

November 12, 2025

Agenda Item 7.a.

BAHFA Strategic Planning

Subject:

Update on Module 1 of BAHFA's Strategic Planning process, focusing on timing of amendments to BAHFA's enabling legislation to lay the groundwork for a potential future regional housing revenue measure

Background:

Module 1 of BAHFA's Strategic Planning process is focused on laying the groundwork for a future regional housing revenue measure as early as 2028. Module 1 was divided into subcomponents to enable smooth transition from backward-looking reflections (Modules 1a and 1b) to forward-looking planning (Module 1c). For backwards looking reflections, staff and external stakeholders have presented "lessons learned" from the 2024 election cycle and obtained feedback from the BAHFA Oversight and ABAG Housing Committees ("Joint Housing Committees"), as well as the BAHFA Advisory Committee.

Staff have commenced Module 1c, which is designed to develop a framework for a future regional revenue measure. BAHFA and ABAG policymakers previously directed staff that the framework should include authorization for a regional revenue measure to proceed as a ballot initiative, should citizens desire to pursue it. This structure is similar to the authority included in SB 63 (Wiener, 2025) for a regional transit funding measure. The path to explicitly include ballot initiative authority for a regional housing measure involves amending BAHFA's enabling statute. The 2025 MTC-ABAG Advocacy Platform included the amendment as a priority. However, based on advice from key legislators, in February MTC and ABAG pivoted from sponsoring legislation to requesting \$30 million in state funding to maintain BAHFA's operations and launch a self-sustaining lending programs.

A threshold issue is the most advantageous timing to pursue amending BAHFA's statute. Working backward from a targeted revenue measure in November 2028, a bill could be pursued in either the 2026 or the 2027 legislative sessions. This item provides a summary of staff's stakeholder engagement and analysis of the preferred path, ultimately recommending 2027 for the legislative amendments. Staff seek input from the BAHFA Oversight and ABAG Housing Committees to confirm or modify the approach. The direction on timing will inform the goals, pace, and desired outcomes of Module 1c activities for the remainder of the fall.

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Discussion:

During the last several months, staff have engaged a wide variety of stakeholders to test the appetite for exploring a potential regional housing measure in 2028. This has included 1-on-1 and small group conversations with dozens of stakeholders from local governments, nonprofits, housing developers (nonprofit and for profit), business and labor organizations, housing authorities, as well as advocacy and grassroots groups. BAHFA and ABAG also participated in a field study trip to Long Beach on October 27-29, 2025 for the inaugural Regional Housing Finance Authorities Exchange. This convening brought together policymakers, staff, and stakeholders from the three regional housing finance authorities in California. A draft summary of the Exchange is included as **Attachment B**. Staff continue to engage with Exchange participants to refine reflections and lessons from the trip that will be incorporated into a Module 1 strategy that will be presented to policymakers in early 2026.

Following months of engagement, Bay Area stakeholders overwhelmingly expressed interest in participating in efforts to explore a revenue measure, often citing the ongoing tremendous affordability challenges in local communities and voters' consistent ranking of housing and homelessness as their top issues. Generally, stakeholders underscored that BAHFA is the only institution with authority and mandate to raise transformative-level funding across multiple counties in a way that can drive solutions at scale for the region's housing affordability and homelessness challenges.

At the same time, stakeholders identified challenges with how quickly the region can be prepared to advance legislation to amend BAHFA's enabling statute. One set of challenges relates to the need to rebuild trust, strengthen relationships, and expand the coalition of BAHFA supporters. In the wake of the removal of Regional Measure 4 and the failure of Proposition 5 during the November 2024 election cycle, rebuilding the collaborative infrastructure necessary to undertake a bold, regionwide funding measure will take time. An additional challenge is the need to resolve complex policy issues that will influence whether certain stakeholders would support, oppose, or remain neutral on a future regional housing measure. These policy issues include the funding mechanism, labor standards, how to balance regional, county, and city priorities in the expenditure plans, and whether to expand eligible uses of the funds. Further, some stakeholders are considering whether there is a need to expand the scope of policy efforts given changes to the macro-economic environment. Resolving these issues in an inclusive and transparent manner will also take time. The ability to resolve these challenges swiftly is complicated by the fact that many stakeholders shared that they have limited capacity given funding constraints and competing priorities.

Beyond coalition building, policy development, and stakeholder capacity, there are external factors that will affect the viability of a regional measure in 2028 and which are currently unknown. Some of these relate to the Bay Area's regional context, such as whether any local housing funding measures are pursued in 2026 and whether a potential 5-county transit funding measure is successful. Other factors are statewide or national in scope, including whether a statewide housing bond is placed on the ballot in November 2026, the results of the gubernatorial and mid-term elections in 2026, as well as the broader economic and political

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climate heading into November 2028. To have the greatest opportunity for success in 2028, the details of a potential housing measure must be crafted with these external factors taken into account. This cautions against rushing towards finalization of policy details for a potential regional housing measure too soon.

To strike an appropriate balance that makes demonstrable progress without unduly rushing, staff recommend a stepwise approach to continue exploration of a future regional housing revenue measure. This approach would involve setting up a regional process in 2026 to strengthen the coalition of BAHFA supporters while developing a policy framework to guide amendments to BAHFA's enabling legislation in 2027. Precisely what role BAHFA should play in this process remains a design question subject to further analysis and feedback from stakeholders and policymakers. Sponsoring a bill in 2027 would keep open the possibility of a revenue measure in 2028, though it may compress the window of opportunity for a ballot initiative should citizens determine to pursue that path. Notably, the compressed timeline would be same as what currently faces the 5-county transit measure and could be further mitigated if the 2027 bill is passed with an urgency clause, which gives it immediate effect upon signature by the governor.

The creation of a regional coalition-building process in 2026 has additional benefits. It could productively channel stakeholder appetite to begin the planning for a 2028 measure while being responsive to the need identified by many stakeholders to "move at the speed of trust." It could also serve as the vehicle to respond to a set of lessons learned from RM 4 about the importance of ensuring early participation from a diverse range of key stakeholders—getting the right people to the table at the very beginning of policy development for a potential measure. Establishing an inclusive regional process through which stakeholders can collectively debate policy issues can support relationship building, making it more likely that a renewed coalition would align to advocate together for the amendments to BAHFA's legislation in 2027. Finally, housing efforts in 2026 could closely track the progress of the potential 5-county transit funding measure and incorporate any additional lessons learned in real time.

BAHFA Advisory Committee Feedback

The BAHFA Advisory Committee met on October 30, 2025 and received the current report. Advisory Committee members supported the staff recommendation for a stepwise approach that targets amendments to BAHFA's enabling legislation in 2027. There was a request for a more detailed timeline of the milestones for a 2028 measure to ensure that there is enough time for external parties to run a campaign, if desired. The Advisory Committee members expressed an interest in receiving a debrief of the recently completed field study trip to Long Beach to learn about the success of Measure A, which will raise \$1 billion per year in Los Angeles County for homelessness and affordable housing. Finally, Committee members suggested several topics for consideration as part of regional coalition-building in 2026, including anticipated concerns about local control, potentially expanding eligible uses of revenue to enable greater base of support, and the importance of growing the cross-county organizing capacity of Bay Area stakeholders.

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Next Steps

Staff seek direction from the Committees whether to proceed with the proposed stepwise approach to a future regional housing revenue measure. This stepwise approach would involve a regional coalition-building process in 2026 that would lead into proposed amendments to BAHFA's enabling legislation in 2027.

Pending feedback from policymakers, staff will return at a future meeting with considerations for the regional process. Such considerations may include, but not be limited to, the scope, structure, and partnership models for the process. Staff anticipate that BAHFA's current Strategic Planning process will conclude as scheduled in early 2026, and that the new regional process will emerge as one of the key implementation actions.

Issues:

None

Recommended Action:

Information

Attachments:

- A. Presentation
- B. Regional Housing Finance Authorities Exchange: Draft Summary Notes
- C. Regional Housing Finance Authorities Exchange: Participating Organizations

Reviewed:

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