

Regional Impact Council Steering Committee

September 27, 2023 | 2pm



Meeting Objectives and Outcomes

Get a better understanding of the BAHFA regional bond funding categories and begin discussions on how jurisdictions are preparing for local expenditure plans to meet community housing needs



OUTCOMES

1. **Provide updates** on the 2024 BAHFA Regional Bond Measure funding categories and updated polling information on the Statewide Constitutional amendment
2. **Practice applying** the Support Card toolkit to discuss how local jurisdictions are thinking of allocating funds to meet housing needs
3. **Discuss** how both the regional bond measure and statewide amendment are crucial to securing additional housing resources

A hand with a watch and a patterned sleeve is writing on a whiteboard. The whiteboard has several sticky notes attached to it. The word "Agenda" is written in white text on the left side of the image.

Agenda

- | | |
|---|-------------|
| 1. Welcome | 2:00 - 2:10 |
| 2. Group ice breaker | 2:10 - 2:20 |
| 3. BAHFA Funding Opportunities & group breakout discussions | 2:20 - 3:00 |
| 4. State amendment update and polling results | 3:05 - 3:25 |
| 5. Close and next steps | 3:25 - 3:30 |

July Meeting Recap

Our Commitments

- Understanding how we can apply the Support Card toolkit in your jurisdiction and engage with All Home for technical assistance support
- Advocate for 1-2-4 framework solutions in your jurisdiction

Our Actions

- All Home Technical Assistance progress:
 - Established partnership with Sonoma County for 1-2-4 housing gap analysis and prevention efforts
 - Strategic guidance and collaboration in Contra Costa
 - Building partnerships in Napa County
- Call to action to support San Mateo Homekey Projects
 - Sent emails, letters of support, and made public comments in support of the Project
 - In response, San Mateo County Board of Supervisors approved two homekey projects

Icebreaker question

Assuming we win, what do you look forward to being different in your community and what are you willing to do to make it happen



Bay Area Housing Finance Authority (BAHFA)

Regional Impact Council | September 27, 2023



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

Mission:

to address systemic challenges in affordable housing and housing stability across the 3Ps:

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

The Bay Area Housing Finance Authority was created to solve funding challenges

How we Work:

- Guided by State Legislation and our Equity Framework
- Core power is to **raise new revenue for housing** subject to voter approval across the region
- **Collaborate** with cities and counties, **improve systems** and **fund housing** across the whole Bay Area
- BAHFA is currently conducting **pilot programs** to advance affordable housing goals across the 3Ps

The Power of BAHFA: Regional Action

- A mission-driven, regional lender can **reinvest loan funds back into the community**
- Regional programs **can assist community-based organizations** vital to preservation efforts
- Regional programs can **lower the cost and timelines** of essential housing production
- Technical assistance, policy development, and higher-risk development innovations **all happen at the regional level**



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 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

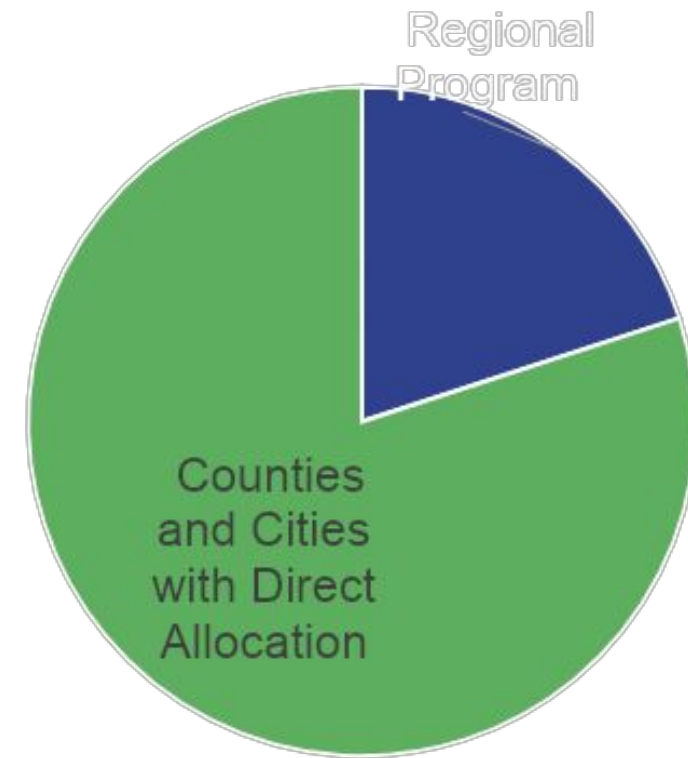
Planning for a Regional Housing Bond

Regional Planning

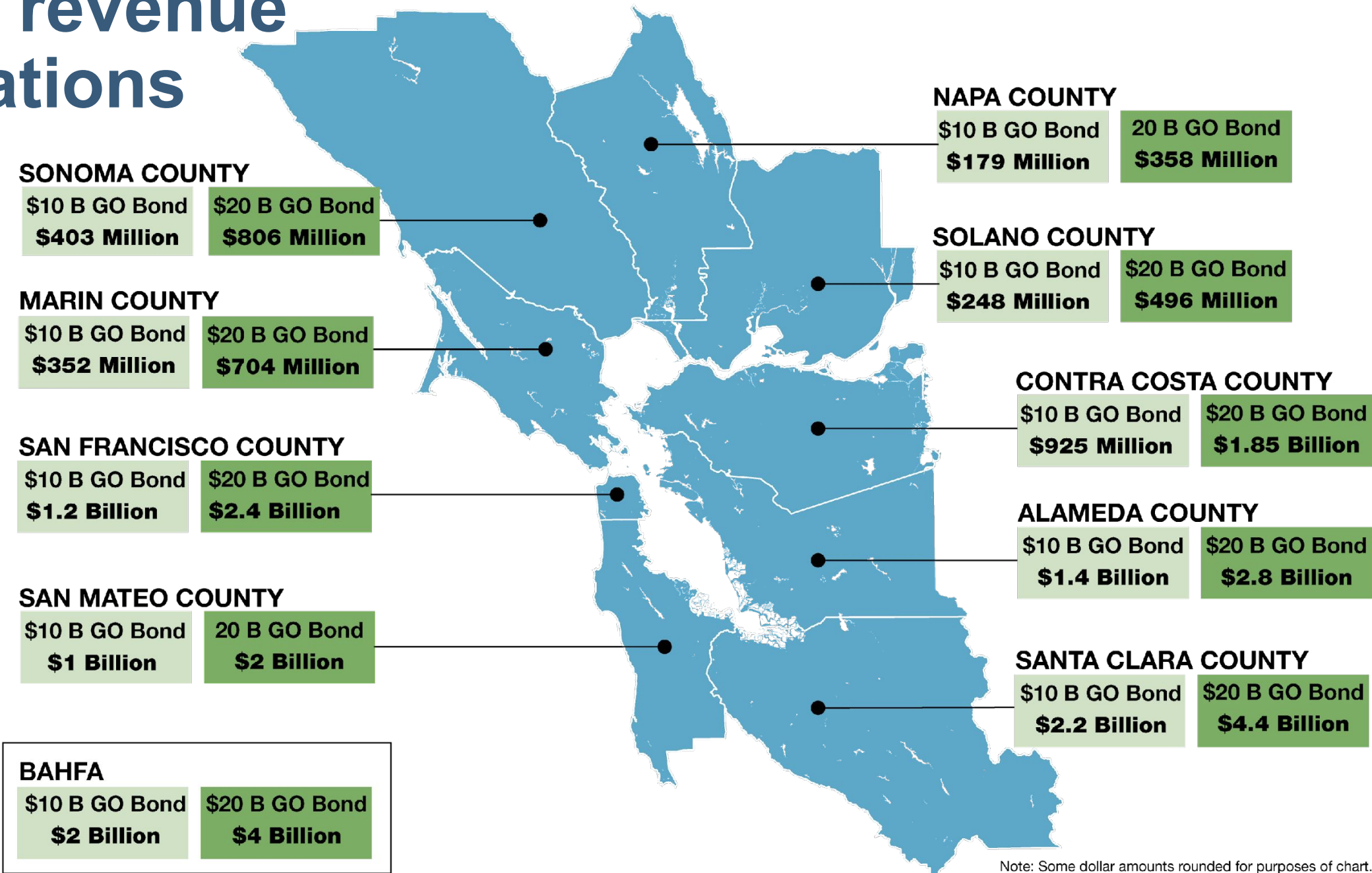
- BAHFA planning for 20% of funds it will retain
- Complete by spring 2024

Local Planning

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



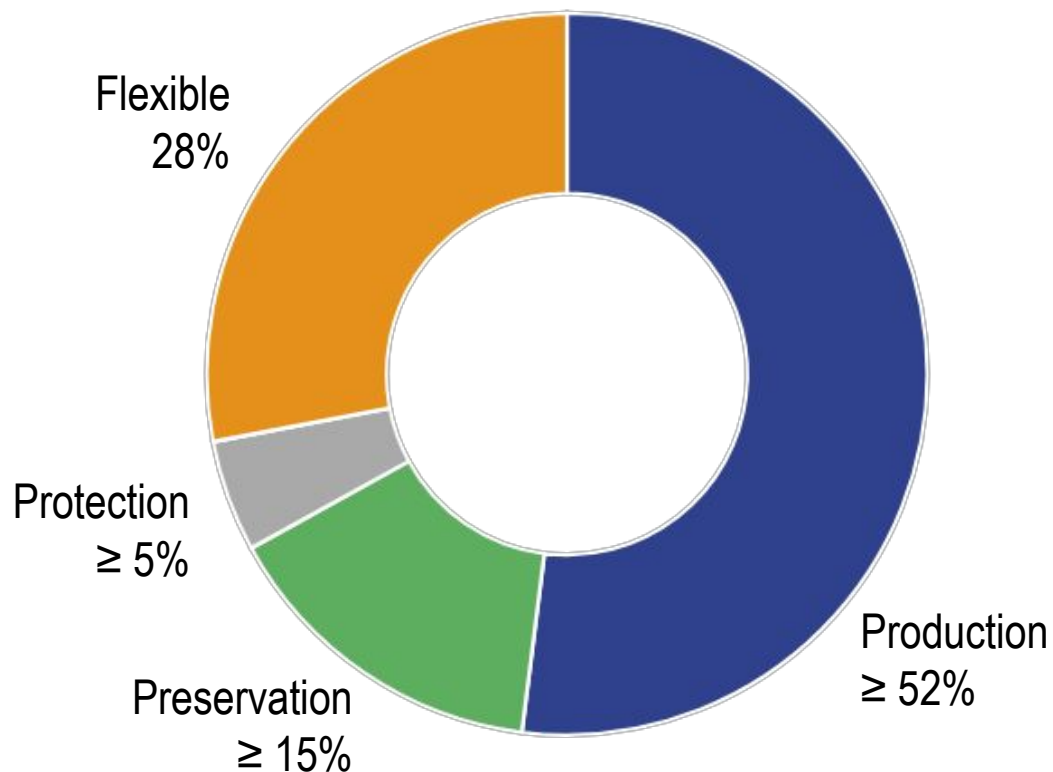
Bond revenue allocations



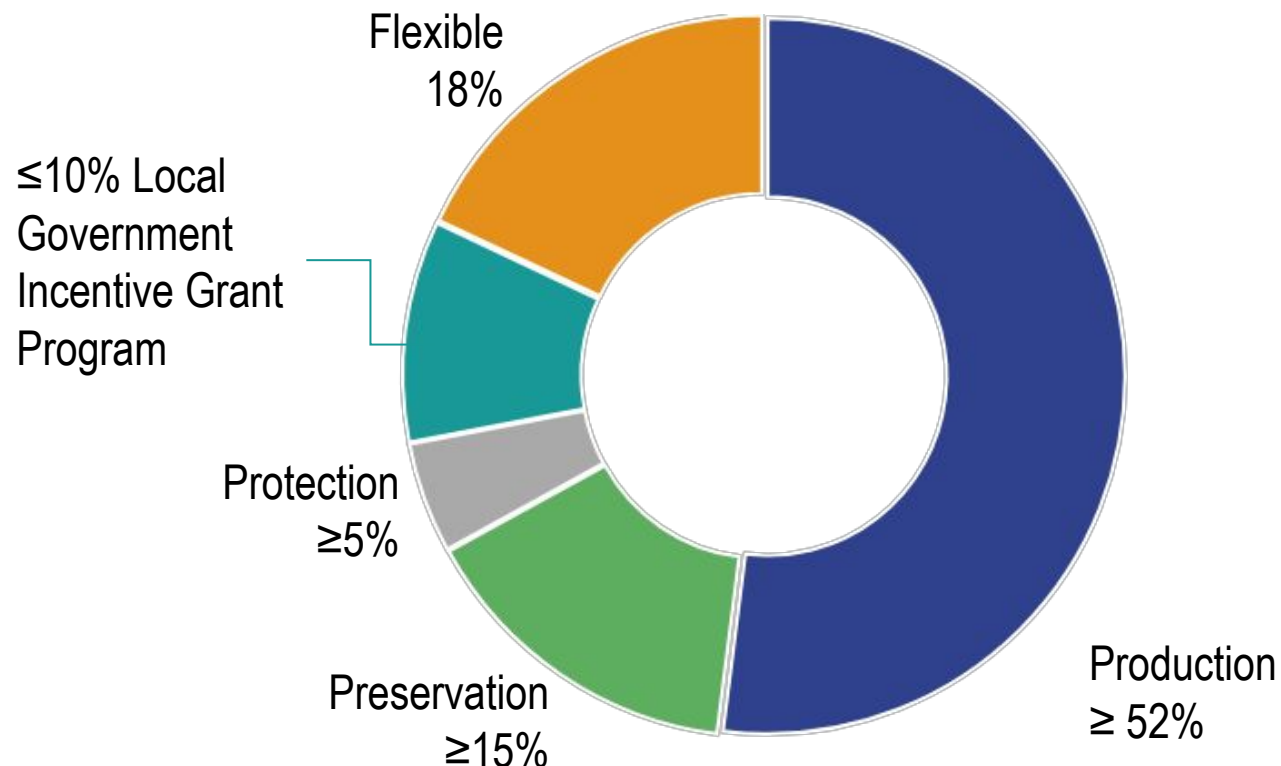
Note: Some dollar amounts rounded for purposes of chart.
Dollar amounts based on FY2020-2021 assessed values.

How Funds May be Spent

County and City: 80%



Regional Program: 20%

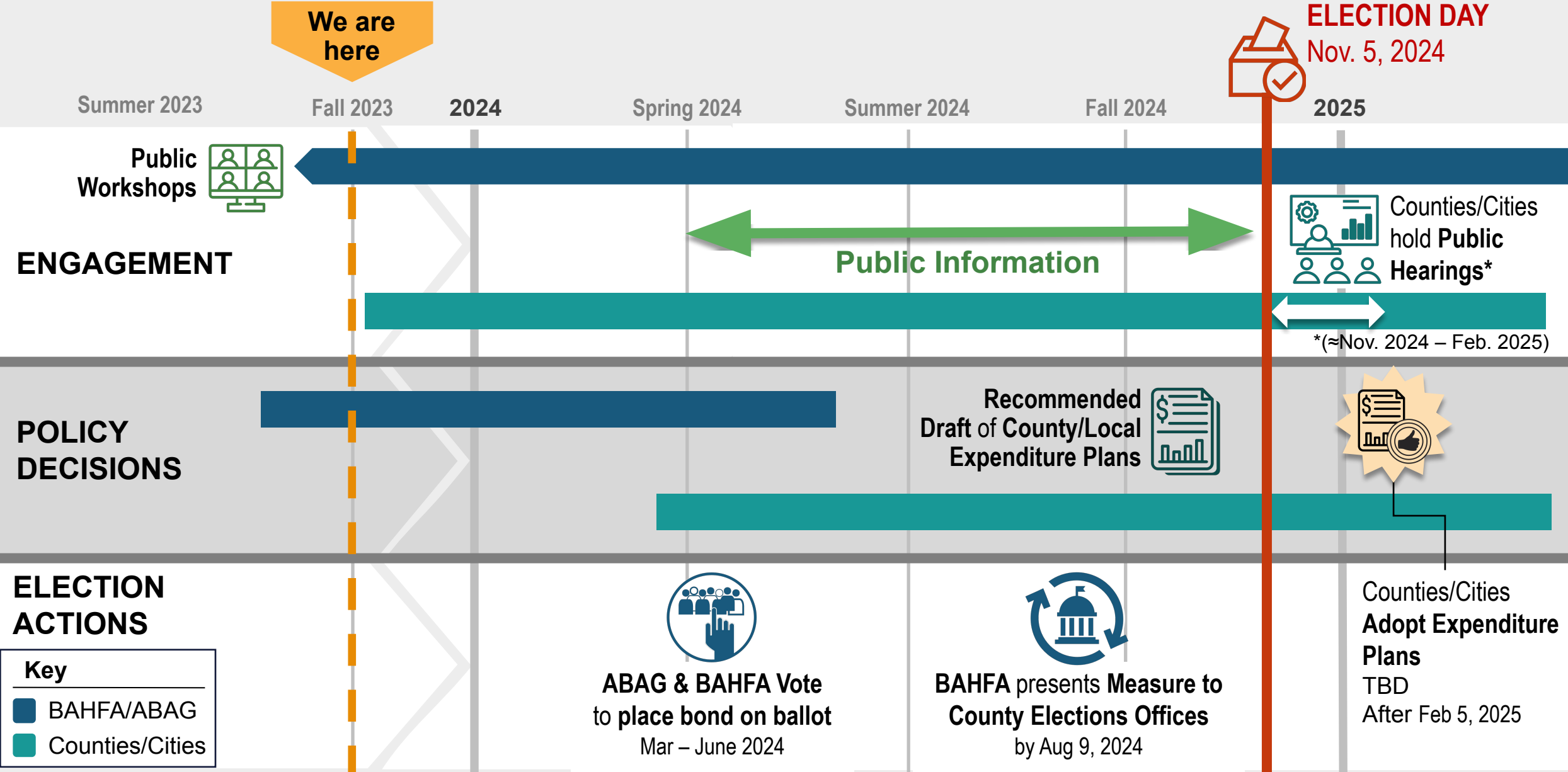


Expenditure Rules: Counties & Cities

Activity	County/City Expenditures
Production	<ul style="list-style-type: none"> ■ Rental or ownership ■ Must prioritize projects that help meet RHNA goals ■ Affordability up to 120% AMI
Preservation	<ul style="list-style-type: none"> ■ Rental or ownership ■ Affordability up to 120% AMI
Protections*	<ul style="list-style-type: none"> ■ Legal services, rental assistance, relocation, tenant education, displacement data collection
Flexible Funding	<ul style="list-style-type: none"> ■ Affordable housing and housing-related uses, as described in county/city Expenditure Plan

** Contingent on potential Constitutional amendment to expand eligible uses of GO bonds*

Regional Housing Bond Timeline



Thank you.



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

Group Breakouts

Focusing on the BAHFA funding categories just outlined and the Support Card toolkit presented at the last meeting, we want to start the conversation about your jurisdictions capacity and alignment needs to develop expenditure plans

- What are your jurisdiction's priorities and where are you now?
- What do you need to prepare for your plans?

- Two groups online
- One group in person
- Each group has a lead that will use the support card to guide the discussion
- Groups will meet for 15-20 minutes
- Time allowing, we will have 1-2 share outs after - group leads please plan on sharing

Support Card Outline

Core Elements	Guiding Principles	Policy Recommendations <i>(Sample examples)</i>	Structural Alignment Assessment
Leadership	<ol style="list-style-type: none">1. Legislative direction2. Executive leadership3. Interdepartmental coordination4. Community-based organization coordination5. Intergovernmental collaboration	<p>Establish formal structure for interdepartmental and intergovernmental collaboration</p> <ul style="list-style-type: none">• LA's Comprehensive Strategy Committee• San Mateo's Interagency Council• CAP Solano JPA	TBD (Limited, Developing, Established)
Accountability	<ol style="list-style-type: none">1. Aligning federal, state, and local strategic plans2. Incorporating community input3. Incorporating lived experience4. Evaluating systemic inequalities5. Appointing direct oversight6. Periodic reporting	<p>Adopt a countywide/regional strategic plan that incorporates all of these principles of accountability.</p> <ul style="list-style-type: none">• Sonoma County 5-Year Strategic Plan	TBD (Limited, Developing, Established)
Resources	<ol style="list-style-type: none">1. Needs-driven budgeting and program planning2. Workforce planning3. Assessing service provider capacity4. Evaluating land utilization, site placement	<p>Conduct a systems analysis including inflow (1st time homelessness) and program outcomes (permanent placement from interim), identifying key areas for improvement. Estimate the associated program and implementation costs based on inflow and need.</p> <ul style="list-style-type: none">• San Francisco's A Place for All Report	TBD (Limited, Developing, Established)
Transparency	<ol style="list-style-type: none">1. Public meetings2. Online information accessibility3. Social media / internet based communications4. Leveraging community-based networks for information dissemination5. Culturally component outreach	<p>Conduct outreach and disseminate progress reports on the status of implementing a regional homeless plan through multifaceted channels of communication</p> <ul style="list-style-type: none">• Santa Clara County Community Plan to End Homelessness	TBD (Limited, Developing, Established)

Local Affordable Housing Bonds Threshold Measure

Campaign Update and Select Research Findings

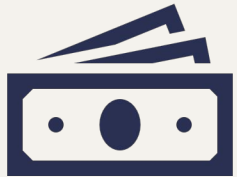
September 27, 2023



Problem: We Need A System Change



California is producing only **14%** of the 120,000 new **affordable homes** needed each year. Over **161,000 Californians are currently homeless.**



Local government bonds are one of the most powerful affordable housing financing sources available, but it's **too challenging to win the two-thirds supermajority vote** required for local communities to issue housing bonds.

We can fix this!

2024 Strategy: Lower the Voter Threshold to Pass Local Bonds Across CA



Lower the voter threshold for local affordable housing bond measures from 66.67% to 55% through a State Constitutional Amendment.



Give local communities the tools they need to create more affordable housing by making it easier to pass local housing bond measures - as long as they have strict accountability and oversight.

Campaign General Overview

- **Goal: develop strong, durable statewide measure to lower the threshold for local affordable housing bonds.**
- Strategic imperatives for measure / campaign: 1) meet our policy goals, 2) align with existing voter opinion, 3) support by broad coalition of stakeholders and electeds, 4) fully funded, 5) minimize opposition.
- Process
 - Policy: ongoing meetings with policy experts and stakeholders
 - Opinion research: three rounds to date
 - Coalition: met with 200+ stakeholder groups, ongoing discussion/engagement;
 - Fundraising: ongoing identification + engagement
 - Opposition: engagement with key blocs / potential opponents

Campaign Status

The campaign team has been pursuing two parallel tracks:

- 1) Drafting our own measure to qualify via signature collection
- 2) Legislative referral via ACA 1

Our measure: drafted and getting initial feedback from core allies*

Opinion research shows well-crafted concept is well-positioned to succeed in November 2024

ACA 1

- Passed the Legislature with two-thirds vote in Assembly and Senate and strong support from legislative leadership.
- Author has agreed to make amendments in January to address some outstanding issues.
- ACA 1 will appear on the November 2024 ballot.

Timeline / Next Steps

Important Dates (2024)

- January 3: Legislature reconvenes
- June 27: Deadline for amendments to be made
- Early July
 - Proposition #
 - Attorney General releases Ballot Label
 - LAO releases fiscal estimate

Voter Attitudes on Housing in California

77% of respondents have negative views of the housing situation in CA

46% describe California's housing situation as a "crisis."

31% describe it as a "very serious problem."

63% of respondents say they are "concerned about finding an affordable place to live" for themselves

45% say they strongly agree.

18% say they somewhat agree.

Voter Attitudes on Affordability Solutions



**70%
agree**

**“We need to build
more housing in
California”**

**71%
agree**

**“The government has a
responsibility to ensure
that people have access
to housing that is
affordable”**

Voter Support for Housing Bond Solutions

60%

support making it easier to pass local affordable housing bonds.

70%

support making it easier to pass local affordable housing bonds if they have strict accountability and oversight.

82%

support giving local voters more control over funding for local housing.

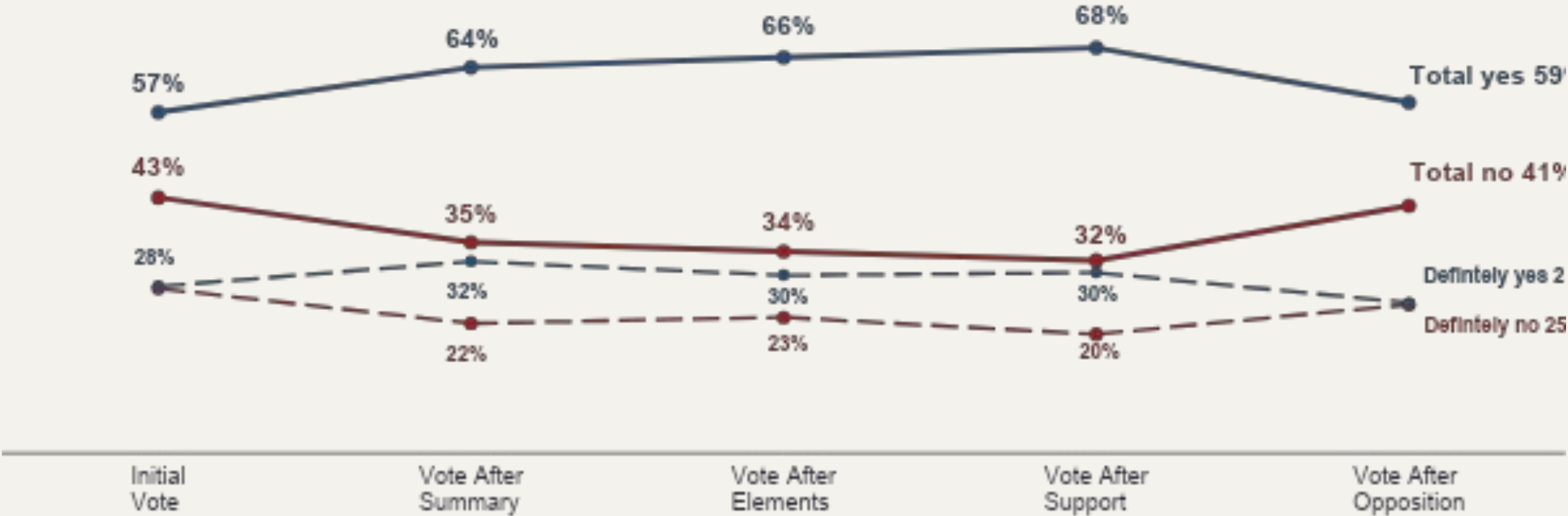
Support for Lower Housing Bond Threshold

This measure would make it easier for voters to approve local bonds for affordable housing for low-and middle-income families, seniors, and veterans, including first-time homebuyer assistance, if those bonds include strict accountability and oversight. Given what you've read, would you vote yes to approve or no to reject this measure?



Results from July 2023 survey conducted by EMC Research. n=1,000; MoE ± 3.1 percentage points.

Support for Lower Housing Bond Threshold

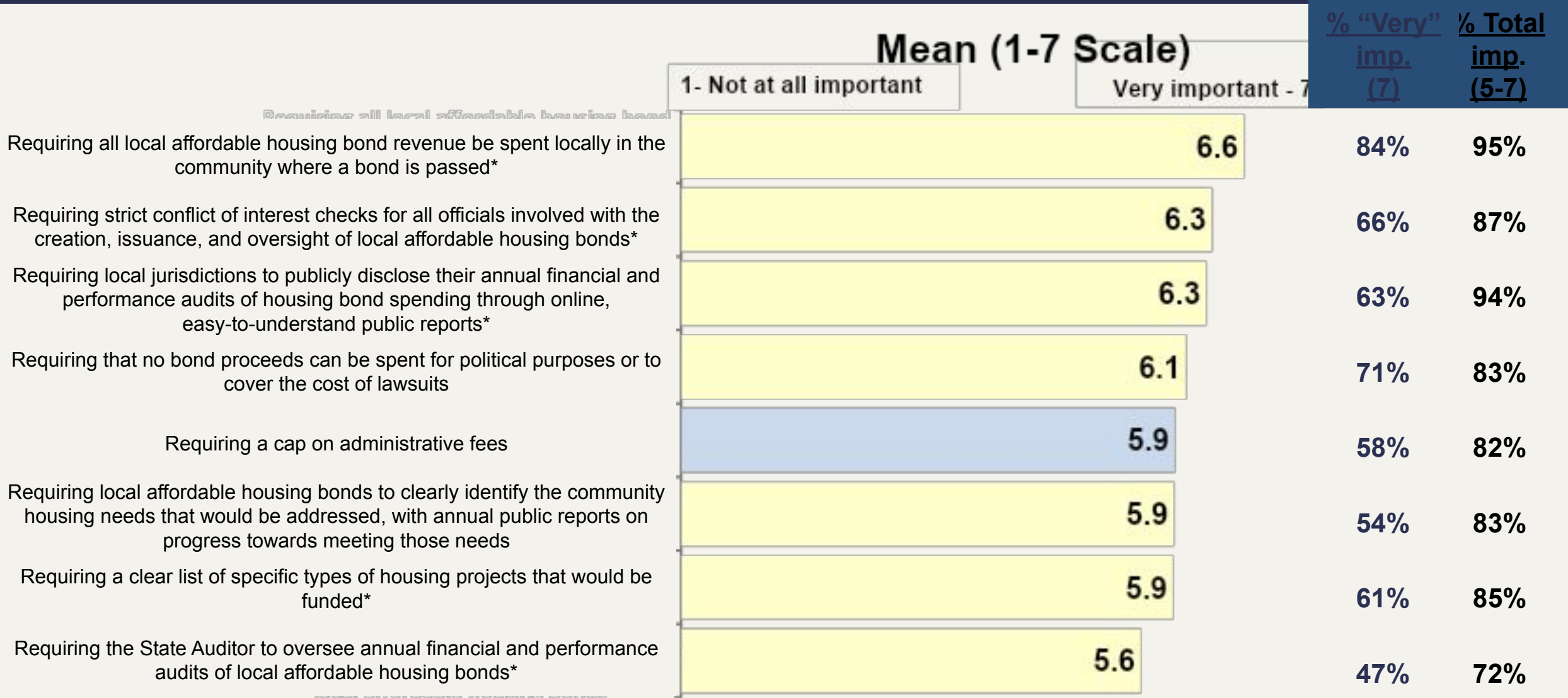


Results from July 2023 survey conducted by EMC Research. n=1,000; MoE ±3.1 percentage points.

Top Measure Elements — All Likely Voters

	Mean (1-7 Scale)		% “Very” imp. (7)	% Total imp. (5-7)
	1- Not at all important	Very important - 7		
Requiring strict conflict of interest checks				
Requiring strict conflict of interest checks for all officials involved with the creation, issuance, and oversight of local affordable housing bonds*		6.2	69%	87%
Requiring that no bond proceeds can be spent for political purposes or to cover the cost of lawsuits		6.2	74%	86%
Requiring local jurisdictions to publicly disclose their annual financial and performance audits of housing bond spending through online, easy-to-understand public reports*		6.0	61%	87%
Requiring all local affordable housing bond revenue be spent locally in the community where a bond is passed*		5.9	64%	83%
Requiring a clear list of specific housing projects that would be funded*		5.8	54%	83%
Requiring a cap on administrative fees		5.8	55%	78%
Requiring local affordable housing bonds to clearly identify the community housing needs that would be addressed, with annual public reports on progress towards meeting those needs		5.7	53%	81%
Requiring the State Auditor to oversee annual financial and performance audits of local affordable housing bonds*		5.7	50%	79%

Top Measure Elements — Voters Moving to Support



Results from July 2023 survey conducted by EMC Research. n=1,000; MoE ±3.1 percentage points. *Shown only to half of sample (71-81n, ±11.6 MoE)

Top Support Messages

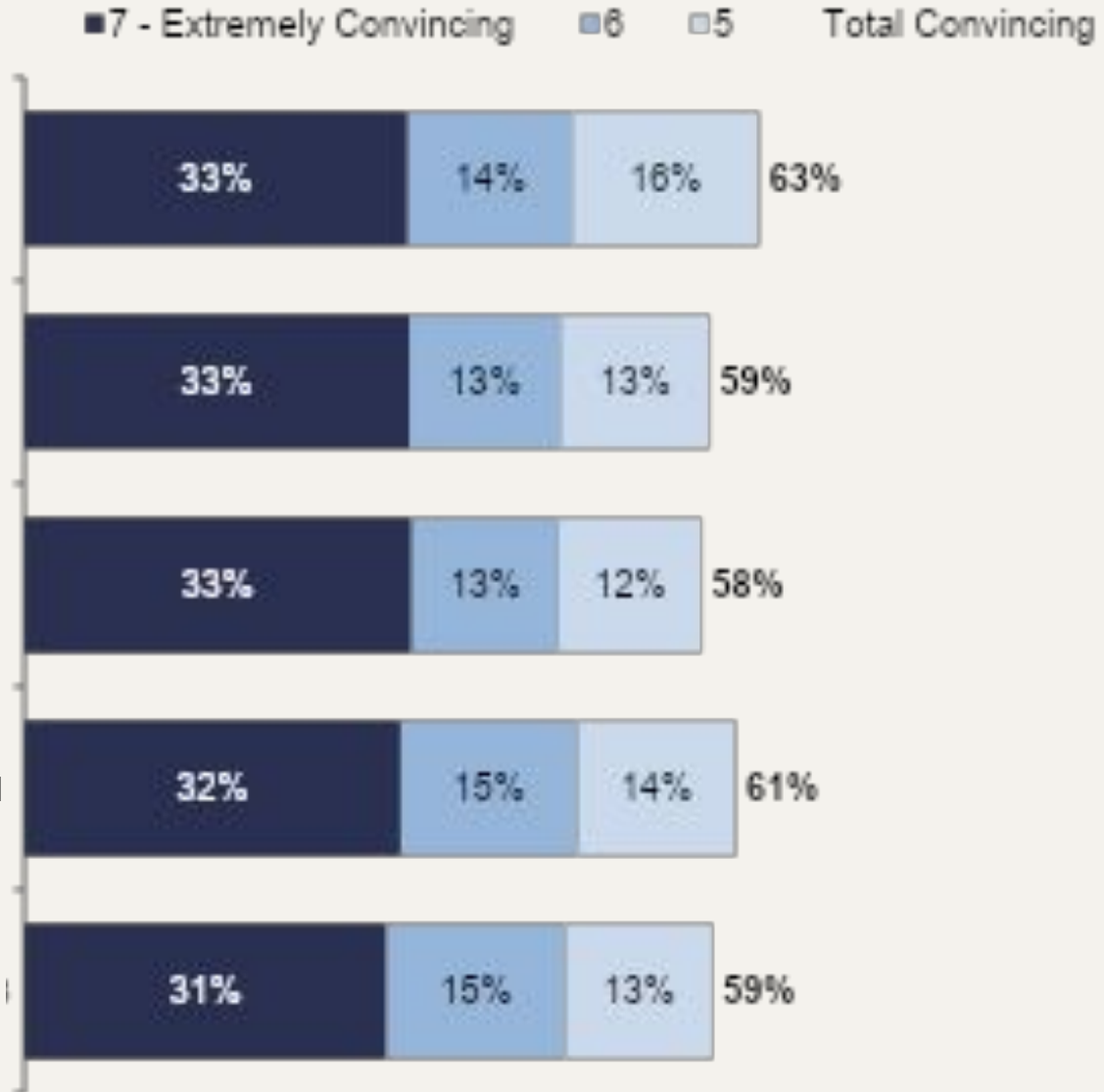
California is facing a homelessness and housing affordability crisis, despite billions spent. This measure will require strict accountability, full transparency, and independent oversight of all public funding to make sure taxpayer dollars are addressing these problems more effectively.

The cost of housing forces millions of Californians to live far away from their workplace, resulting in long commutes, bad traffic, and worse air quality. We should make it easier for people to afford homes near where they work.

The skyrocketing cost of housing is pushing out people like the teachers, firefighters, and nurses who serve our communities. Passing this measure will help these and other working families afford housing in the communities where they work.

This measure will not increase your taxes. It simply sets provisions for future local housing affordability bonds. Any proposed local bond would have to be approved by 55% of local voters.

With average home prices in California over \$700,000, we are losing our young people who can't afford to live in the places where they were born and raised. This measure will make it easier for the next generation to find an affordable home.





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Next Meeting: November 8

This will be the last meeting for the year