

Bay Area Housing Finance Authority

Advisory Committee

May 22, 2025

Agenda Item 6.a

BAHFA Strategic Planning

Subject:

Updated Strategic Planning timeline and milestones based on Committee feedback, and preliminary lessons learned from the 2024 election cycle

Background:

On April 24, 2025, the BAHFA Advisory Committee received an overview of the proposed Strategic Planning process for BAHFA. The ABAG Housing and BAHFA Oversight Committees (the “Joint Housing Committees”) received the same presentation on April 9, 2025.

The proposed Strategic Planning process is designed to 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. The earliest opportunity for such a regional housing measure is 2028, subject to polling and discussions with BAHFA and ABAG policymakers. BAHFA’s current funding is projected to maintain operations until 2026-2027. The Strategic Planning process will chart a path to sustain BAHFA in the near-term so that it is positioned to advance a regional revenue measure at the next opportunity, and to build towards financial self-sufficiency in the medium-term regardless of whether there is a successful revenue measure in 2028.

During their April 9 and April 24 meetings, the Joint Housing Committees and the BAHFA Advisory Committee (respectively) provided feedback on the proposed Strategic Planning process. This item presents revisions to BAHFA’s Strategic Planning process in response to Committee direction. It also provides a preliminary set of “lessons learned” from the 2024 election cycle that pertain directly to BAHFA and ABAG’s role as the public agencies that authored Regional Measure 4 (“RM 4”).

Revised Strategic Planning Timeline and Milestones

Feedback from the Joint Housing Committees in April generally fell within the following themes:

- Accelerate reflections on “lessons learned” from the 2024 election cycle
- Prioritize near-term focus on fundraising, especially the \$30 million request from the FY 2025-26 state budget
- Ensure flexibility to allow for pivots, multiple scenarios, and various time horizons
- Retain other features of the initial proposal necessary to accomplish Strategic Planning goals, such as new financing approaches to create an ongoing revenue stream

The Strategic Planning timeline has been revised to incorporate this feedback, which is included as Slide 5 in **Attachment A**. Structural revisions to the overall timeline include:

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- **Change Sequence of the Modules:** the four original modules are largely retained but reordered to reflect Committee prioritization. The new sequence is:
 - Module 1: Regional Revenue Measure – Reflections and Framework for Future Ballot Measure
 - Module 2: Funding Strategy and Financial Sustainability Plan
 - Module 3: New Regional Financing Products and Approaches
 - Module 4: Regional Housing Programs
- **Phasing:** staff have layered in a more detailed phasing plan within and between modules to facilitate adjustments as new information is gathered during the process. A key milestone is in summer 2025; at that point, the state budget will be finalized and the success of BAHFA's \$30 million request will be known. Planning in the later phase is contingent upon the outcome of that request and other early fundraising efforts. The new phased structure includes a midpoint check-in to enable course correction as necessary.

As part of the new timeline and sequencing, staff have expedited efforts related to the revised Modules 1 and 2. More detail on those efforts are described below.

Module 2a: Update on Near-Term Fundraising

BAHFA's \$30 million request to the state legislature is the primary focus of near-term fundraising activities. In late April, Senator Becker submitted a budget request letter in support of BAHFA that was signed by 16 members of the Bay Area Caucus. The letter is included as **Attachment B**. The letter is a strong demonstration of the level of support, especially given how many Bay Area members are part of leadership and customarily do not sign such letters. A two-page overview of the budget request used by MTC and ABAG policymakers during the March Lobby Day visit to Sacramento is included as **Attachment C**. A BAHFA program update provided to legislators during follow up conversations in April is included as **Attachment D**. A support letter for BAHFA's \$30 million budget request signed by over 40 Bay Area organizations is included as **Attachment E**. The FY 2025-26 state budget is expected to be very constrained, creating difficult conditions for BAHFA's request despite support from the Bay Area Caucus.

Staff have also begun discussions with private funders that have a history of supporting regional housing initiatives. These conversations are in very early stages and there is nothing to report at this time. Staff will return to the Advisory Committee when substantive updates are available.

Module 1: Regional Revenue Measure – Preliminary Lessons Learned

Revised Module 1 Structure and Phasing

The goal of Module 1 is to lay the groundwork to unite the region for a future housing revenue measure, with an initial target of November 2028. While the fundamental thrust of this Module is

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forward looking, Committee members highlighted the importance of reflecting upon the 2024 election cycle as a necessary first step. Staff have revised Module 1 to include phased components that move from backward looking reflections to forward looking planning. The phasing is graphically represented on Slide 8 of Attachment A, and includes the following:

- **Module 1a: BAHFA-ABAG Reflections.** The first component focuses on issues within BAHFA and ABAG's sphere of control as public agencies. The primary set of issues relate to the process to develop RM 4 and place it on the ballot. The content of Module 1a will involve an analysis of strengths and challenges during that process with an eye towards identifying best practices for the development of a future measure. Staff's preliminary reflections are described in greater detail below.
- **Module 1b: External Stakeholder Reflections.** Because BAHFA was not a part of the campaign related to RM 4 or Proposition 5, "lessons learned" from those efforts must be identified in partnership with the organizations involved. The second component of Module 1 will involve ad hoc briefings with such stakeholders. These briefings with BAHFA and ABAG policymakers are likely to start in late May or June.
- **Module 1c: Framework for Future Regional Revenue Measure.** The third component will synthesize lessons from the first two to develop a broad framework for a future ballot measure. This will include building consensus around key success factors, identifying "go/no go" milestones, and preparing for a 2026 bill to authorize a citizen initiative. The intention is not to draft a ballot measure, create an expenditure plan, or resolve policy details – all of which would be premature to finalize in 2025 for a potential 2028 measure, especially given the dynamic political environment and the possibility that such a measure will be a citizen initiative rather than agency led. Instead, the goal is to operationalize lessons learned and best practices while generating forward momentum as part of a big tent coalition for the years ahead.

Module 1a: BAHFA-ABAG Reflections on 2024 Election Cycle

Staff have developed preliminary lessons from the RM 4 development process, including strengths as well as challenges. The strengths serve as a strong foundation to build upon and highlight the significant progress made during BAHFA's brief history. The challenges provide an opportunity to make improvements for any future measure. Each challenge is linked to a corresponding action to underscore the through line between backward looking reflections and the need to transition towards planning for BAHFA's future. These reflections are presented on Slides 9-11 in Attachment A.

Staff seek feedback from the Committees that will be incorporated into summary documents used as reference points as the Strategic Planning process advances.

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Next Steps

- **Ongoing:**
 - Advocacy in Sacramento and private fundraising to secure near-term resources for BAHFA (Module 2a)
- **May-June:**
 - First broad regional stakeholder webinar (May 15)
 - “Lessons learned” ad hoc briefings with external partners (Module 1b)
 - New financing approaches (Module 3) technical advisory group engagement
- **July:**
 - New financing approaches (Module 3) report to Joint Housing Committees

Issues:

None

Recommended Action:

Information

Attachments:

- A. Presentation
- B. Bay Area Caucus Budget Request Letter in Support of BAHFA
- C. MTC-ABAG Lobby Day Briefer on BAHFA \$30 Million Budget Request
- D. BAHFA Program Update for State Legislature
- E. Community Organization Letter in Support of BAHFA's \$30 Million Budget Request

Reviewed:



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