



Bay Area Housing Finance Authority (BAHFA) Prep for 2024 Bond Decision-Making



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

ABAG Executive Board
March 21, 2024



Proposed 2024 Regional Housing Bond

- \$10-20 billion to invest in affordable housing
- Requires voter approval
- Funds disbursed over 10+ years
- Eligible uses set forth in statute and state constitution

Related 2024 Measure

Assembly Constitutional Amendment 1 (Aguiar-Curry) will place a measure on the November 2024 ballot that would:

1

Amend the statewide constitution to lower the voter approval threshold for affordable housing general obligation bonds from two thirds to 55%.

2

Apply to the Bay Area Regional Housing Bond on the same November 2024 ballot

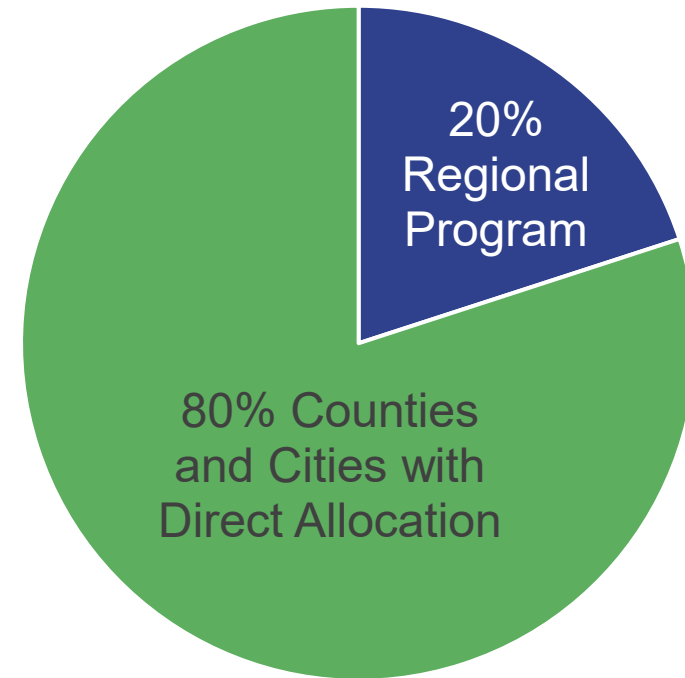
Planning for a Regional Housing Bond

Regional Planning

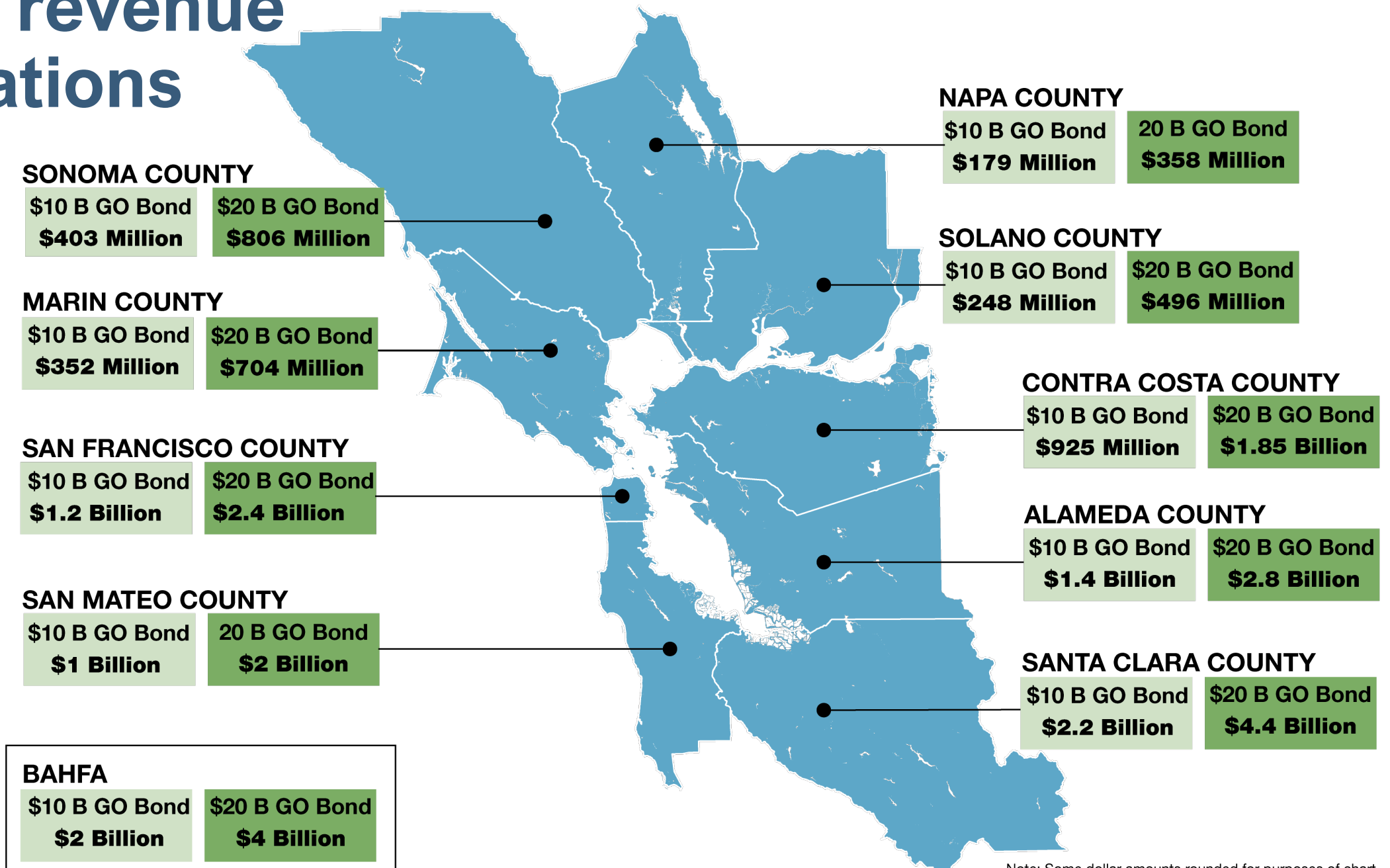
- BAHFA planning for 20% of funds it will retain
- Regional Expenditure Plan adopted by summer 2024

Local Planning

- Counties & direct allocation cities must plan for the 80% of funds that they will administer
- Complete by early 2025 (post-election)



Bond revenue allocations



Note: Some dollar amounts rounded for purposes of chart. Dollar amounts based on FY2020-2021 assessed values.



2024 Housing Bond:

Regional Decision-Making Sequencing and Timeline



2024 Regional Housing Bond Materials & Decisions

Increasing
Specificity

State Law Framework

1. California Constitution (*ACA 1 may amend in Nov 2024*)
2. Bay Area Housing Finance Authority Act (enabling legislation)

Policy and High-Level Program Decisions

To Be Adopted April-June 2024 (pre-election)

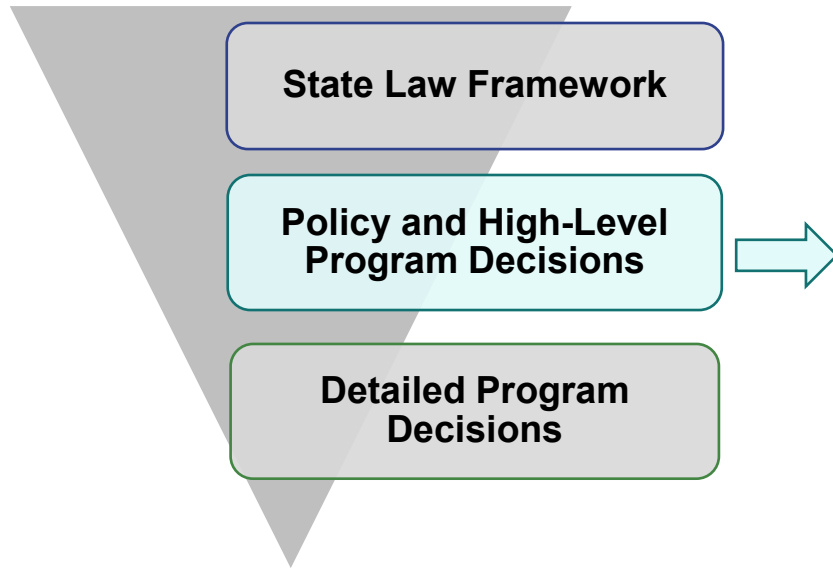
1. Initiating Resolution
2. Election Resolution
3. Regional Expenditure Plan
4. BAHFA Business Plan

Detailed Program Decisions

To Be Adopted 2025-2026 (post-election)

1. BAHFA Program Guidelines
2. Notices of Funding Availability (NOFAs)

Regional Housing Bond: Upcoming Action Items



Policy and High-Level Program Decisions

Element	What is Included
1. Initiating Resolution (ABAG)	Revenue mechanism (GO bond); upper limit of bond amount
2. Election Resolution (BAHFA)	Ballot Question (including bond value); Text of Ballot Measure; Tax Rate Statement
3. Regional Expenditure Plan (ABAG & BAHFA)	BAHFA's initial expenditure priorities & labor standards
4. BAHFA Business Plan (ABAG & BAHFA)	Greater detail on Equity Framework, Funding Programs, financial self-sustainability plan

Regional Housing Bond: Shared Decision-Making

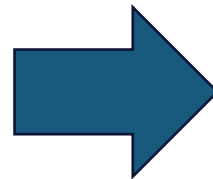
ABAG

Statute requires that ABAG act first; BAHFA cannot proceed without prior approval.

Action: Initiating Resolution

Scope of Action:

- Set revenue mechanism
- Establish upper limit of bond amount



BAHFA

BAHFA must act in accordance with ABAG's initiation to call for the election.

Action: Election Resolution

Scope of Action:

- Call for election
- Direct ballot question, ballot measure and tax rate statement to be submitted to the voters
- Other actions related to the election

April Executive Board Meeting Action Items

1. Approval of the **BAHFA Business Plan**
2. Approval of the **Regional Expenditure Plan**
3. **Initiating resolution** for BAHFA to place a general obligation bond on the November 2024 ballot for up to \$20 billion

2024 Regional Housing Bond Approval Timeline

March

Joint Housing Committees

- Labor standards (info)

ABAG Exec Board

- Preview of April decisions

April

Joint Housing Committees

- Labor standards (recommendation)

ABAG Exec Board

- Business Plan
- Expenditure Plan (w/ labor standards)
- Initiating Resolution (“up to \$20B”)

May

BAHFA Board

- Business Plan
- Expenditure Plan (w/ labor standards)
- Election Resolution (w/ Ballot Question, Full Text, Tax Rate Statement)

June

BAHFA Board

- Business Plan
- Expenditure Plan (w/ labor standards)
- Election Resolution (w/ Ballot Question, Full Text, Tax Rate Statement)

Green = action item



2024 Housing Bond:

Summary of Upcoming Action Items



BAHFA Business Plan Creation & Structure

- Planning process launched in 2021, led by Forsyth Street Advisors and team, including UCB Othering & Belonging Institute, UCB Turner Center for Housing Innovation, Sperry Capital
- Extensive outreach to public, stakeholders & BAHFA Boards
- 4 substantive chapters:
 - **Legislative and Business Planning Overview**
 - **Equity Framework Summary**
 - **Funding Programs**
 - **Operations and Organizational Sustainability**

BAHFFA's Goals & Growth

Early Years

FUNDING SOURCES:
\$2 Billion in GO Bonds



REGIONAL CAPACITY:
Enhanced administrative capacity, technical expertise, regional leadership



PROGRAMS:
Mortgage loans, subsidies, local government grants, Doorway



Years 10 and On

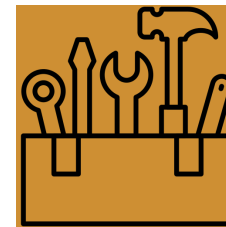
FUNDING SOURCES:
Diversified revenue streams



REGIONAL CAPACITY:
Public mortgage lender, established track record & credibility, financial strength



PROGRAMS:
Broader range of financing products & programs, including technical assistance and protections



Regional Expenditure Plan Elements

The Regional Expenditure Plan only governs BAHFA's 20% of bond funds. The Act requires the Regional Expenditure Plan to include:

- The share and estimated funding amount of BAHFA's revenue to be spent for each category:
 - Production, Preservation and Tenant Protections
 - Local Government Grant Program
- Estimated number of households served by income category
- Estimated number of homes produced and preserved
- Specific programs or projects, to the extent feasible

BAHFA's labor standards will be included in the Expenditure Plan

Regional Expenditure Plan: Initial Priorities

Category	Program Description
Production	<ul style="list-style-type: none"> ▪ Prioritize PSH & ELI housing when financially feasible ▪ Set “return to source” investment targets for each county ▪ Work collaboratively with jurisdictions, not competitively ▪ Adopt a flexible approach; pursue beneficial opportunities ▪ Pursue cost efficiencies to maximize impact
Preservation	<ul style="list-style-type: none"> ▪ Prioritize investments in historically disinvested areas ▪ Forestall immediate eviction risk or affordability loss ▪ Support community-controlled housing through a 20% set-aside target
Protections	<ul style="list-style-type: none"> ▪ If constitutional, Protection programs will assist households and communities facing the greatest housing precarity
Local Gov Grants	<ul style="list-style-type: none"> ▪ Prioritize benefits to overall community & address need for more housing ▪ Target one investment (minimum) per county

Text of Ballot Measure: Required Elements

As required by state law, the text of the ballot measure shall include:

- Statement of purpose and goal
- Categories of eligible expenditures to be funded: 3Ps and housing-related uses
- Estimated number of affordable homes built and preserved and income levels of households served
- Estimated value of funding for each expenditure category in each county
- Overview of decisionmaking and oversight of the bonds

Thank you.



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