Bay Area Housing Finance Authority

2024 Regional Housing Bond

City of Santa Rosa

Agenda

- Overview of Bay Area Housing Finance Authority (BAHFA)
- Regional Housing Bond Measure
- Expenditure Planning
- Next Steps
- Q & A

Presenter: Megan Basinger, Director

Housing and Community Services Department

December 5, 2023

ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

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

BAHFA's Mission

To address systemic challenges in housing affordability and housing stability across the 3Ps

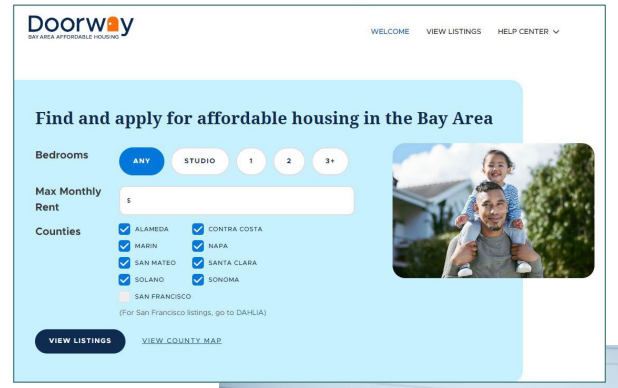
1. **Production** of new affordable housing
2. **Preservation** of existing affordable housing
3. **Protections** for low-income residents and people at risk of homelessness

How BAHFA Works

- **BAHFA is the first regional housing finance agency in California**, created by the State Legislature in 2019 to offer new tools and innovative solutions to the Bay Area's housing challenges
- **Core power is to raise new revenue for housing**, subject to voter approval
- **Collaborates** with cities and counties, **improves systems** and **funds housing** across the whole Bay Area
- Currently conducting **pilot programs** to advance affordable housing goals across the 3Ps

BAHFA's Pilot Programs

1. **Doorway:** Online portal to find and apply for available affordable housing. Launched summer 2023.
2. **Affordable Housing Pipeline:** Completed database tracking 33,000 homes in predevelopment and in need of funding.
3. **Tax Exemption Preservation Program:** Preserved affordability for 325 households in five buildings. Ongoing program.
4. **Preservation Pilot:** An upcoming $15 million program to acquire and preserve affordability of apartments occupied by lower-income residents.
5. **Priority Sites Development**: Crafted a $28 million program that will catalyze affordable homes near transit on public land or repurposed malls/office parks.
6. **Rental Assistance to Prevent Homelessness:** An upcoming $5 million program for extremely rent-burdened seniors, people with disabilities, and other at-risk tenants.



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 (among other items) from 66.7% to 55%.

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

Significant Funding to Every Community

County & Direct City Allocations	$10B GO Bond	$20B GO Bond
Alameda County (excluding Oakland)	$984 M	$2,000 M
Oakland	$383 M	$765 M
Contra Costa County	$925 M	$1,900 M
Marin County	$352 M	$704 M
Napa County (excluding City of Napa)	$100 M	$200 M
City of Napa	$79 M	$158 M
San Francisco City and County	$1,200 M	$2,400 M
San Mateo County	$1,000 M	$2,100 M
Santa Clara County (excluding San Jose)	$1,200 M	$2,400 M
San Jose	$1,000 M	$2,100 M
Solano County	$248 M	$497 M
Sonoma County (excluding Santa Rosa)	$282 M	$564 M
Santa Rosa	$121 M	$242 M
BAHFA	$2,000 M	$4,000 M

Total Bond Allocation Estimate for Santa Rosa*

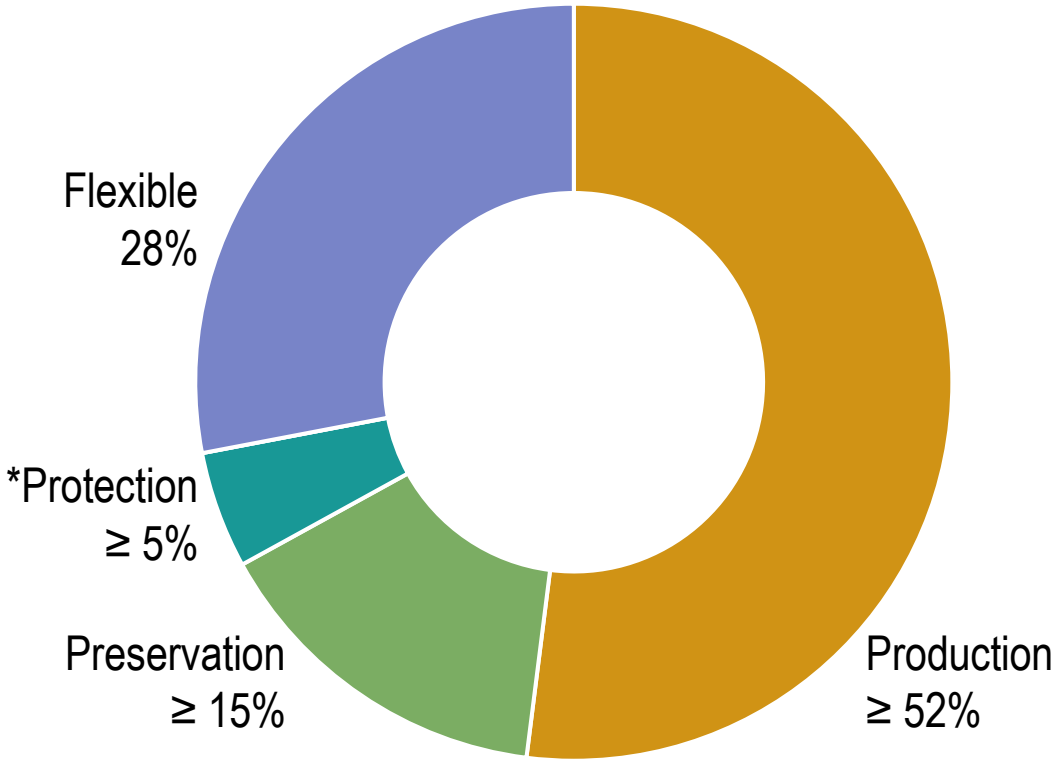
Bond Allocation	Estimated Share Amount	Approximate Bond Allocation
Total GO Bond Allocation	**100%**	$121 million
Administration of Programs and Services	**5%**	$6 million
Balance to Disperse	**95%**	$115 million
Balance to Disperse	**Level**	**$115 million**
Production	**52%** min.	$60 million
Preservation	**15%** min.	$17 million
Tenant Protections**	**5%** min.	$6 million
Flexible Funding	**28%**	$32 million

* Bond allocation amounts will change when updated with 2023-2024 Assessed Values from the California State Board of Equalization. The figures above are based on 2020 Assessed Values.

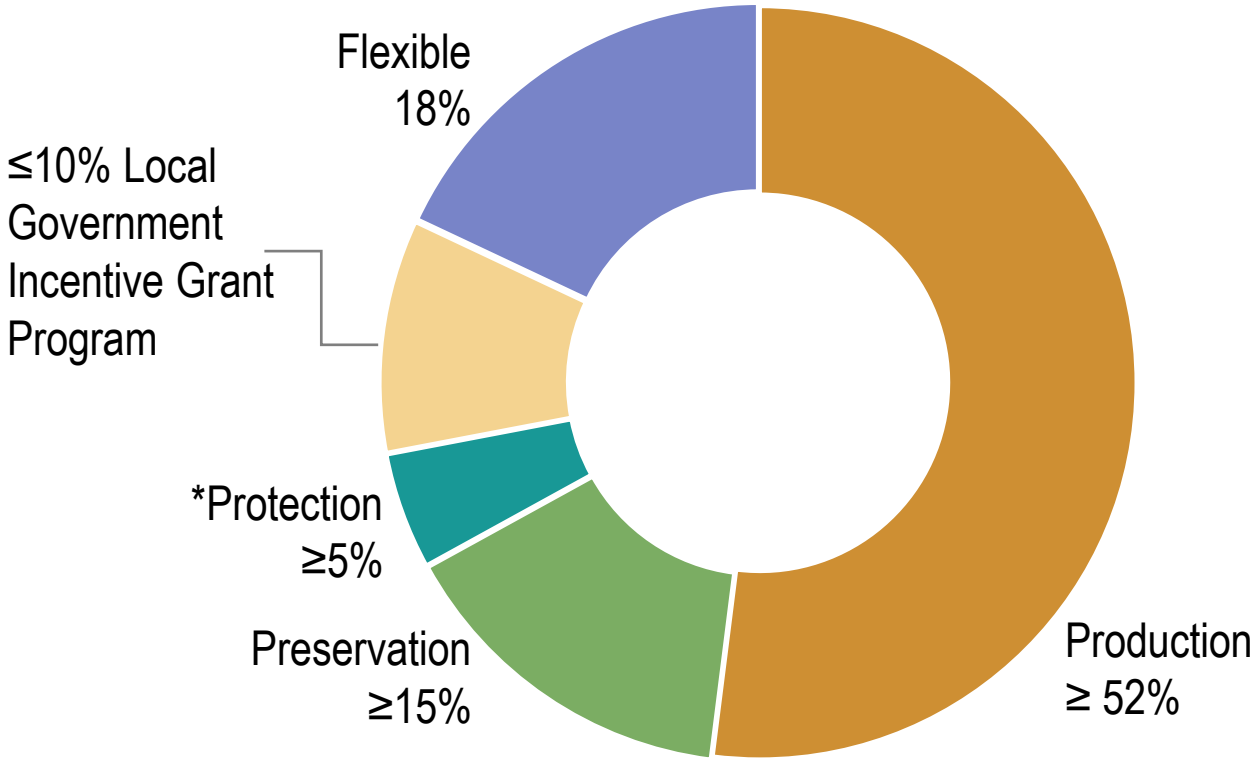
** State law does not allow bond proceeds to be spent for non-capital (i.e., services) costs so funds assigned to tenant protection must be reassigned absent a change in law.

How Funds Can be Spent

County and City: 80%



Regional Program: 20%



**Exception for GO Bonds: currently, state law does not allow bond proceeds to be spent on non-capital (e.g., services) costs.*

Regional Coordination and Accountability

BAHFA

- Governed by local elected officials across the Bay Area serving on MTC.
- Advisory committee with public members with expertise across the 3Ps.
- Regional and local expenditure plans posted on BAHFA website.
- Annual report to state legislature on expenditures and outcomes.
- Assists localities with development of local expenditure plans.
- Monitors expenditures for compliance with state law/regulations.

Cities and Counties

- Counties must conduct public outreach and engage with their cities to inform county expenditure plans.
- Plans are subject to BAHFA and ABAG Executive Board review .
- Local elected officials responsible for project-level funding decisions, consistent with local expenditure plans
- Annually report on expenditures and outcomes.

Bay Area Housing Finance Authority

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BAHFA's Investment Goals

- **Support Innovative, Diverse and Cost-Efficient Housing:**
  - Build more types of housing to meet different needs in population and geography
  - Spur innovation to deliver homes faster and at lower cost
- **Financial Sustainability:** Over time, BAHFA will generate money from its loan programs, which can go back into communities and provide more affordable homes *without* additional taxpayer support.
- **Equity and Environmental Sustainability:** BAHFA will invest in projects that serve those who are most in need and help address climate change.

Distribution Basics for 80% of Bond

80% to County of Origin

- Based on Assessed Value
- Counties Decide Which Entity Shall Distribute (e.g., a Housing Department)

San Jose, Oakland and San Francisco Receive Direct Allocation

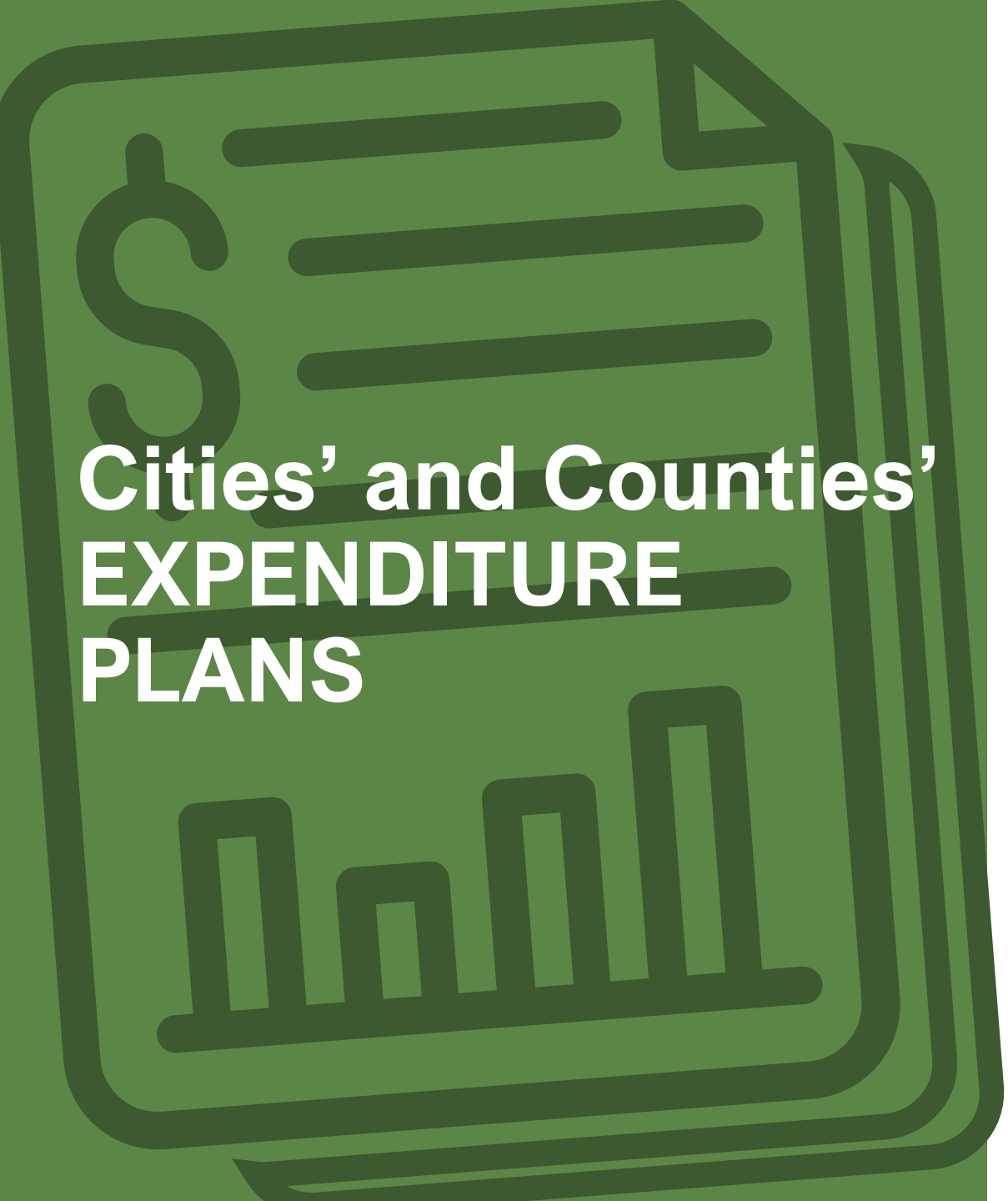
- Big Cities Create Their Own Expenditure Plans

Cities that Carry 30%+ of County's Lower Income RHNA Obligation Can Choose to Receive Direct Allocation

- Santa Rosa and City of Napa Can Receive a Direct Allocation and Create Their Own Expenditure Plans

Cities and Counties May Use 5% of Funds for Administration Costs

Cities' and Counties' EXPENDITURE PLANS



- ✓ County and City governing boards must approve Plans at a noticed public meeting
- ✓ Must include minimum **52% for production**, **15% for preservation**, **5% for protections**
- ✓ **Production** should **prioritize** projects that help meet **Extremely Low, Very Low, and Low Income RHNA targets**
- ✓ **28% Flexible Funds** can be for housing and "**housing-related uses**"
- ✓ **If Expenditure Plans satisfy all criteria**, they will be approved as a matter of law

GENERAL RULES *for Cities and Counties*

- ✓ **All housing must be deed-restricted**, but term of restriction is not defined
- ✓ **All housing must be affordable**, with cap of 120% AMI
- ✓ **Rental**, ownership and interim housing all eligible
- ✓ Everything must conform to **Expenditure Plan**

Regional Housing Bond Timeline

Key
- BAHFA/ABAG
- Counties/Cities
- Public Involvement

We are here

ELECTION DAY
Nov. 5, 2024

Summer 2023 | Fall 2023 | 2024 | Spring 2024 | Summer 2024 | Fall 2024 | 2025

ENGAGEMENT

- **Public Workshops**
- **Public Information**
- **Counties/Cities hold Public Hearings***

*(≈Nov 2024 – Feb 2025)

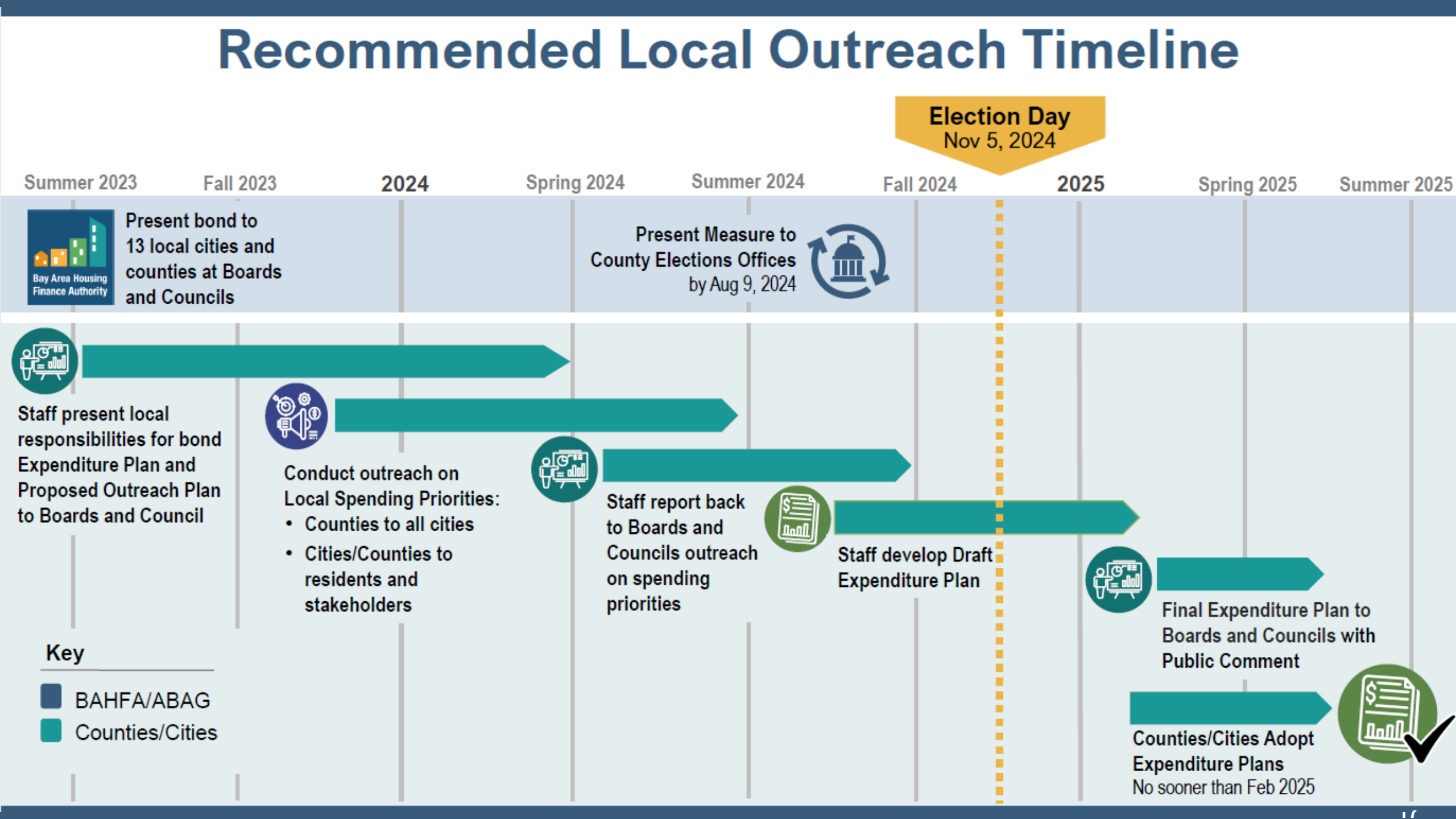
POLICY DECISIONS

- **Recommended Draft of County/Local Expenditure Plans**

ELECTION ACTIONS

- **ABAG & BAHFA Vote to place bond on ballot**
  Mar – June 2024
- **BAHFA submits Measure to County Elections Offices**
  by Aug 9, 2024
- **Counties/Cities Adopt Expenditure Plans**
  No sooner than Feb 2025

Recommended Local Outreach Timeline



Questions?