



# BAHFA's Regional Expenditure Plan & Labor Standards

## 2024 Affordable Housing General Obligation Bond

Joint Housing Committees  
April 10, 2024



ASSOCIATION OF BAY AREA GOVERNMENTS  
METROPOLITAN TRANSPORTATION COMMISSION

# Recap

- BAHFA's 20% Regional Housing Revenue must be spent according to a Regional Expenditure Plan.
- On 2/14/24, the Joint Housing Committees referred for adoption BAHFA's draft Regional Expenditure Plan to their respective Boards, subject to additional discussion on labor standards.
- On 3/13/24, staff presented to the Committees information regarding labor standards currently in use in California and background information and context to assist decision-making.
- Negotiations with labor and developer representatives continued.

# Recap – Legal Limitations

- BAHFA does not have the legal authority to impose labor standards on the 80% of funds directly administered by the counties and direct allocation cities.
- If the state legislature were to amend the San Francisco Bay Area Regional Housing Finance Act at, BAHFA would be bound by state law, as amended.
  - However, due to federal law about project labor agreements (PLAs), BAHFA could not regulate the Direct Recipients use of PLAs even with amended state legislation.

# Recap – BAHFA's Goals & Guiding Principles

- Ensure that fair and equitable worker protections are integrated into regional housing bond investments.
- Build and preserve affordable housing at scale to meet the need.
- Preserve the ability to implement innovative finance and development strategies to deliver affordable housing more cost-effectively.

# Recommended Labor Standards: BAHFA

For BAHFA's Regional Expenditure Plan (20% of funds):

- **Prevailing Wage:** For 10+ unit, new construction developments, a prevailing wage with enforceable right of action.
- **Training & Healthcare:** In addition, for 50+ unit, new construction developments and if contractors do not have existing collective bargaining agreement providing such benefits:
  - Use of apprenticeship programs approved by the CA Division of Apprenticeship Standards.
  - Health care payments at a specified level.
- **Preservation:** The standards above shall apply to larger Preservation projects with substantial rehab scopes. Smaller projects will pay prevailing wages according to state law.



# Establishing a Baseline Regional Labor Standard

- BAHFA's enabling statute could be amended to permit BAHFA to require labor standards for 100% of funds raised.
- To ensure fair, equitable worker protections apply to all housing bond investments, include an anticipatory provision in their respective resolutions:

*The \_\_\_Board directs the Executive Director or designee to return with an agenda item to adopt a guideline that the labor standards to implement the labor standards as articulated in the Regional Expenditure Plan for Regional Housing Revenue, and if state law is amended to allow BAFHA to impose labor standards for counties and cities receiving a direct allocation of bond proceeds and the Ballot Measure passes, then the guideline brought forward should also extend the labor standards as articulated in the Regional Expenditure Plan to projects funded with County Housing Revenue portion of the bond proceeds.*

# Local Option to Exceed the Baseline

- Workforce conditions and contexts vary among counties; some counties may seek enhanced standards such as a Project Labor Agreement (PLA).
- To facilitate a local decision to exceed the baseline regional standard adopted by BAHFA, include a provision in the Regional Expenditure Plan that could apply to a future expansion of the standards to 100% of funds:

*Project Labor Agreements. Contractors and subcontractors performing work on a production or preservation project that is subject to a PLA for projects funded with County Housing Revenue may be exempt from the production and preservation standards set forth herein. (PLA is defined by Section 2500 of the Public Contract Code.)*

# Targeting Investments for the Greatest Need

- In addition to discussions about labor standards, staff have continued to engage with stakeholders about other issues including BAHFA's prioritization of community members with the greatest need (acutely low-income and extremely low-income households).
- To ensure accountability, staff recommend including a provision in the Regional Expenditure Plan to report annually on the number of new units of permanent supportive housing and homes serving extremely low-income households.
- This elevates a commitment already contained in BAHFA's Equity Framework, consistent with the strong accountability measures reflected in BAHFA's statutory reporting obligations.



# Recommended Action

Refer adoption of BAHFA's Regional Expenditure Plan, including:

- Labor standards for BAHFA's Regional Housing Revenue (the 20%)
- Reporting commitment for permanent supportive housing and homes for extremely low-income households
- Direction to staff to return with a guideline regarding labor standards, including expanding BAHFA's labor standard to 100% of bond funds if the Act is amended

# Next Steps: Decision-Making Timeline

## April

### Joint Housing Committees

- Labor standards (recommendation)

### ABAG Exec Board

- Business Plan
- Expenditure Plan (w/ labor standards)
- Initiating Resolution (“up to \$20B”)

## May

### BAHFA Board

- Business Plan
- Expenditure Plan (w/ labor standards)
- Election Resolution (w/ Ballot Question, Full Text, Tax Rate Statement)

## June

### BAHFA Board

- Business Plan
- Expenditure Plan (w/ labor standards)
- Election Resolution (w/ Ballot Question, Full Text, Tax Rate Statement)

Green = action item

# Thank You



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