
April 9, 2025

Agenda Item 9.a.

BAHFA Strategic Planning

Subject:

Overview of proposed BAHFA Strategic Planning process including timeline, milestones, and stakeholder engagement strategy.

Background:

On March 12, 2025, the ABAG Housing and BAHFA Oversight Committees (the “Joint Housing Committees”) received a three-part status update on BAHFA: 1) current programs and budget status, 2) regional housing revenue measure timing and other funding strategies, and 3) overview of a proposed 2025 Strategic Planning process. The first two components are summarized below as background information. The remainder of this report delves into the details and next steps to launch the Strategic Planning process.

Current Programs and Budget Status: Currently, BAHFA staff have full work plans to implement a suite of ongoing housing and land use programs to improve housing affordability for Bay Area residents, funded largely by diminishing one-time grants with expenditure deadlines. As such, BAHFA staff are on time-limited contracts that expire in June 2026. Based on recent and planned expenditures, staff estimate that BAHFA’s current funding may be able to extend a core set of operations to approximately summer 2027.

Regional Housing Revenue Measure Timing and Other Funding Strategies: Based on analysis of the regional economic and political climate, voter sentiment, and other competing regional priorities, staff believe that 2028 is likely the best next opportunity to pursue a regional housing revenue measure. Near-term priorities to secure funding for regional affordable housing sustainability include:

- Pursue a \$30 million request from the State to extend BAHFA’s runway beyond the current 2026-27 cliff, launch a new revenue-generating lending program, and continue programs to address housing affordability so that BAHFA is poised to pursue a transformative revenue measure at the next viable opportunity
- Support the \$10 billion statewide housing bond (AB 736 (Wicks) and SB 417 (Calderon), which could serve as one source for the \$30 million seed funding request for BAHFA, and
- Coordinate with counties that are considering local housing revenue measures.

To take full advantage of BAHFA’s statutory authorities and deliver on its mandate to improve housing affordability, BAHFA will seek revenue sources beyond the state. Potential additional sources include revenue generated by future BAHFA financing products, fees to defray the cost of operating the Doorway Housing Platform, philanthropic and other private sector donations, and revolved Priority Sites predevelopment loans from REAP 2.0 (subject to state requirements).

April 9, 2025

Agenda Item 9.a.

BAHFA Strategic Planning

Strategic Planning Modules and Launch

The proposed Strategic Planning process will evaluate the future of BAHFA's programs, develop a funding plan to implement those programs, and sustain momentum for a future regional housing revenue measure. Based on preliminary engagement with key stakeholders from the affordable housing field, including local jurisdictions, staff propose a series of four modules with approximate timelines as shown below:

1) New Regional Financing Products and Approaches: May – July 2025

BAHFA has retained CSG Advisors to conduct research into the viability and potential design of a small-scale lending program. If feasible and subject to availability of funding, this concept would allow BAHFA to launch a new regional financing product prior to a successful ballot measure, both demonstrating and testing BAHFA's potential as a public mortgage lender and creating a sustainable revenue stream for the agency. BAHFA plans to report back to the Joint Housing Committees with an update on this approach in the summer.

2) Regional Housing Programs: July – September 2025

Determine the other near-term BAHFA housing programs to continue delivering tangible housing benefits to the region. For example, BAHFA plans to sustain the Doorway Housing Portal and will need additional resources to expand the program in 2027 and beyond. This module will commence with a brief evaluation of BAHFA's current pilot programs as well as a gap analysis of the field to ensure that new or ongoing program ideas are cost-effective and add value. This module will also take into consideration how BAHFA will work in concert with ABAG and MTC housing programs to maximize resources and deliver impact across agencies. Given the uncertainties about future funding, it is likely that this module will lead to a narrower set of high-impact programs to form the new core operational baseline for BAHFA's next phase.

3) Funding Strategy to Support BAHFA Programs: August – October 2025

As described above, BAHFA will need additional funding beyond 2026 to support ongoing and new programs as well as the staff required to administer any ongoing work. Module 3 will review projected costs associated with the programs identified in Module 2 and identify potential funding opportunities including state investments, financing revenue, and private fundraising to meet these budget needs. The goal will be to right-size BAHFA's programs and operations commensurate with anticipated revenue streams, and to set the agency on a path towards financial self-sufficiency even if there is not a regional housing revenue measure in 2028.

4) Framework for a Future Ballot Measure: September – December 2025

The last module will focus on laying the groundwork for a future regional ballot initiative, incorporating lessons from Regional Measure 4 as well as Los Angeles's successful Measure A in November 2024. We will also assess the economic, social, and political

April 9, 2025

Agenda Item 9.a.

BAHFA Strategic Planning

dynamics in the evolving regional and national climate toward the end of 2025, and how this “temperature check” could influence a 2028 measure.

Staff plan to conclude these four modules by the end of 2025, and will present a conclusion of the Strategic Planning process in early 2026.

Stakeholder Engagement

Staff have developed a layered stakeholder engagement strategy that seeks to balance inclusivity with swiftness. This strategy includes the following elements:

- 1) **BAHFA and ABAG Committees:** The BAHFA Oversight and ABAG Housing Committees will provide oversight and guidance for the Strategic Planning process during their regular meetings. Staff anticipate roughly 5-6 meetings on this topic. The Committee meetings serve the additional purpose of providing regular opportunities for public involvement and will ensure transparency into the process.
- 2) **Regional Sounding Board:** An informal group that can provide more nimble feedback over the course of the process. Staff will identify participants that will include leadership from BAHFA and ABAG, as well as experts from the BAHFA Advisory Committee, partners from the broad coalition of BAHFA supporters, and funders. Staff will incorporate input from sounding board participants to present to the BAHFA Oversight and ABAG Housing Committees. Staff will convene sounding board participants as needed, potentially as a full group, smaller ad-hoc groups, and/or individually.
- 3) **Technical Advisory Groups:** Staff expect roughly three stakeholder groups with expertise in the specific content of the modules, likely combining engagement on Module 2 and 3 to ensure common understanding of how new programs must be linked to availability of new resources. Feedback will be provided to staff and consultants where applicable, then incorporated for presentation to the BAHFA Oversight and ABAG Housing Committees. Staff will convene Technical Advisory Groups on an as-needed basis, with members also expected to provide on-call feedback during swift-moving parts of the process.
- 4) **Regional Workshops and Webinars:** Staff anticipate 2-3 large-scale, virtual workshops and/or webinars to enable broad stakeholder participation. The first event will introduce stakeholders to the Strategic Planning process and highlight opportunities for deeper engagement. The final event will be a webinar to share outcomes and next steps. A potential third event, towards the middle of the process, could provide key updates or solicit feedback on emergent decision points.
- 5) **Community Engagement:** Staff are evaluating options for targeted community engagement in line with BAHFA’s Equity Framework. The aim is to craft engagement opportunities that enable meaningful input from residents impacted by lack of

April 9, 2025

Agenda Item 9.a.

BAHFA Strategic Planning

affordability and displacement pressures within the context of a swift and focused Strategic Planning process. Staff will return to the Joint Housing Committees at a future meeting with more details of the community engagement plan.

Finally, to leverage the success of Los Angeles' Measure A and to strengthen inter-regional relationships with BAHFA's sister agency, the L.A. County Affordable Housing Solutions Agency (LACAHS), staff are evaluating a potential research trip to Los Angeles in the fall. Staff seek feedback from the Joint Housing Committees on this concept and will return with additional details if so directed by Committee members.

Issues:

None

Recommended Action:

Information

Attachments:

A. Presentation

Reviewed:



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