

Bay Area Housing Finance Authority

Advisory Committee

May 25, 2023

Agenda Item 6.a.

BAHFA Rental Assistance Pilot Program

Subject:

Recommend adoption of Resolution No. 0030, accepting \$5 million from the Metropolitan Transportation Commission (MTC) and establishing a BAHFA Rental Assistance Pilot Program

Background:

With the launch of BAHFA's anti-displacement pilot and staff's investigation into pressing tenant needs, the housing stability of low-income renters in the Bay Area, particularly seniors, emerged as an urgent concern. In 2019, an estimated 575,000 people were at risk of homelessness in the region, and at least 36,800 people were homeless. The rise in homelessness is highest among seniors: [between 2017 and 2020, there was a 108% increase in seniors 65+ experiencing homelessness in CA, compared with a 61% increase across other age groups.](#) [People over 75](#) in particular face an increased risk of homelessness due to depleted savings, loss of a spouse, and declining health. Housing insecurity in the Bay Area is also infused with racial equity concerns: Black older renters are most likely to be cost-burdened (paying more than 30% of their income on rent) and severely cost-burdened (paying more than 50%), and [Black people are more likely to experience homelessness in the Bay Area](#) than any other racial group.

Program Elements

On May 10, 2023, MTC adopted Resolution No. 4578 granting \$5 million to BAHFA to establish a rental assistance program. Given this well-established need, BAHFA plans to utilize the \$5 million grant to create a rental assistance program focused on low-income older adults. This program will build on the success of over [30 guaranteed income](#) and [rental assistance](#) pilots operating throughout the country, including multiple in the Bay Area. The principles guiding a BAHFA rental assistance program include:

1. Prevent new incidences of homelessness and improve long-term housing stability for vulnerable populations with a focus on low-income seniors;
2. Prioritize efficiency to reduce administrative burden and barriers for participants;
3. Learn from existing pilot programs; and
4. Create a foundation for future BAHFA programs.

In launching the program, staff is considering:

- An equity-focused outreach and recruitment process to enroll eligible participants in the program, with continual recruitment of new participants if possible, pending program exits;

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- A monthly housing subsidy of \$500-800¹ for up to 48 months, with the opportunity to renew for additional 48-month cycles for people over 62 years of age;
- Prioritization of a service provider partnership that can provide connections to support services as appropriate for each participant, including but not limited to enrollment in other eligible benefits, housing programs, and case management; and
- Evaluation to refine the program model and measure program impact.

BAHFA will launch the program as soon as possible through a contract for professional services with a vendor who can provide direct enrollment and payment to program participants. BAHFA will fund the program until at least June 2026. Pending a successful 2024 housing revenue measure, the program may be continued and expanded with additional funds.

Service Provider Selection Criteria:

After a competitive procurement, staff will bring forward a recommendation for BAHFA to contract with an experienced service provider with, at a minimum, the following:

- Experience designing and administering at least one rental assistance program, with the demonstrated ability to operate the program over multiple years;
- Experience administering direct social service programs within the 9-county region, with a preference for experience in homeless services and homelessness prevention programs and a presence in multiple counties;
- Experience serving older adults; diverse, hard-to-reach households; and high-need populations with a high level of cultural competency; and
- Strong working relationships with local government agencies and service providers in the region.

To maximize impact and efficiency, BAHFA will give preference to service providers who can 1) contribute matching funds or in-lieu services to increase the program's impact, and/or 2) blend BAHFA funds with an existing rental assistance pilot that meaningfully expands or extends the ongoing program.

Next Steps:

- In June, staff will recommend to BAHFA to adopt a resolution accepting \$5 million and establishing a rental assistance program after seeking input from the BAHFA Oversight Committee.

¹ This estimate is derived from the average amounts dedicated to rental assistance and guaranteed income pilots throughout the country. BAHFA anticipates determining the final subsidy amount in partnership with contracted provider, pending geographic AMI and average rent, and balancing the level of subsidy with the availability of funds.

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- Following approval, staff will proceed with an open procurement process to select a service provider to administer the program and will return to either the BAHFA Board/the BAHFA Oversight Committee, as appropriate, for authorization to negotiate and execute a contract with the recommended service provider.

Issues:

None

Recommended Action:

The BAHFA Advisory Committee is requested to recommend Bay Area Housing Finance Authority (BAHFA) adoption of BAHFA Resolution No. 0030 accepting a \$5 million grant from the Metropolitan Transportation Commission (MTC) and establishing the BAHFA Rental Assistance Pilot Program.

Attachment:

- A. Presentation
- B. BAHFA Resolution No. 0030

Reviewed:



Andrew Fremier