

# Bay Area Housing Finance Authority

# 2024 Regional Housing Bond



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**Housing and Community Services Department**

**January 22, 2024**

# Agenda

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



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



# 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
<b>Santa Rosa</b>	<b>\$121 M</b>	<b>\$242 M</b>
BAHFA	\$2,000 M	\$4,000 M

# Total Bond Allocation Estimate for Santa Rosa\*

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

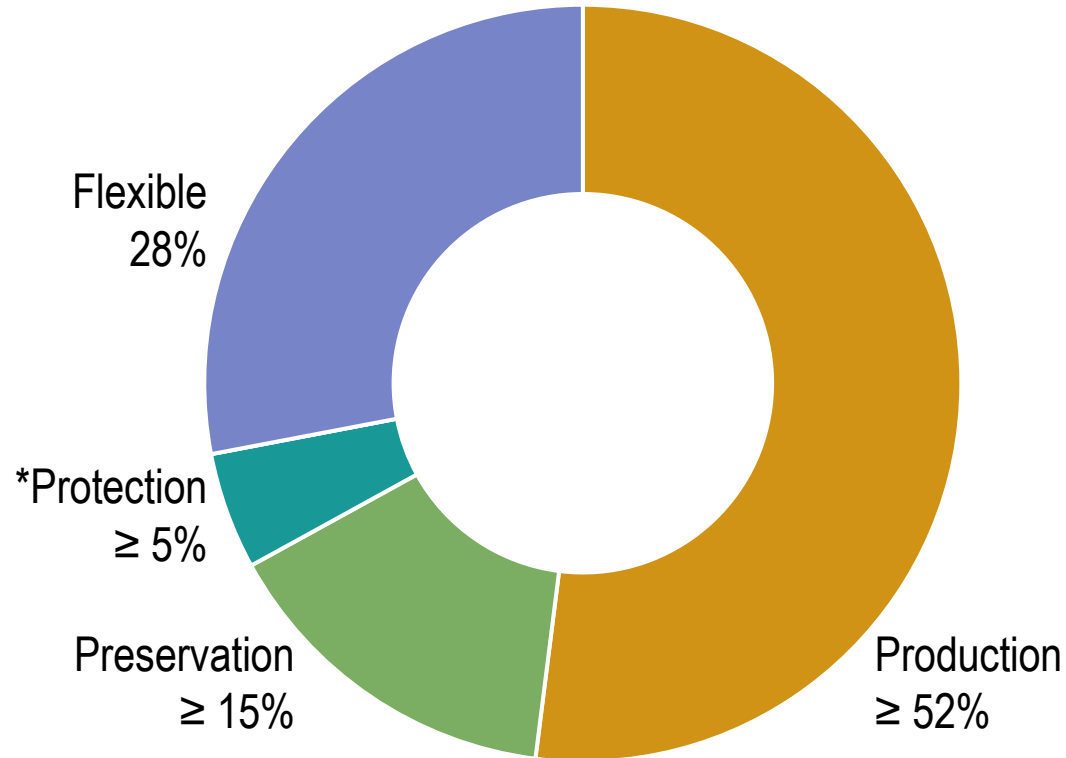
\* Bond allocation amounts will change when updated with 2023-2024 Assessed Values from the California State Board of Equalization. The figures above are based on 2020 Assessed Values.

\*\* 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.

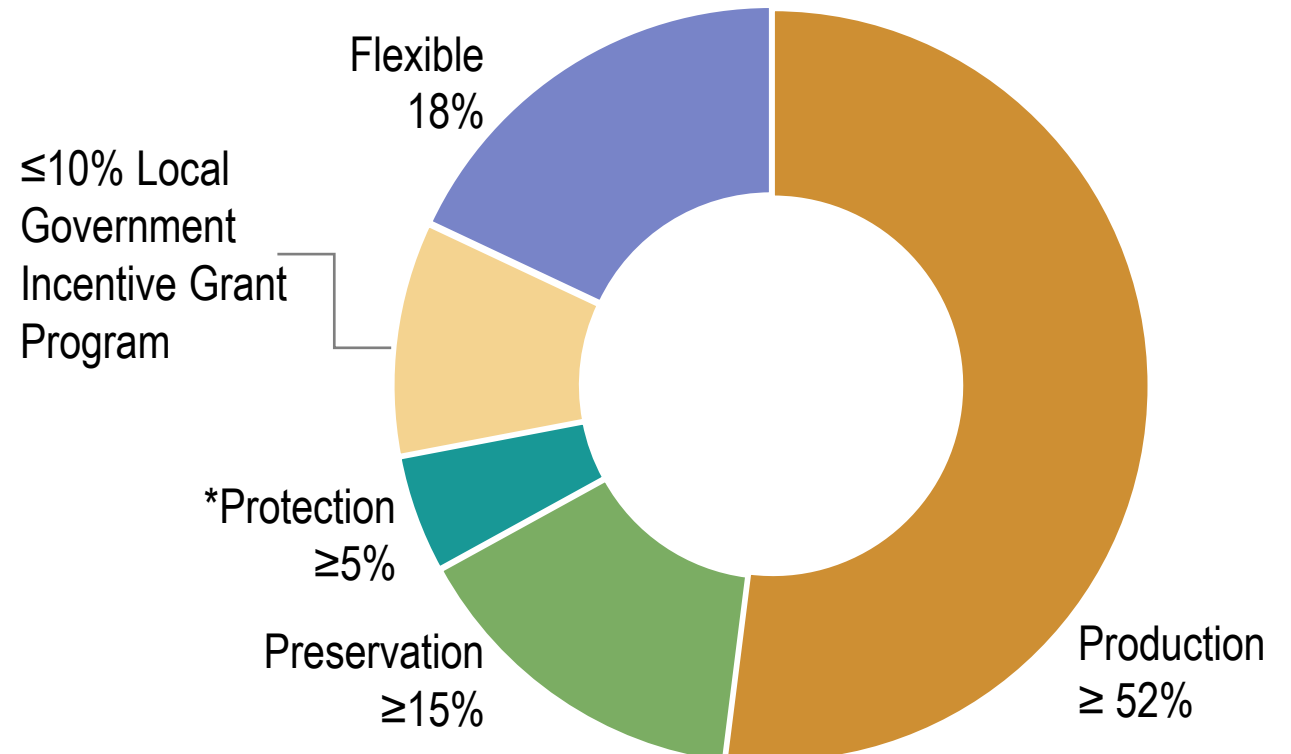


# How Funds Can be Spent

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

## Cities and Counties

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- 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.

# Distribution Basics for 80% of Bond



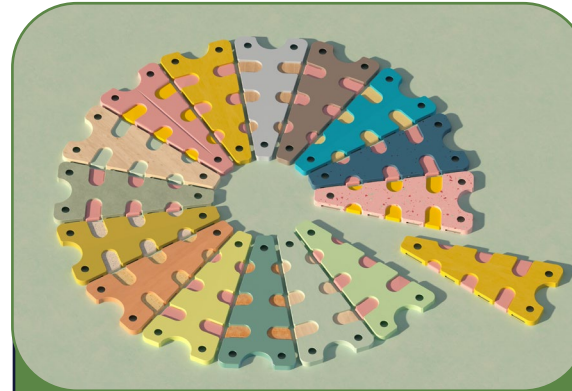
## 80% to County of Origin

- 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**

# Recommended Local Outreach Timeline

**Election Day**  
Nov 5, 2024

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



Present bond to 13 local cities and counties at Boards and Councils

Present Measure to County Elections Offices by Aug 9, 2024



Staff present local responsibilities for bond Expenditure Plan and Proposed Outreach Plan to Boards and Council



Conduct outreach on Local Spending Priorities:

- Counties to all cities
- Cities/Counties to residents and stakeholders



Staff report back to Boards and Councils outreach on spending priorities



Staff develop Draft Expenditure Plan



Final Expenditure Plan to Boards and Councils with Public Comment

Counties/Cities Adopt Expenditure Plans  
No sooner than Feb 2025



**Key**

- BAHFA/ABAG
- Counties/Cities



Questions?