons to Plan for a Potential Future Regional Revenue Measure

Following months of engagement, elected and appointed members of BAHFA and ABAG's Committees and Bay Area stakeholders overwhelmingly expressed interest in participating in efforts to explore a revenue measure, often citing the ongoing tremendous affordability challenges in local communities and voters' consistent ranking of housing and homelessness as their top issues. Generally, they underscored that BAHFA is the only institution with authority and mandate to raise transformative-level funding across multiple counties in a way that can drive solutions at scale for the region's housing affordability and homelessness challenges.

At the same time, policymakers and stakeholders identified challenges with how quickly the region can be prepared to advance legislation to amend BAHFA's enabling statute. One set of challenges relates to the need to rebuild trust, strengthen relationships, and expand the coalition of BAHFA supporters. In the wake of the removal of Regional Measure 4 and the failure of Proposition 5 during the November 2024 election cycle, rebuilding the collaborative infrastructure necessary to undertake a bold, regionwide funding measure will take time. An additional challenge is the need to resolve complex policy issues that will influence whether certain stakeholders would support, oppose, or remain neutral on a future regional housing measure. These policy issues include the funding mechanism, labor standards, how to balance regional, county, and city priorities in the expenditure plans, and whether to expand eligible uses of the funds. Further, some stakeholders are considering whether there is a need to expand the scope of policy efforts given changes to the macro-economic environment. Resolving these issues in an inclusive and transparent manner will also take time. The ability to resolve these challenges swiftly is complicated by the fact that many stakeholders shared that they have limited capacity given funding constraints and competing priorities.

Beyond coalition building, policy development, and stakeholder capacity, there are external factors that will affect the viability of a regional measure in 2028 and which are currently unknown. Some of these relate to the Bay Area's regional context, such as whether any local housing funding measures will be pursued and whether a potential 5-county transit funding measure is successful. Other factors are statewide or national in scope, including whether a

statewide housing bond is placed on the ballot in November 2026, the results of the gubernatorial and mid-term elections in 2026, as well as the broader economic and political climate heading into November 2028. To have the greatest opportunity for success in 2028, the details of a potential housing measure must be crafted with these external factors taken into account. This cautions against rushing towards finalization of policy details for a potential regional housing measure too soon.

To strike an appropriate balance that makes demonstrable progress without unduly rushing, BAHFA and ABAG policymakers expressed support for a stepwise approach to continue exploration of a future regional housing revenue measure. This approach would involve setting up a regional process in 2026 to engage stakeholders while developing a policy framework to guide amendments to BAHFA's enabling legislation in 2027. Sponsoring a bill in 2027 would keep open the possibility of a revenue measure in 2028.

Standing up a regional stakeholder engagement process in 2026 has additional benefits. It could productively channel stakeholder appetite to begin the planning for a potential 2028 measure while being responsive to the need identified by many stakeholders to "move at the speed of trust." It could also serve as the vehicle to respond to a set of lessons learned from RM 4 about the importance of ensuring early participation from a diverse range of key stakeholders, getting the right people to the table at the very beginning of policy development for a potential measure. Establishing an inclusive regional process through which stakeholders can collectively debate policy issues can support relationship building, making it more likely that a renewed coalition would align to advocate together for the amendments to BAHFA's legislation in 2027. Finally, housing efforts in 2026 could closely track the progress of the potential 5-county transit funding measure and incorporate any additional lessons learned in real time.

Summary of Next Steps Towards a Potential Future Regional Revenue Measure

- Move at the speed of trust and take a stepwise approach.
  - **Phase 1:** Stakeholder Engagement (March – late 2026)
  - **Phase 2:** Legislative Advocacy (late 2026 – Sept 2027)
  - **Phase 3:** Ballot Measure (as early as Sept 2027 – Nov 2028)
- Ensure early participation from a diverse range of key stakeholders.
- Establish an inclusive regional process through which stakeholders can collectively debate policy issues to build consensus for amendments to BAHFA's legislation including adding express authority for placement of a measure via a citizen's initiative, and, potentially:
  - Revenue mechanisms
  - Labor standards
  - Revenue distribution, and
  - Eligible uses of funding.
- Monitor voter sentiment closely and incorporate lessons from the upcoming 2026 election before returning to the ballot.

APPENDIX 1

DRAFT SUMMARY OF REGIONAL HOUSING FINANCE AUTHORITY EXCHANGE
October 27-29, 2025
Long Beach, CA

What is the RHFA Exchange?

The Exchange brought together officials and stakeholders from the three regional housing finance authorities (RHFAs) in California: Bay Area Housing Finance Authority (BAHFA), Los Angeles County Affordable Housing Solutions Agency (LACAHSA), and San Diego Regional Housing Finance Authority (SD RHFA). Logistics were managed by LeSar Holdings, LLC.

Purpose of the Exchange:

1. Strengthen relationships between the three RHFAs and explore alignment for joint advocacy in Sacramento
2. Learn from successful Measure A campaign in Los Angeles in November 2024
3. Catalyze strategic discussions with Bay Area stakeholders to create conditions for success for a potential 2028 regional housing revenue measure

Formation and Governance

Each RHFA is designed to raise large-scale revenue for affordable housing through partnership between multiple public agencies. However, each region has a very different formation story, leading to differences in statutory authority and governance structures:

- BAHFA is the only multi-county RHFA and is uniquely situated within MTC-ABAG.
- LACAHSA is an independent new agency that covers LA County and is the only RHFA currently capitalized at scale as a result of Measure A.
- SD RHFA is the first entity formed under SB 440 (Skinner, 2024) and is formed as partnership between San Diego Unified School District and the San Diego Community College District. SD RHFA is the newest and least developed agency.

Los Angeles' Measure A (November 2024)

Many topics at the Exchange related to the Measure A coalition and its strategy. While some of these components will be outside of BAHFA's purview as a public agency, understanding the conditions for success in LA could provide insight as the Bay Area considers a path forward for a potential future regional revenue measure.

- **Measure A Basics:**[1] Measure A is a ½ cent sales tax in LA County placed on the ballot by citizen initiative that will raise an estimated $1 billion per year for homelessness and affordable housing. There is no sunset date for the sales tax. Revenue from the tax is split

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[1] More information about Measure A is available on the Los Angeles County Homeless Initiative website: https://homeless.lacounty.gov/measure-a/

with 60% retained by the County for homelessness services and roughly 40% allocated to LACAHSA. The funds allocated to LACAHSA are further split with 70% passed through to local governments and 30% retained by the agency to deploy via county-wide programs across the 3Ps.

- **Multisector Coalition**: Measure A was created and led by the "Our Future Los Angeles" coalition of nongovernmental partners. The coalition was anchored by the United Way of Greater Los Angeles and included grassroots groups, organized labor, business, as well as a wide variety of community-based and advocacy nonprofits. Coalition members emphasized that Measure A was driven by community members, only engaging elected officials towards the end of the process after the coalition determined most of the key policy provisions. This created a strong sense of coalition ownership that propelled widespread participation in signature gathering and campaign activities.

- **Coalition History and Campaign Capacity**: Many members of Our Future LA brought a long history of successful campaigns on housing-related topics. These include Proposition HHH (City of LA 2016, $1.2 billion bond for permanent supportive housing), Proposition JJJ (City of LA 2016, citizen initiative for inclusionary housing with labor standards), Measure H (LA County 2017, ¼ cent sales tax for homelessness services), and Measure ULA (City of LA 2022, citizen initiative raising transfer tax on properties over $5 million). These prior measures provided many of the Our Future LA members with critical campaign skills, including with citizen initiatives. They also provided the foundation for deep, trusting relationships among coalition members.

- **Role of Labor**: The Los Angeles County Federation of Labor (AFL-CIO) was a core member of the Our Future LA coalition from the beginning, providing critical analytic, organizational, and financial capacity. Organized labor was also central to many of the prior funding measures within the County. Given labor's central role, the labor standards were essentially pre-determined through the inclusion of a project labor agreement (PLA) requirement in LACAHSA's enabling statute.

- **Coalition Management:** Coalition leaders strongly emphasized the importance of transparency to build trust and sustain relationships among coalition partners. The coalition established a structure with a Steering Committee and various other committees to lead specific components of the campaign. This enabled broad and meaningful participation by coalition members, and also facilitated efficient channels of communication to share information and execute a coordinated campaign strategy.

- **Data-Driven Decision-Making (Polling):** As the coalition crafted the text of the measure, it conducted multiple polls to test viability of policy provisions. Details of the measure were largely driven by the polling results. Although coalition members had varying positions on these issues, they prioritized victory at the ballot over any particular policy agenda.

- **Funding:** Coalition members estimated that the cost for Measure A was approximately $10.7 million. This included roughly $4.2 million in pre-qualification activities (e.g.,

signature gathering) and $6.5 million in post-qualification activities. Labor and the philanthropic sector were the largest contributors.

Bay Area Considerations

- **Multisector Coalition**. A key takeaway is the importance of building a multisector coalition with a strong enough base of support to position the Bay Area for success in 2028. There are significant differences between the Bay Area and Los Angeles. For example, Measure A only covers one county whereas a potential BAHFA measure would need to include at least four, and the history and relational infrastructure of the coalition ecosystem is quite distinct between the two regions. Rather than applying the Measure A strategy in a cookie-cutter fashion, policymakers and coalition partners must consider whether and to what extent there are lessons that can be adapted and applied in the Bay Area context.

- **"Regionalism."** Bay Area participants noted potential confusion about what "regionalism" means within a housing funding context. It was suggested that a more precise way to discuss work at the multijurisdictional scale is that such efforts involve "working together to achieve impact at scale."

Exchange Next Steps

- **State Advocacy**. There was agreement among all RHFAs to explore pathways for collaboration on state level advocacy. BAHFA-MTC-ABAG agreed to take the lead on coordinating among the RHFAs to consider how such joint advocacy could be situated in the balance of other asks and priority considerations.

- **Ongoing Collaboration**. Representatives from each region expressed an interest in continuing the collaboration, including potential future convening(s).