

Regional Impact Council Steering Committee

November 08, 2023 | 2pm



Meeting Objectives and Outcomes

Identify opportunities and impediments to ensuring that BAHFA regional bond funding will significantly increase the supply of housing for Extremely Low Income (ELI) Households and reduce homelessness across the Bay Area.



OUTCOMES

1. **Learn about the CA Business Roundtable's** potential 2024 anti-revenue, anti-government measure and ACA-13, a countermeasure to the Roundtable Initiative.
2. **Review how AB1487**, the law establishing BAHFA directs counties and cities to prioritize ELI Housing; how Capitalized Operating Reserves work; and, the process to develop local Expenditure Plans.
3. **Identify opportunities and potential impediments** to utilizing BAHFA funding to expand housing opportunities for ELI households and unhoused Bay Area residents.

A hand holding a pen writing on a whiteboard with sticky notes.

Agenda

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| 1. Welcome | 2:00 - 2:10 |
| 2. Overview: ACA 13- Countermeasure to CA Business Roundtable Measure | 2:10 - 2:30 |
| 3. BAHFA updates | 2:30 - 2:40 |
| 4. Expenditure Plans group discussion | 2:40 - 3:20 |
| 5. Looking ahead to 2024 | 3:20 - 3:27 |
| 6. Close and next steps | 3:30 |

Overview of ACA 13

Countermeasure to
CA Business
Roundtable Measure



Veronica Carrizales
Vice President of Policy and External Affairs,
California Calls



Bay Area Housing Finance Authority (BAHFA)

Regional Impact Council | November 8, 2023



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

SF Bay Area Housing Finance Authority Act: Legislation Refresher

- Counties and direct-allocation cities must prioritize new construction investments that help achieve ELI, VLI and LI RHNA targets
 - County/city must demonstrate compliance in their written expenditure plans
 - For all Bay Area counties, about 45% of RHNA obligations are for ELI ($\leq 30\%$ AMI) and VLI ($\leq 50\%$ AMI) housing
 - About 26% of RHNA is for LI housing ($\leq 80\%$ AMI)

Legislative Update – AB 1319 (Wicks, 2023)

- Adds “homelessness prevention services” to eligible tenant protection expenditures:
 - Emergency financial assistance
 - Supportive services
 - Housing problem solving
 - Residents without leases can be served
- Adds “nonprofit corporations” to list of entities to which BAHFA can allocate funds

Legislative Update – ACA-1 (Aguiar-Curry, 2023)

- Lowers voter approval threshold for bonds from 2/3rds to 55% for “...affordable housing, or permanent supportive housing for persons at risk of chronic homelessness, including persons with mental illness...”
 - “Affordable housing” as defined includes capitalized operating reserves
 - ACA 1 likely to be amended

Putting It Together

BAHFA FUNDS

- Must prioritize ELI/VLI Housing
- Apply & leverage:
 - PB Sec. 8 – full FMRs and shallow subsidies
 - MHSA, NPLH, S+C, VASH, etc.
 - Mixed-income models

ACA 1

- May add new COSR and other support opportunities via amendments

REGION-WIDE

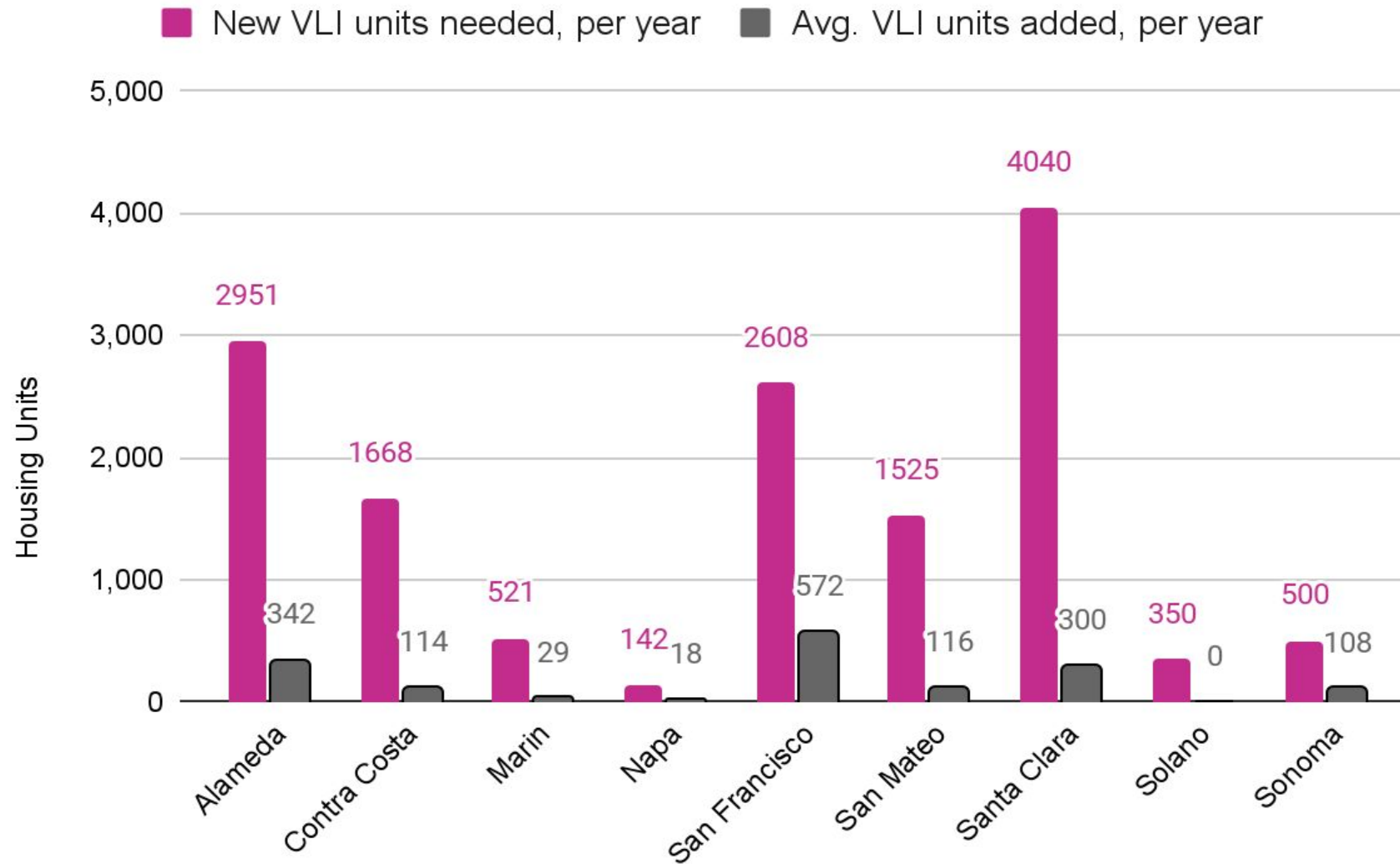
- Commit to serious cost control practice and increase production
- Employ proven models of time/cost goals driving all design decisions

New ELI units needed to reach RHNA (2023-2031) target*

Alameda	11,803
Contra Costa	6,673
Marin	2,086
Napa	569
San Francisco	10,434
San Mateo	6,098
Santa Clara	16,158
Solano	1,402
Sonoma	2,000
Bay Area Region	57,221

* ELI targets calculated as 50% of VLI goals following HCD's [guidance](#) to "Presume that 50 percent of very low-income households qualify as ELI households." ABAG regional ELI goal (set at 15.5% of total new units needed) is closer to 60% of VLI regional target.

Annual new VLI units needed to reach RHNA goal (current cycle) versus average VLI units completed (last cycle)*



* Annual units needed = total VLI allocation divided by eight (the number of years in the RHNA cycle).
Data for average units produced is from [HCD's Housing Element Implementation and APR Data Dashboard](#) for years 2018-2022.

Group Discussion

1. How can the RIC support ELI and unhoused populations through BAHFA and the Expenditure Plans for Direct Allocation Cities and Counties?
2. How do we advance accountability in our region to successfully deploy funds and rapidly advance concurrent homelessness solutions?

- Stay Housed Bay Area launched on 10/26
- Proposition 1 - CA Mental Health Services Act, March 2024
- Regional Action Plan (RAP) Update
- ACA 1 Tradeoff Discussions commence
- ACA 1 and BAHFA regional Housing Bond, November 2024

Looking Ahead

2024 Key Milestones

Next Meeting: January 31, 2024