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March 6, 2026

The Honorable Monique Limón
President pro Tempore, California State
Senate
1021 O Street, Suite 8518
Sacramento, CA 95814

The Honorable John Laird
Chair, Senate Budget and Fiscal Review
Committee
1021 O Street, Suite 8720
Sacramento, CA 95814

The Honorable Melissa Hurtado
Chair, Budget Sub #4
1021 O Street, Suite 6510
Sacramento, CA 95814

Re: FY 2026-27 Budget Request of \$32 million to support California's Three Regional Housing Finance Authorities

Dear President pro Tempore Limón, Chair Laird and Chair Hurtado:

With a new critical mass of Regional Housing Finance Authorities (RHFA) covering almost half of the state's population, we write to respectfully request a one-time budget allocation of \$32 million to support their innovative, regionally-driven approaches to meeting a wide range of housing needs.

California's three RHFA include the Bay Area Housing Finance Authority (BAHFA), established October 2020; Los Angeles County Affordable Housing Solutions Agency (LACAHS), established June 2022; and the San Diego Regional Housing Finance Agency (SD-RHFA), established June 2025. Combined, they serve 48% of Californians and bring substantial revenue raising power to the formidable task of advancing housing production, preservation, and renter protections.

| Budget Request Breakdown | |
|--------------------------|-----------------|
| Region | One-Time Amount |
| Bay Area (BAHFA) | \$15 million |
| LA County (LACAHS) | \$ 8 million |

| | |
|--------------------|---------------------|
| San Diego (SD-RHF) | \$ 9 million |
| Total | \$32 million |

Below we share an overview of how each agency would deploy these funds to complement the state’s existing programs.

Bay Area Housing Finance Authority

BAHFA’s new strategic plan charts a path to self-sufficiency by 2030 via a revenue-generating loan program and fees. \$15 million in one-time state support - matched by MTC-ABAG and philanthropy - would sustain the agency’s most promising programs for the intervening four years. This includes:

1. Allowing the Doorway Housing Portal, used by more than 450,000 housing seekers, to offer more apartment and ADU listings;
2. Launching the innovative Mixed-Income Financing Program, which will generate revenue for the agency; and
3. Positioning BAHFA to advance a large regional revenue measure as early as 2028.

Appropriating the full \$15 million in this budget will help BAHFA attract the additional expertise needed to run the lending program and increase confidence in Doorway’s longevity among the property managers who are its key partners. It will also signal to philanthropy the high value the state places on BAHFA’s success.

Los Angeles County Affordable Housing Solutions Agency

Funded by a portion of the sales tax revenue generated by Measure A, passed on November 5, 2024, LACAHS is in its first year of funded operations. As these funds begin reaching communities for the first time, LACAHS has identified a critical need for technical assistance and regional coordination to ensure these investments are deployed effectively and equitably. This budget request would:

1. Coordinate housing investments to accelerate the development and preservation of affordable housing across the region;
2. Streamline administrative processes to improve operations and build the internal systems needed for regional success; and
3. Strengthen regional capacity to innovate in the delivery and preservation of affordable housing, and to administer accessible renter protection and homelessness prevention programs.

An appropriation of \$8 million in the FY 2026-27 budget will help LACAHSAs to fund three years of regional implementation supporting affordable housing production and preservation, renter protection, and homelessness prevention. These funds would be critical to helping scale this work equitably across LA County.

San Diego Regional Housing Finance Agency

San Diego's finance agency is unique in that it was formed by two education partners, the San Diego Unified School District and the San Diego Community College District, both entities that have already embarked on commitments to provide housing that can serve their workforces. San Diego Unified just approved the development of 2,500 workforce housing units on five school properties. San Diego Community College has an 800-bed development underway on the City College Campus in downtown San Diego. Together as the two partners in the San Diego RHFA, they have set a strategic framework with the following elements:

Mission: Build and preserve housing near jobs, schools, and transit so San Diegans can live in communities where they work and thrive.

Vision: A San Diego where every resident has a quality, affordable home close to current and future opportunities.

Nine million in one-time state support would enable the authority to attract qualified staff that can build out the pilot programs in support of these goals over the next four years:

1. **Production & Preservation:** Preserve and increase affordable homes near jobs, schools, and services
2. **Sustainability & Generational Impact:** Create sustainable housing solutions that protect today's residents and future generation
3. **Community & Systems Impact:** Align housing, education, and transportation investments to strengthen neighborhoods and reduce displacement.
4. Continue to uplift the model of housing being developed on educational partner land with a focus on sustaining the education workforce, students and the families whose children attend California public education institutions.
5. Position the authority to have the needed internal infrastructure as a housing development leader grounded in the education space and pursue long-term financial sustainability via several strategies under consideration, including advancing a regional revenue measure as early as 2028, continuing to diversify its philanthropic funding base, and working with the state to support capacity development and funding for the education sector.

Spanning the state, these three RHFAs sit in a unique position: They can operate programs at a scale large enough to achieve efficiencies and make a significant impact while also nimbly tailoring those programs to local needs. They are taking on roles as coordinating entities and problem solvers for regionally-significant issues, e.g. fighting the federal government's harmful Continuum of Care NOFA. And each of the RHFAs has either passed a large-scale regional revenue measure or is exploring credible options for 2028. Sustaining and growing these partners to help meet the state's ambitious housing goals is an effective and efficient use of limited state resources.

Thank you for considering our request.

Sincerely,



Jesse Arreguín
Senator, District 7



Akilah Weber Pierson
Senator, District 39



María Elena Durazo
Senator, District 26