

AUTHORITY AGENDA ITEM 4c - ATTACHMENT D

Date: April 18, 2024

W.I.: NA

Referred by:

ABSTRACT

Resolution No. 6-2024

This resolution by the Association of Bay Area Governments as the Executive Board to the Bay Area Housing Finance Authority (“Executive Board”) initiates the process to submit a ballot measure to Bay Area Voters at the November 2024 election by making certain findings in support of, approving the Bay Area Housing Finance Authority Board to adopt a resolution calling for an election to submit to the qualified electors of the nine county Bay Area a ballot measure authorizing an affordable housing general obligation bond in an amount not to exceed \$20 billion consistent with the requirements of Assembly Constitutional Amendment No. 1 (2023) or successor measure and authorizes the Bay Area Housing Finance Authority Board to take actions related, necessary, or incidental to carrying out the intent of this Resolution.

Further discussion of this action is contained in the Executive Board’s Summary Sheet dated April 18, 2024

Date: April 18, 2024

W.I.: N/A

Referred by: ABAG Housing Committee

RE: Initiation of Submittal of a Ballot Measure for an Affordable Housing General Obligation Bond to the Voters of the Bay Area at the November 2024 General Election

ASSOCIATION OF BAY AREA GOVERNMENTS EXECUTIVE BOARD AS THE
EXECUTIVE BOARD TO THE BAY AREA HOUSING FINANCE AUTHORITY

RESOLUTION NO. 6-2024

WHEREAS, the San Francisco Bay Area Regional Housing Finance Act (Cal. Gov. Code, § 64500, *et seq.*) (the “Act”) finds that the Bay Area is facing the most significant housing crisis in the region’s history because as a region, it has failed to produce enough housing at all income levels, preserve affordable housing, protect existing residents from displacement, provide adequate housing at all income levels in close proximity to jobs, and address the housing issue regionally and that regional funding is necessary to help address the housing crisis in the Bay Area, estimating that as of January 1, 2020, the Bay Area faces an annual shortfall of \$2.5 billion (Cal. Gov. Code, § 64501); and

WHEREAS, this shortage has created a demand for more homes than exist today, contributing to the high cost of housing and a steady rise in homelessness; and

WHEREAS, based on a poll conducted in December 2023, 74% of Bay Area residents were concerned about friends or family being able to find an affordable place to live; and

WHEREAS, pursuant to the Act, the Bay Area Housing Finance Authority (“**BAHFA**”) was formed to be a regional finance authority for housing in the counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano and Sonoma, the cities within those counties, and the City and County of San Francisco (collectively referred to as the “**Bay Area**”), with the purpose to raise, administer, and allocate funding and provide technical assistance at a

regional level for tenant protection, affordable housing preservation and new affordable housing production; and

WHEREAS, BAHFA, a separate legal entity, is a joint effort of Metropolitan Transportation Commission (“**MTC**”), the regional transportation planning agency for the San Francisco Bay Area pursuant to California Government Code Section 66500 *et seq.*, and the Association of the Bay Area Governments (“**ABAG**”), formed in 1961 by a joint powers agreement among Bay Area local governments and serves as the comprehensive regional planning agency and Council of Governments for the nine counties and 101 cities and towns of the San Francisco Bay Area, with the Commissioners of MTC serving as the BAHFA Board, and the ABAG Executive Board serving as the BAHFA Executive Board (“**Executive Board**”); and

WHEREAS, in 2020, MTC received a grant of \$20 million to set up the Bay Area Housing Finance Authority and a portion of the grant was used by BAHFA to create its Welfare Taxation Exemption Program, to facilitate the preservation of naturally occurring affordable housing and the Doorway Housing Portal, an online platform to connect affordable housing seekers with affordable housing opportunities throughout the Bay Area; and

WHEREAS, in 2022, the BAHFA adopted Resolution No. 28 accepting from MTC a subrecipient grant of \$43 million from Regional Early Action Planning 2.0 grant to establish the Housing Preservation Pilot Program, an affordable housing preservation program, and the Priority Sites Pilot Program, a predevelopment funding program for affordable housing units at locally identified, regionally significant sites; and

WHEREAS, since 2023, utilizing a \$5 million grant from the Metropolitan Transportation Commission, BAHFA has created an emergency rental assistance program to prevent displacement of low-income households at risk of losing their housing; and

WHEREAS, the Bay Area’s affordable housing funding needs far exceed grants received by BAHFA to date; and

WHEREAS, pursuant to California Government Code Sections 64520(a), 64520(p), 64521(a), and 64630, *et seq.*, subject to the Executive Board’s initial approval, BAHFA is

authorized to submit to the qualified electors of the Bay Area a measure for an affordable housing general obligation bond; and

WHEREAS, California Government Code Section 64521(a) authorizes BAHFA to select the date of election, which shall be consolidated with the next general statewide election, for the qualified electors of the Bay Area to consider such a bond measure; and

WHEREAS, since June 2022, staff have conducted an extensive public participation process to educate the Bay Area community about the region's housing affordability challenges and to solicit input from a broad range of stakeholder groups, including affordable housing and homelessness advocates, nonprofit developers, neighborhood and community groups, environmental advocates, equity organizations, home builder representatives, business organizations, and the boards, councils and staff at cities and counties throughout the San Francisco Bay Area regarding ways to improve access to affordable housing; and

WHEREAS, at its January 25, 2024, meeting, the BAHFA Advisory Committee, comprised of members with expertise in affordable housing finance, construction workforce and development, tenant protection and housing preservation, considered the results of the public participation process and adopted BAHFA Advisory Committee Resolution No. 1, recommending that the Executive Board approve and BAHFA submit a ballot measure for an affordable housing general obligation bond to the qualified electors of the Bay Area; and

WHEREAS, the ABAG Housing Committee and the BAHFA Oversight Committee have met jointly throughout the past two years to discuss submitting an affordable housing general obligation bond to the qualified electors of the Bay Area; and

WHEREAS, at its April 18, 2024, meeting, the Executive Board received a report entitled, *2024 Bay Area Affordable Housing Bond: Regional Funding for Local Solutions*, dated April 2024, an accompanying presentation on the need for funding for affordable housing and how the proposed ballot measure for bond authorization addresses this need; and

WHEREAS, the Executive Board, having received and discussed the results of the public participation process, input and recommendations from the BAHFA Advisory Committee, and

the ABAG Housing Committee, now desires to approve the BAHFA Board calling for an election for the purpose of submitting to the qualified electors of the Bay Area a ballot measure for incurring bonded indebtedness of BAHFA to mitigate the scarcity and cost of housing within the Bay Area; and

WHEREAS, the Executive Board determines that the shortage of affordable housing for all residents has led to:

- Approximately 37,000 people currently experiencing homelessness in the Bay Area, with the fastest-growing segment over age 55
- 1.6 million renters paying more than half of their income toward rent
- People commuting 90+ minutes to work to find housing they can afford
- People living in overcrowded and unsafe housing, and
- Key employees and community members leaving the area entirely; and

WHEREAS, the Executive Board determines that the consequences of a shortage of affordable housing affects everyone through:

- Congested freeways and high vehicle emissions from long commutes,
- Loss of teachers, co-workers and essential service workers who cannot afford to stay,
- Closed restaurants and small businesses due to staffing challenges,
- Strained familial ties, as grown children cannot afford housing near their parents and grandparents,
- Retirees forced to decide between buying medicine or paying rent, and living in housing that does not meet their financial and physical needs, and

- The broad community impact of thousands of people living in unsafe and inhumane conditions on the streets; and

WHEREAS, the Executive Board hereby determines that there is a need for affordable housing for low- and middle-income families, vulnerable populations, and others throughout the San Francisco Bay Area; and

WHEREAS, the Executive Board has evaluated funds from other sources and has found that they are insufficient to cover the shortfall of funding to address the Bay Area affordable housing needs; and

WHEREAS, Executive Board now wishes to initiate the submittal of a ballot measure for an affordable housing general obligation bond to the qualified electors of the San Francisco Bay Area at the November 5, 2024, election for the purpose of authorizing general obligation bonds to be spent on affordable housing as allowed by the Act and other applicable state law, throughout the Bay Area.

NOW, THEREFORE, THE ABAG EXECUTIVE BOARD IN ITS ROLE AS THE BAHFA EXECUTIVE BOARD (“EXECUTIVE BOARD”) HEREBY RESOLVES AS FOLLOWS:

Section 1. The Executive Board hereby finds and determines that the foregoing recitals are true and correct.

Section 2. Based on the findings above, the Executive Board certifies that it has evaluated other funding sources for the expenditures as authorized in the Act and finds that other funding sources are not sufficient to address the purpose and goal as described in the Act.

Section 3. The BAHFA Board is hereby approved to adopt a resolution calling for a bond election (the “**Election**”) throughout the Bay Area, which includes the counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano and Sonoma, and the City and County of San Francisco, at the next general election, to be held on November 5, 2024, for the purpose of submitting to the qualified electors of each of the nine counties throughout the San

Francisco Bay Area a ballot measure (the “**Measure**”) for their approval. Such approval to constitute the approval required by Article XXXIV and authorization to issue general obligation bonds in an amount not to exceed \$20 Billion as contemplated therein. The BAHFA Board has the discretion to establish the amount of the general obligation bonds at either \$10 Billion or \$20 Billion.

Section 4. The BAHFA Board is hereby authorized to take or authorize staff to take any and all actions related, necessary, or incidental to carrying out the intent of this Resolution, including but not limited to, approving the Measure’s ballot question, text and tax rate statement, estimating the units for purposes of satisfying Article XXXIV of the California Constitution and other state law, modifying the Measure to conform with the requirements of Assembly Constitution Amendment No. 1 (2023) or any successor provision, for the purpose of taking advantage of the lower voter threshold and authorizing staff to take actions to effectuate the purposes of this Resolution.

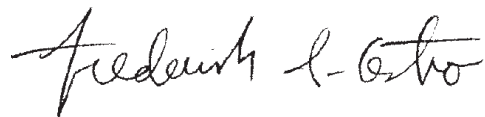
Section 5. This Resolution relating to an election shall take effect immediately.

ASSOCIATION OF BAY AREA
GOVERNMENT EXECUTIVE BOARD
AS THE EXECUTIVE BOARD TO THE
BAY AREA HOUSING FINANCE
AUTHORITY

A handwritten signature in black ink that reads "Belia Ramos". The signature is written in a cursive style with a large initial "B".

Belia Ramos, President

The above resolution was entered into by the
Executive Board at a duly called and noticed
meeting held in San Francisco, California and at
other remote locations, on April 18, 2024.

A handwritten signature in black ink that reads "Frederick Castro". The signature is written in a cursive style.

Frederick Castro
Clerk of the Board