
March 11, 2026

Agenda Item 7.a.

Regional Housing Revenue Measure

Subject:

Update on the design and timing of a stakeholder engagement process to develop a policy framework for potential amendments to BAHFA’s enabling statute

Background:

Module 1 of BAHFA’s recently concluded strategic planning process began to lay the groundwork to unite the region for a future regional housing revenue measure, as early as November 2028. Based on feedback from BAHFA and ABAG policymakers, Module 1 began with a series of reflections on lessons learned from the 2024 election cycle. This included reflections upon the process to develop Regional Measure 4 (“RM 4”), which would have sought voter approval for a \$20 billion regional affordable housing bond. It also included reflections on Proposition 5 (“Prop 5”), which was a statewide effort to lower the voter approval threshold to 55% for affordable housing bonds and would have applied to RM 4. Ultimately, Regional Measure 4 was pulled from the ballot and Proposition 5 was defeated at the polls.

Staff presented updates on Module 1 to the BAHFA Oversight and ABAG Housing Committees in May, September and November of 2025 as well as February 2026. Staff also engaged hundreds of stakeholders through a webinar in May of 2025, plus dozens of individual and small group meetings throughout 2025. Special care was taken to engage with groups and individuals who were deeply involved in RM 4 and Prop 5 as well as those who felt peripheral to or not included in 2024, such as some grassroots organizations, organized labor, and business representatives.

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 (“LACAHSAs”), 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 LACAHSAs. 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.

Throughout Module 1 of BAHFA’s strategic planning process, key themes that emerged included the need to start early to reestablish trust and strengthen relationships with a broad spectrum of stakeholders and to ensure that more voices are heard earlier in the process before pursuing another revenue measure. See **Attachment A** for a summary of reflections and

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lessons learned, including a copy of the notes from the RHFA Exchange. This agenda item marks a shift from high-level organizational strategic planning to more detailed road map to advance a potential future regional revenue measure.

Phased Approach to Consider a Potential Future Housing Revenue Measure

BAHFA and ABAG Committee members as well as external stakeholders broadly agree on a stepwise approach that would focus on stakeholder engagement in 2026 to build a framework for legislative amendments in 2027. Legislative amendments would include adding express authority for a measure to be placed on the ballot via a qualified voter initiative in addition to the BAHFA Board's authority to place a measure on the ballot directly, as well as potential additional amendments as described below. This approach responds to lessons learned by starting early, moving at the speed of trust, and building broad support for proposed legislation before it is introduced. The stepwise approach will also allow time to incorporate lessons from the upcoming 2026 election, including from a potential regional transit measure and state and local housing measures (if any).

Phased Process for Potential 2028 Measure:

- **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)
 - If and when there is officially a ballot measure, BAHFA's role would pivot to providing neutral information; as a public agency, BAHFA cannot be involved in campaign activity.

The goal of Phase 1 is not to determine all the policy features of a regional measure itself. Rather, Phase 1 seeks to engage a wide variety of stakeholders in an effort to drive consensus on changes to BAHFA's enabling legislation that may be pursued in Phase 2, which could then be further narrowed and specified in a revenue measure itself during Phase 3. It is helpful to think of Phase 2 as deciding which tools BAHFA should have in its toolbox and Phase 3 as deciding which of the tools to employ in a potential ballot measure.

Phase 1: Stakeholder Engagement

Staff have been actively and regularly engaging with a wide range of stakeholders throughout the strategic planning process. Just as BAHFA has been regrouping, external stakeholders have been in parallel reflections about how to move forward in a new and more successful manner. Staff have been actively collaborating with these stakeholders to ensure alignment with BAHFA's new strategic plan. Discussions are already more inclusive than in 2024 with active engagement by representatives of labor, business and grassroots organizations.

These discussions are preliminary, though they are evolving rapidly. There is an emerging consensus around a "hybrid" approach wherein BAHFA threads the needle of being involved in just the right amount – not too much, not too little. This approach recognizes BAHFA's centrality

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given its role as the regional governmental agency while also acknowledging that nongovernmental coalitions are more likely to “own” their portion of responsibilities when they are independently bought-in as partners in a shared effort. The hybrid approach is also intended to respect the legal division of roles; BAHFA can and should be involved in policy development but cannot be involved in campaign planning and execution. The combination of a hybrid approach with phasing is designed to facilitate shifts in BAHFA’s role vis-à-vis external partners, with greater public sector involvement in Phases 1 and 2 followed by sharp adjustment in Phase 3 if and when a measure is placed on the ballot.

The features of the hybrid approach for Phase 1 remain under development. Initial conversations have been focused on the need to have strong facilitation by people who are trusted by multiple interest groups and are skilled at building consensus through difficult conversations. BAHFA and ABAG policymakers have also consistently emphasized the need for the stakeholder process to be guided by a set of shared principles to facilitate alignment with BAHFA’s institutional interests.

BAHFA and ABAG’s role within such a hybrid structure includes: (i) setting the stakeholder engagement process in motion, (ii) establishing parameters that will ensure alignment with agency priorities, and (iii) actively participating in the process. However, under this approach, BAHFA would enable other external partners to lead in the coalition-building activities to engender true community ownership of a potential revenue measure. As such, BAHFA would share responsibility with external partners within some agreed-upon parameters and with ongoing check points to enable oversight by BAHFA and ABAG policymakers.

BAHFA’s deep engagement with stakeholders during the strategic planning process surfaced a set of unresolved policy issues that may require changes to BAHFA’s enabling legislation. Stakeholders specifically raised these issues as topics that would influence their willingness to join a coalition and shape a potential future measure. The list of policy issues includes:

- Revenue mechanisms
- Labor standards
- Revenue distribution, and
- Eligible uses of funding.

A key focus of Phase 1 is to explore whether current stakeholder and voter sentiment require legislative amendments to resolve this set of policy issues. It is unclear whether any such changes will garner consensus, and BAHFA’s statute as written remains law unless amended and thus provides a default scenario as backdrop.

BAHFA’s enabling legislation reflects some difficult and hard-fought political compromises and should not be changed lightly. However, those compromises reflect 2019 conditions and may need adjustments to account for changed circumstances. Phase 1 may end in deciding to seek no statutory changes, or only seek changes on some topics, but not all.

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During Phase 1, staff anticipate multiple touchpoints with the Committees to ensure alignment. At the end of Phase 1, the policy framework for any potential changes to BAHFA's enabling legislation will return to the Committees for discussion and input.

Phase 2: Legislative Advocacy

Phase 2 would start by translating the policy framework from Phase 1 into proposed legislative language to amend BAHFA's enabling statute. Staff would seek approval through regular MTC-ABAG protocols to sponsor a bill, as this will ensure that the agencies drive any changes to BAHFA's statutory parameters. Ideally, the proposed legislation will have a robust set of co-sponsors, spurred by groups participating in Phase 1. Staff's goal is to have a bill introduced early in the 2027 legislative session.

Phase 3: Ballot Measure

Phase 3 is still very much to be determined. Although many stakeholders are eager to engage in discussions about a potential revenue measure, the earliest opportunity to potentially reach the ballot is not until 2028. It is important to strike a balance between making progress on unresolved policy issues without prematurely determining details too early in the process given a dynamic political and economic climate that may affect voter attitudes. Any potential future ballot measure should be calibrated to the most up-to-date voter sentiment and should include lessons yet to be learned from the upcoming 2026 election cycle.

Accordingly, staff seek feedback from the Committees on Phase 1 and 2 to guide stakeholder engagement and policy development in 2026 to support potential legislative action in 2027.

Next Steps

- Spring 2026:
 - Strategic Planning Webinar
 - Refine and launch Phase 1 stakeholder engagement process to develop a policy framework for potential 2027 legislative amendments to BAHFA's enabling statute
- Ongoing:
 - Continue to rebuild trust and engage a broad set of stakeholders in multiple forums
 - Continue to raise BAHFA's profile by sharing successes with funders, decision makers and the public

Issues:

Limited Capacity: There will likely be capacity limits for how much can be accomplished in the first half of 2026, in part due to a potential 5-county transit measure that may involve many of the same stakeholders.

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Recommended Action:

Information

Attachments:

- A. Summary of Reflections and Lessons Learned
- B. Presentation

Reviewed:



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