

Bay Area Housing Finance Authority – Regionalism & Resources for 9 Counties

LACAHSA BOARD OF DIRECTORS

APRIL 11, 2024



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION



BAHFA's History



2018

Case-making

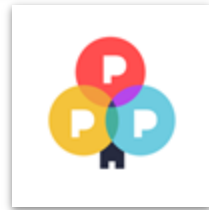
The Bay Area needs dedicated housing funds for the 3Ps and an entity to raise and coordinate funding



2018

New York City Trip

New York has built the housing funding and finance infrastructure our region needs - what can we learn from them



2019

Compact 9 & 10 3P's Campaign

Potential sources of revenue for housing & the authority of the regional entity are included as part of the 3P's legislative campaign



2019

AB 1487

Governor signs Chiu-authored legislation on 10/18/19 creating BAHFA as a new legal entity



2020 & 2021

\$20M State Appropriation

MTC/ABAG establish BAHFA & first public funding is secured through *Bay Area Housing for All* Coalition advocacy efforts



2022

BAHFA Staff Regional Housing Measure

Kate Hartley hired as inaugural director plus 5 housing staff

**Bay Area Housing
Finance Authority
(BAHFA) was created
to help solve housing
affordability
challenges**

BAHFA's Core Power

To **raise revenue** regionally to address systemic challenges in housing affordability and housing stability across the 3Ps:

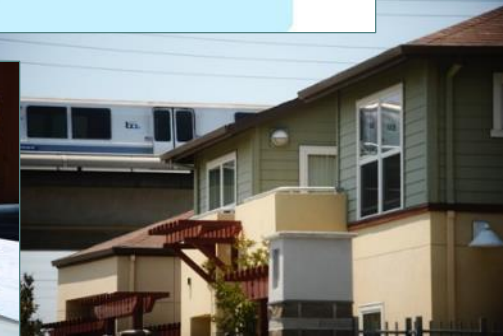
1. **Production** of new affordable housing
2. **Preservation** of existing affordable housing
3. **Protections** for low-income residents and people at risk of homelessness

BAHFA's Mission

1. **Collaborate** with cities and counties
2. **Add Value**
3. **Improve our housing delivery system**

BAHFA's Pilot Programs

- **Doorway:** Online portal to find and apply for available affordable housing. Launched summer 2023.
- **Affordable Housing Pipeline:** Completed database tracking 33,000 homes in predevelopment and in need of funding.
- **Tax Exemption Preservation Program:** Preserved affordability for ~500 households in six buildings. Currently underwriting a 400-unit development.
- **Preservation Pilot:** Launched a \$15 million program to acquire and preserve affordability of apartments occupied by lower-income residents.
- **Priority Sites Development:** Crafted a \$28 million program that will catalyze affordable homes near transit on public land or repurposed malls/office parks.
- **Rental Assistance to Prevent Homelessness:** Launching a \$5 million program for extremely rent-burdened seniors, people with disabilities, and other at-risk tenants.
- **Study of Bay Area Evictions and Housing Legal Services.** Launched a study of the rates, causes, and consequences of evictions, and the availability of legal services for people at risk and facing eviction across the Bay Area.



BAHFA Ballot Measure Milestones to November 2024

PHASE 1

**March 2022 –
December 2022**

1. June: MTC/ABAG approved preparation for a 2024 housing revenue measure
2. BAHFA Business Plan development & Equity Framework*
3. Outreach to jurisdictions re: BAHFA and benefits of regional measure in 2024

PHASE 2

**January 2023 –
May 2023**

1. Presentation of Draft Business Plan Funding Programs & Equity Framework
2. Outreach to jurisdictions re: benefits of regional measure vs. local measures in 2024

PHASE 3

**May 2023 –
September 2023**

1. Equity Framework & Funding Programs completed; remainder of Business Plan nears completion
2. Public information sessions

PHASE 4

**October 2023 –
December 2023**

1. Business Plan adopted (December 2023)
2. Public information sessions
3. Expenditure Plan drafting

PHASE 5

**January 2024 –
July 2024**

1. Conduct final poll
2. Expenditure Plan and Summary Approval
3. BAHFA Advisory Committee recommends measure: March
4. Governing Boards consider Resolution (30 days): April
5. Governing Boards approve Resolution. Request County Boards to place measure on Ballot: May/June
6. Counties place measure on ballot: July (8/9/24 is deadline)

PHASE 6

**July 2024 –
November 2024**

1. Public information provided on ongoing basis

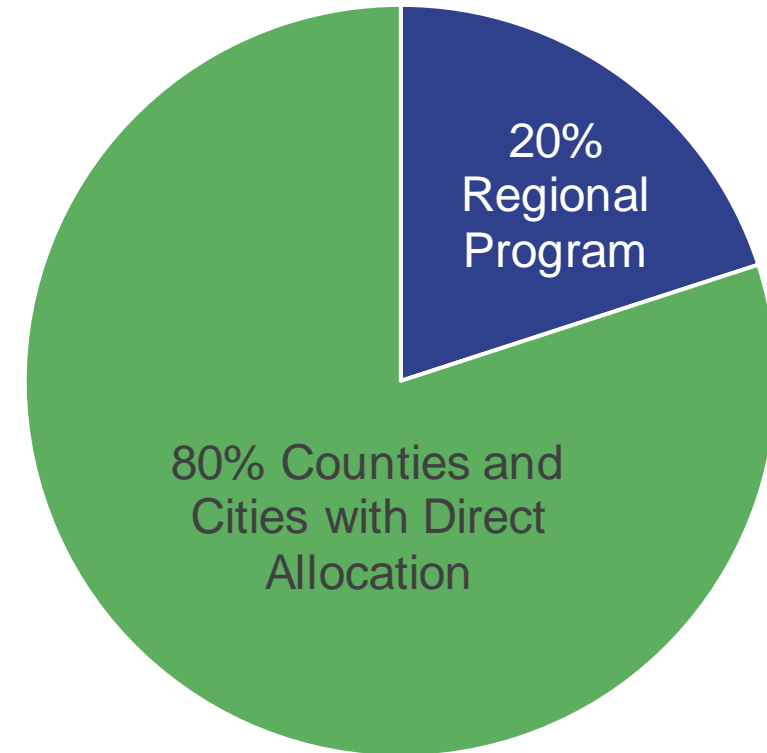
Planning for a Regional Housing Bond

Regional Planning

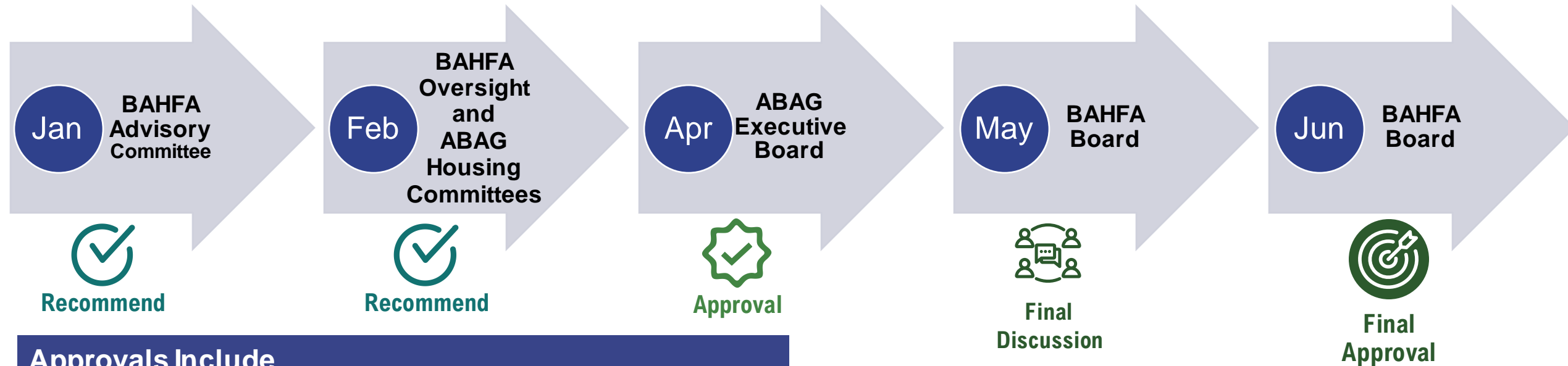
- BAHFA planning for 20% of funds it will retain
- Complete by spring 2024

Local Planning

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



2024 Regional Housing Bond Approval Timeline*

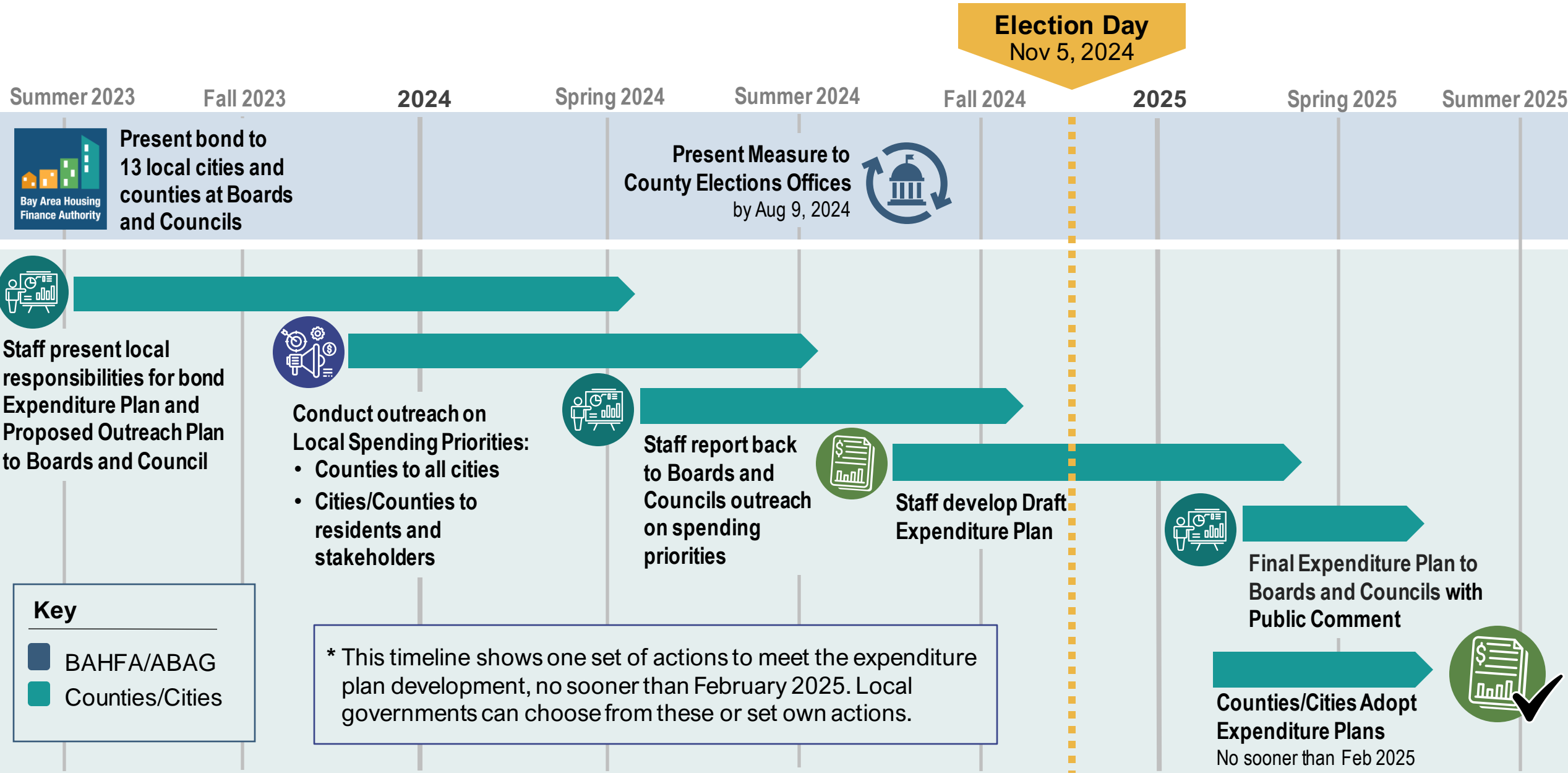


Approvals Include

- Business Plan
- Regional Expenditure Plan
- Resolution to Place Measure on the Ballot (Ballot Question & Text of Ballot Measure)

* Dates are subject to change

Sample Local Outreach Timeline*



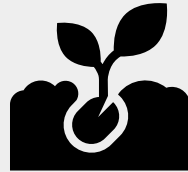
BAHFA's Immediate & Future Value

Early Years

FUNDING SOURCES:
\$2 Billion in GO Bonds



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

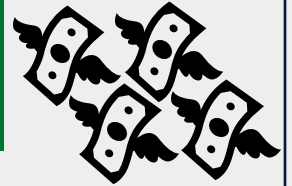


PROGRAMS:
Mortgage loans, subsidies, local government grants, Doorway



Years 10 and On

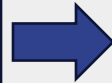
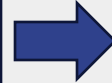
FUNDING SOURCES:
Revenue & capital markets



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



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



Lessons Learned

Must Haves:

- Knowledgeable, experienced staff able to **flex a wide variety of roles**
- Great **communication strategies**, including:
 - Political outreach savvy
 - Promotional material production capacity
- **Flexible financing strategies**:
 - Heavy ELI/VLI mandatory requirements = heavy operating subsidies need

Recommendations

- With right staff in place, allow **delegated authority** where possible after approving program structures and term sheets
 - Especially necessary for Preservation projects
- Provide **strong board and oversight committee training** so directors and members can best fulfill their roles
 - Especially local political management
- Support staff to be creative and **pursue all possible funding opportunities**
 - New federal and state programs will arise – be ready!
- **Keep focus** – if ELI/VLI housing is principal target, stay there

Thank you, and good luck!



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