

## ABAG & MTC Housing Activities

The information below summarizes the specific work programs currently underway and led by MTC/ABAG and BAHFA staff. Collectively known as the “regional housing portfolio,” these programs are interdisciplinary and reflect an integrated staffing effort, with BAHFA staff assisting in several of the “MTC/ABAG” efforts while MTC/ABAG staff regularly assist on BAHFA programs.

- **Plan Bay Area** – Housing is one of the four pillars of the region’s long-range plan. Plan Bay Area 2050 establishes a comprehensive blueprint to secure the region’s interrelated housing, climate, transportation, and economic goals, treating housing as an integrated rather than isolated issue. Leveraging BAHFA staff’s expertise, Plan Bay Area 2050+ builds upon past efforts through an in-depth analysis of cost-drivers to construct new housing and a proposed suite of reforms to reduce costs and maximize the number of new affordable homes.
- **Regional Housing Technical Assistance (RHTA) Program** – Launched with funding from the Regional Early Action Planning Grant of 2019 (REAP 1.0), this award-winning program offers technical assistance and other support to local governments for housing and land use reform. The RHTA Program initially focused on helping Bay Area jurisdictions to develop and adopt their 6<sup>th</sup> Cycle Housing Elements. Leveraging additional funds from the Regional Early Action Planning Grant of 2021 (REAP 2.0), the RHTA Program is pivoting to support implementation and policy development. The Program is funded through mid-2026; additional funds must be secured to extend activities beyond that date.
- **Housing-Transportation Linkages and Incentive Programs** – MTC has incentivized housing outcomes through various transportation funding programs such as the One Bay Area Grant (OBAG) and the Housing Incentive Pool (HIP). In 2022, MTC adopted Resolution 4530 to establish the Transit Oriented Communities (TOC) Policy, which seeks to maximize the impact of regional transportation investments by encouraging a pro-housing and climate-friendly regulatory environment around fixed-guideway transit stations.
- **Local Government Grants for Land Use and Housing Policy Development** – MTC has provided significant financial support to local governments to adopt specific plans in station areas. The Priority Development Area (PDA) Planning Program has distributed \$50 million through more than 100 grants to local governments, resulting in a net increase in zoned capacity for over 200,000 transit-oriented homes across the region. Earlier this month, [MTC released a Call for Projects](#) to support local implementation of the TOC Policy and Climate Programs, which includes approximately \$10 million to increase density and adopt 3Ps housing policies around transit stations. Applications are due November 22, 2024 and staff anticipate bringing recommended awards to the Commission in February 2025.
- **Priority Sites Program** – Launched in 2023, this joint effort between ABAG, MTC, and BAHFA seeks to implement Plan Bay Area 2050 by going beyond “planning” to project-level support. Priority Sites are locally-identified, regionally significant places that will offer homes affordable to people across the income spectrum near essential services, amenities, and transit. ABAG and MTC approved the first set of 211 sites across all nine counties that have the capacity to add 171,000 homes. MTC programmed \$28 million to BAHFA for a predevelopment loan pilot described more below. Additionally, MTC has allocated \$4.2 million to provide technical assistance to 28 sites in earlier phases of

development. This pilot will demonstrate the power of partnership between BAHFA, MTC, and ABAG – with BAHFA providing implementation funding for the transit-oriented, climate-friendly growth pattern developed by its sister regional planning agencies.

- ***U.S. Department of Housing and Urban Development (HUD) PRO Housing Grant*** – MTC, in partnership with BAHFA, secured a \$5 million grant from the inaugural PRO Housing program to remove local barriers to produce and preserve housing. The funding is expected to accelerate implementation of the Priority Sites Program, including two catalytic development projects that could add over 400 affordable homes as part of developments yielding a total of approximately 1,100 total homes.
- ***Housing and Land Use Data Gathering & Analysis*** – MTC and ABAG have maintained a regional database of housing permits, which served as a model for updates to a statewide permit tracking system operated by the California Department of Housing and Community Development (HCD). Recently, the agencies launched the [Housing and Land Use Viewer](#) (HLUV) a web-based tool allowing the public to access a multitude of datasets from different planning disciplines including housing, land use, transportation, and the environment. Notably, the tool includes an interactive mapping interface that allows users to explore data at the parcel level, including details on over two million parcels such as whether sites have been prioritized for affordable housing as part of a local Housing Element. BAHFA staff are also conducting extensive housing data analysis focused on state financing outcomes, the implications of regional demographic data on housing affordability, and housing construction cost trends.
- ***Climate and Housing Intersection*** – The Bay Area Regional Energy Network (BayREN) provides regional-scale energy efficiency programs and services that deliver climate solutions focused on energy, water and resilience. BayREN helps both residential property owners and businesses reduce energy costs. Since 2013, its housing upgrade programs have reached almost 61,000 units. As part of a recent MTC/ABAG executive reorganization, a new Deputy Executive Director position was created to better integrate and leverage a combined Housing and Energy portfolio.

## BAHFA Pilot Program Updates

In 2021, the state legislature provided a \$20 million grant to take advantage of the new authorities offered by BAHFA to expand the regional housing portfolio. The one-time grant has supported standing up BAHFA as a new legal entity, increasing housing expertise as part of the integrated staff serving MTC-ABAG (and now BAHFA), and launching five pilot programs. Each program has achieved success over the last two years, and they fulfill BAHFA's 3P mandate – production, preservation, protection – on an ongoing basis.

### Pilot #1: Preservation

- 1) ***Preservation Pilot Loan Program (~\$18 million)***: BAHFA released a Notice of Funding Availability (NOFA) in June 2024, using a first advance of REAP 2.0 funding. It is currently in negotiations with three developers:
  - A South Bay community land trust seeking to acquire and rehabilitate an 18-unit building occupied by long-term, low-income tenants who requested land trust assistance when their building went on the market.
  - A San Francisco land trust seeking to acquire and rehabilitate a 17-unit building, also occupied by long-term, low-income residents who requested the land trust's help.

- A Marin County mobile home site with 315 spaces that existing residents hope to convert to a limited equity homeownership development.

*Preservation Pilot Loan Program Next Steps:* BAHFA expects to close the Preservation loans listed above in the next several months. Staff anticipate releasing a second NOFA with the remainder of available REAP 2.0 funding in early 2025.

- 2) *Welfare Tax Exemption Preservation Program (WTEPP):* To date, BAHFA has helped developers convert approximately 800 market-rate apartments to permanently affordable homes through use of the state's property tax exemption statutes. The assisted projects are in Ashland (unincorporated Alameda County), Oakland, Daly City, the City of San Mateo, Walnut Creek, and San Jose.

To further protect tenants beyond ensuring a below-market rent, BAHFA has increased the program's tenant protections over time, including project rent increase caps in jurisdictions without rent control ordinances and the requirement that severely rent-burdened tenants must be assisted with rent reductions once the project achieves a manageable cash flow. This required reinvestment will help vulnerable residents stay housed.

*WTEPP Next Steps:* BAHFA's program is ongoing and open to all interested developers able to comply with the state's property tax exemption rules. BAHFA staff regularly receive inquiries about new projects.

#### Pilot #2: Homelessness Prevention Pilot

Federal, state and local funding for homelessness prevention is scarce relative to the need. For that reason, BAHFA and MTC redirected money that had been deployed to assist land acquisitions (an activity for which other funding programs exist) to fund a rental assistance program for extremely low-income, at-risk seniors. Through a competitive NOFA, the County of Napa secured the funding in 2023 and has engaged its first participants. Among people becoming homeless, seniors are the fastest growing demographic.

*Homelessness Prevention Next Steps:* BAHFA staff is working to ensure the success of the program with Napa County partners and will provide ongoing monitoring and reporting assistance. Staff hopes to secure new funds to expand the program.

#### Pilot #3: Anti-Displacement Pilot

Eviction in many Bay Area communities has caused significant hardship since recovery from the Great Recession. Though a key driver of homelessness, there is limited data available on evictions, making it challenging to design and evaluate local policies and programs to prevent displacement. BAHFA is working in partnership with a research collaborative led by Centro Legal de la Raza to collect and analyze eviction and legal service data throughout the region to better understand causes, household characteristics and additional conditions of evictions.

*Anti-Displacement Next Steps:* Study results are expected in early 2025. BAHFA staff is working closely with partners to ensure that the information provided can assist communities and guide the development of data-driven displacement prevention strategies.

*Additional Anti-Displacement Work:* Anti-displacement goals and policies are also built into BAHFA's Preservation Pilot programs.

#### Pilot #4: Doorway Housing Portal

Since its launch in June 2023, Doorway Housing Portal has added application capacity and is currently finalizing lottery and local preference capacity. Use of the site is growing, and Doorway staff are securing new listings and new participants daily.

*Doorway Housing Portal Next Steps:* The goal for Doorway is to be the go-to resource for affordable housing seekers across the Bay Area. The hardships low-income people incur searching for affordable homes building-by-building, waitlist-by-waitlist, are extensive. Doorway will continue its outreach, fundraising, and work with partners to establish a fee-for-service structure, all of which are essential to success.

#### Pilot #5: Affordable Housing Pipeline Studies

In partnership with Enterprise Community Partners, BAHFA released affordable housing pipeline reports in 2023 and 2024 to highlight the funding needed to unlock homes that had already secured some stage of entitlement and financing approvals. In 2024, they identified over 40,000 homes in need of approximately \$9.7 billion.

*Affordable Housing Pipeline Next Steps:* a 2025 update is currently underway by BAHFA staff.

#### Additional BAHFA Programs

*Priority Sites Lending:* BAHFA is fulfilling its Production mandate through the lending program it launched as an integral part of MTC/ABAG's Priority Sites Pilot. Using approximately \$28 million in REAP 2.0 money, BAHFA is providing predevelopment and permanent financing that will immediately assist over 1,700 new affordable homes, all of which are critical components of larger developments producing more than 12,000 homes and extensive community amenities.

BAHFA's first Priority Sites loan with East Bay Asian Local Development Corporation closed on August 28, 2024. It was the final piece of financing needed to commence construction on 97 units of senior housing, including 44 units reserved for formerly homeless seniors and those with special needs. Located in Oakland's Chinatown neighborhood, it is the first phase of a 550-unit development that re-envision the Lake Merritt BART neighborhood.

*County & Local Housing Staff Convenings:* BAHFA and MTC staff brought regional housing staff together regularly to collaborate on RM4 – a first for the region. Additional convenings are planned to continue collaborative regional relationships.

*SB 35 Tribal Notification Toolkit:* A subset of ABAG's Regional Housing Technical Assistance Program, BAHFA produced a toolkit for developers and local government staff to assist in navigating tribal notification requirements included in SB 35 entitlements, with the dual goals of protecting Tribes' autonomy and cultural and archeological resources while preserving SB 35's streamlining objectives.

*BAHFA Business Plan:* BAHFA completed a comprehensive Business Plan and Equity Framework, which its governing boards unanimously approved in 2024. This document lays the foundation for BAHFA's current and future work, establishing a long-term vision for housing program and project implementation that is centered on equity.