

Bay Area Housing Finance Authority

Advisory Committee

March 23, 2023

Agenda Item 7.a.

Assembly Bill 1487

Subject:

Overview of the General Requirements and Funding Allocations Rules Contained in Assembly Bill 1487, the Bay Area Housing Finance Authority's Enabling Legislation.

Background:

The California Legislature passed AB 1487 (Chiu) in November 2019, with the goal of creating regional solutions to address the Bay Area's affordable housing needs. It set forth the "3P" framework, in which BAHFA has regional revenue-generating authority that will enable it to work collaboratively with all Bay Area jurisdictions and produce more housing; preserve affordable housing; and protect vulnerable residents from displacement.

The specific components of AB 1487 include a fair degree of complexity given the need to define rules and responsibilities for BAHFA, working regionally; counties; and cities that receive their own allocations. The legislation further includes:

- Detailed descriptions of the five distinct ways BAHFA can raise revenue, how the governance approvals process works, and how each source must be allocated.
- Additional governance requirements for the ABAG Executive Board as the Executive Board to BAHFA, the BAHFA Board, and county governing boards.
- The duties of the Advisory Committee.
- Separate rules for BAHFA and cities/counties pertaining to each 3P category of expenditure (e.g., affordability caps and terms of deed restrictions),
- Separate rules pertaining to BAHFA's and cities/counties' "flexible" funds and expenditure categories not included in one of the 3Ps.
- Reporting and accountability requirements for BAHFA and counties.

An Overview of and Guidance on AB 1487:

The presentation attached as Attachment A and the summary document attached as Attachment B are meant to provide a road map for stakeholders and policy makers regarding AB 1487's elements and requirements. While, of course, these documents should not be considered substitutes for the legislation itself, they do offer summaries that should serve as helpful resources.

Issues:

None

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Recommended Action:

Information

Attachment:

- A. Presentation
- B. BAHFA and AB 1487 Explainer

Reviewed:



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