BAHFA Strategic Planning

ABAG Housing & BAHFA Oversight Committees

May 14, 2025

ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

Strategic Planning Updates: Revised Timeline & Milestones

Committee Feedback on Strategic Planning

In April, the Joint Housing Committees provided feedback on staff's proposed Strategic Planning process:

1. Accelerate reflections on "lessons learned" from 2024 election cycle

2. Prioritize near-term focus on fundraising, especially $30 million "state ask"

3. Ensure flexibility to allow for pivots, multiple scenarios, and various time horizons ("less linear" process)

4. Retain other features of the staff proposal necessary to accomplish Strategic Planning goals

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Strategic Planning Overview *(revised)*

North Star:
BAHFA was created to raise transformative revenue to meet regional affordable housing needs at scale

Purpose:
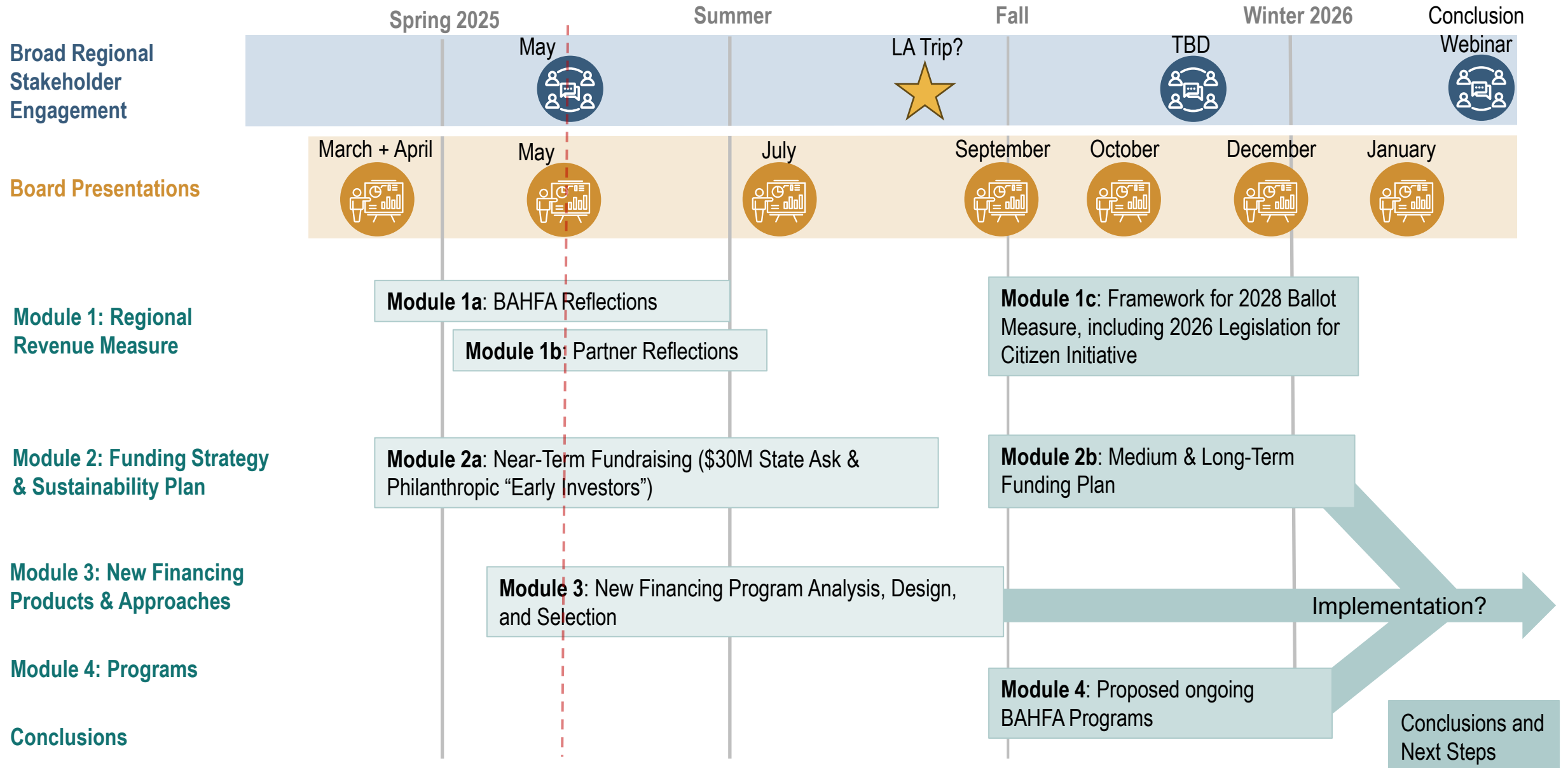Articulate the vision and plan to sustain BAHFA until capitalized at scale

Process:
An inclusive process is necessary to maintain, strengthen, and expand coalition of BAHFA supporters

Four Modules:

1. Regional Revenue Measure: Reflections & Framework for Future Ballot Measure

2. Funding Strategy and Financial Sustainability Plan

3. New Regional Financing Products & Approaches

4. Regional Housing Programs

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Strategic Planning Timeline *(revised)*

	Spring 2025		Summer	Fall		Winter 2026	Conclusion
Broad Regional Stakeholder Engagement		May		LA Trip? ⭐	TBD		Webinar
Board Presentations	March + April	May	July	September	October	December	January

Module 1: Regional Revenue Measure
- Module 1a: BAHFA Reflections
- Module 1b: Partner Reflections
- Module 1c: Framework for 2028 Ballot Measure, including 2026 Legislation for Citizen Initiative

Module 2: Funding Strategy & Sustainability Plan
- Module 2a: Near-Term Fundraising ($30M State Ask & Philanthropic "Early Investors")
- Module 2b: Medium & Long-Term Funding Plan

Module 3: New Financing Products & Approaches
- Module 3: New Financing Program Analysis, Design, and Selection

Implementation?

Module 4: Programs
- Module 4: Proposed ongoing BAHFA Programs

Conclusions
- Conclusions and Next Steps

Module 1:
Regional Revenue Measure

Reflections & Framework for Future Ballot Measure

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Module 1 Overview *(revised)*

Photo Courtesy of RCD Housing

Goal

- Lay groundwork to unite the region for a future housing revenue measure

Process

- Articulate "lessons learned" from recent measures, including RM 4

- Proposed trip to Los Angeles to learn from success of Measure A & start-up of LACAHSA

- Monitor political climate and voter attitudes

- Technical Advisory Group to include coalition leadership, local agency perspectives, state housing leaders, and legislative stakeholders

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Module 1: Revised Phasing

Module 1a: BAHFA/ABAG Reflections

- Focus on issues within BAHFA & ABAG's sphere of control
- Identify strengths and challenges from RM 4

Module 1b: Stakeholder Reflections

- Engage with partners on broader set of issues, including Prop 5
- Ad hoc briefing(s) with external partners

Module 1c: Framework for Future Regional Revenue Measure

- Build consensus around key conditions for success
- Identify "go/no-go" milestones and timelines
- Lay groundwork for 2026 bill to authorize citizen initiative
- Retain flexibility to adapt to shifting future conditions and multiple scenarios

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Module 1a: Strengths of RM 4 Development

Several aspects of the RM 4 development process can serve as a strong foundation to build upon for a future revenue measure:

- **BAHFA & ABAG Partnership.** Joint Committee structure and strong spirit of collaboration enabled smooth decision-making within "double green light" process required by statute.

- **Staff Capacity & Expertise.** BAHFA and MTC swiftly demonstrated "proof of concept" through pilot programs and facilitated significant policy development required for RM 4.

- **Regional Priority Setting Process (BAHFA's 20%).** BAHFA and ABAG policymakers reached broad agreement on key "decision points" by late 2023, establishing many features of the Regional Expenditure Plan more than a year before the election.

- **Regional Support for Local Expenditure Plans (the 80%).** BAHFA strengthened cross-jurisdictional relationships by regularly convening County and Direct Allocation City housing staff, providing a robust package of technical assistance to support Local Expenditure Plans.

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Module 1a: Challenges & Improvements

There are important "lessons learned" from RM 4 that should be a focus for improvements with a future revenue measure:

- **Two Measures At Once:** RM 4's reliance upon Proposition 5 during the same election exposed it to risks and externalities.
  - Action: Seek authorization for citizen initiative as alternative to viable voter threshold.

- **Accuracy:** Error in ballot question affected BAHFA's credibility.
  - Action: Implement enhanced internal controls to ensure accuracy and restore trust.

- **County and City Support:** Concerns from some counties about Regional Expenditure Plan took longer to resolve. Additionally, many cities expressed concern about county-led Local Expenditure Plans, due *after* the election per statute.
  - Action: Earlier and deeper engagement with elected officials to surface tensions and build consensus for solutions.
  - Action: Consider timing and supports needed for Local Expenditure Plans.

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Module 1a: Challenges and Improvements *(continued)*

- **Stakeholder Support**: Although many stakeholders participated throughout the process and supported the measure, consensus was not reached with key interest groups such as labor and business.

  - Action: Earlier and ongoing decision-making with broad set of stakeholders who could be in "big tent" coalition, including labor and business groups.

- **Complexity**: Multilayered statutory framework posed a challenge to concisely describe benefits of the measure.

  - Action: Develop and disseminate simple, clear public education materials.

  - Action: Build upon materials developed for RM 4 to release robust technical assistance materials to local jurisdictions earlier.

- **Timing**: Issues arising from topics above (and others) created a time-crunch at the end.

  - Action: Develop "go/no go" checklist with key interim milestones.

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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 Committees

Thank you.