



# **Bay Area Housing Finance Authority (BAHFA): Outreach and Engagement Within Contra Costa County**

2024 Regional Housing Bond

October 24, 2023

# A Bay Area Problem

Why Are We Here?



## Homelessness

At least 36,810 people in the region experienced homelessness in 2022.



## Wages

3.5 million Bay Area residents are living in low or very low-income households.



## Targets

The region only built 25% of the homes needed from 2015-2020.



## RHNA

Regionwide, we need to build 180,334 more affordable homes to meet the 2023-2031 RHNA.



## Funding

32,944 affordable units in predevelopment still require significant financing.

# Solution

BAHFA is Proposed to be Part of the Solution



## The Mandate

BAHFA was created by state legislation in 2019 to address systemic challenges in affordable housing and housing stability.



## The 3Ps

BAHFA focuses on Production, Preservation, and Protections.



## Revenue

BAHFA can raise revenue for housing through ballot measures such as general obligation bonds.



## Collaboration

BAHFA works in collaboration with Bay Area cities and Counties, with 80% of bond revenue generated returning to the County of origin.



## Governance

The ABAG and BAHFA boards work together and provide program guidance.

# How BAHFA Works



**A**

**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.

**B**

**Purpose is to raise new revenue for housing**, subject to voter approval.

**C**

**Collaborates** with cities and counties, improves systems and funds housing across the whole Bay Area.

**D**

**Currently conducting pilot programs** to advance affordable housing goals across the 3Ps.

# Proposed 2024 Regional Housing Bond

## The Basics



**\$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



**Amend the statewide constitution to lower the voter approval threshold for affordable housing general obligation bonds (among other items) from 66.7% to 55%.**

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



# Jurisdiction Allocations

80% of Funding – Assumes \$10B General Obligation Bond

## JURISDICTION

Alameda County (excluding Oakland)

Oakland

Contra Costa County

Marin County

Napa County (excluding City of Napa)

City of Napa

San Francisco

San Mateo County

Santa Clara County (excluding San Jose)

San Jose

Solano County

Sonoma County (excluding Santa Rosa)

Santa Rosa

BAHFA

**TOTAL**

## AMOUNT

\$984,126,195

\$382,715,743

**\$925,320,997**

\$351,944,979

\$100,379,657

\$78,869,731

\$1,216,443,579

\$1,046,094,022

\$1,199,144,929

\$1,063,392,673

\$248,595,276

\$282,080,554

\$120,891,666

\$2,000,000,000

**\$10,000,000,000**



# Total Bond Allocation Estimate for Contra Costa County

Assumes \$10B General Obligation Bond

| Balance to Disburse      | Level       | Total Bond Allocation |
|--------------------------|-------------|-----------------------|
| Production               | 52% minimum | \$457,000,000         |
| Preservation             | 15% minimum | \$132,000,000         |
| Tenant Protections*      | 5% minimum  | \$44,000,000          |
| Flexible Funding         | 28%         | \$246,000,000         |
| Local Administration     | 5%          | \$46,000,000          |
| Total GO Bond Allocation | 100%        | \$925,000,000         |

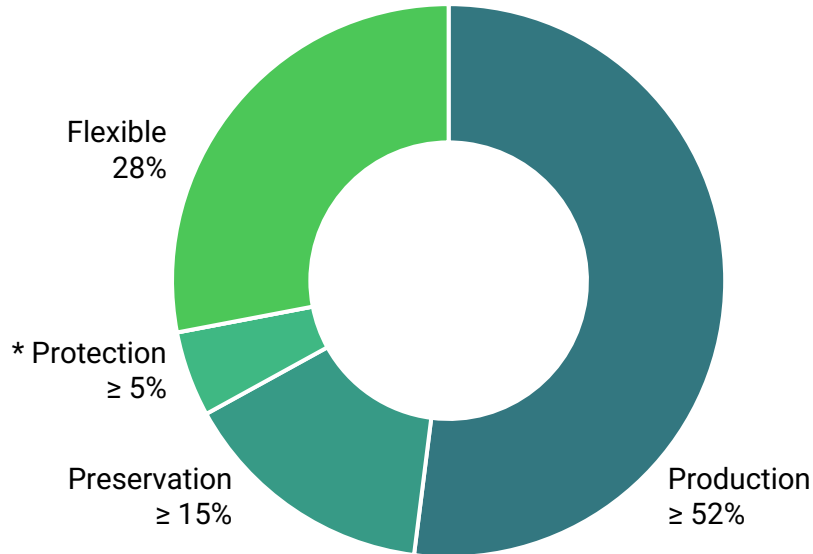
\* Currently, state law does not allow general obligation bond proceeds to be spent on non-capital (e.g., services) costs.

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.

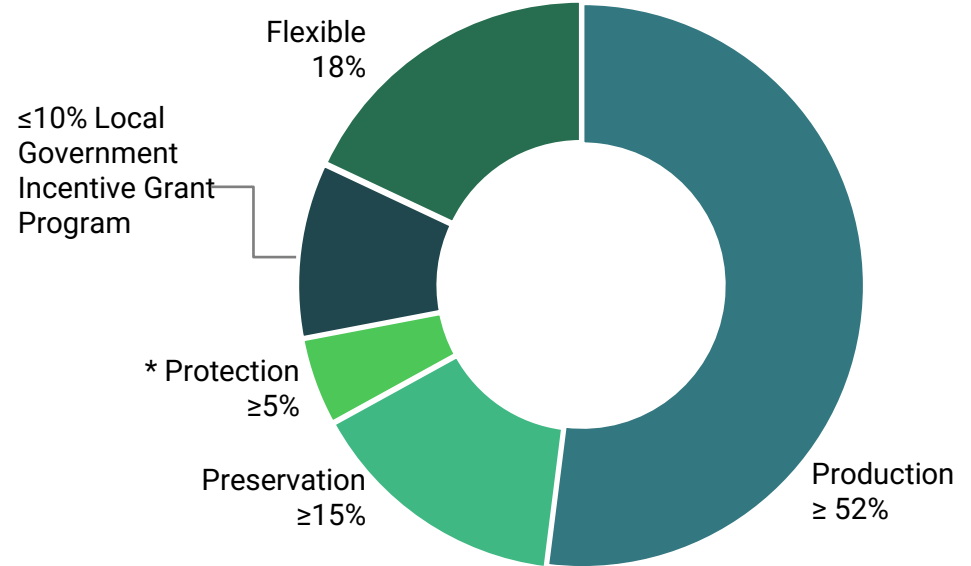


# How Funds Can be Spent

## County and City: 80%



## Regional Program: 20%



\* Currently, state law does not allow General Obligation (GO) bond proceeds to be spent on non-capital (e.g., services) costs.

# Regional Coordination and Accountability

## BAHFA

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- Governed by the BAHFA Oversight Committee and ABAG Executive Board, comprised of 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 how money was spent and outcomes achieved.
- Assists localities with development of local expenditure plans.
- Monitors expenditures for compliance with state law/regulations.

## 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 review for completeness.
- Local elected officials responsible for project-level funding decisions, consistent with local expenditure plans.
- Annually report on how money was spent and outcomes achieved.

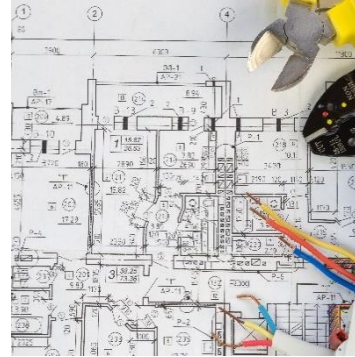
# Distribution Basics for 80% of Bond

## The Basics



### 80% to County of Origin

- Based on Assessed Value
- Counties Decide Which Entity Will Distribute (e.g., a Specific County Department)



### San Jose, Oakland, and San Francisco Receive Direct Allocation

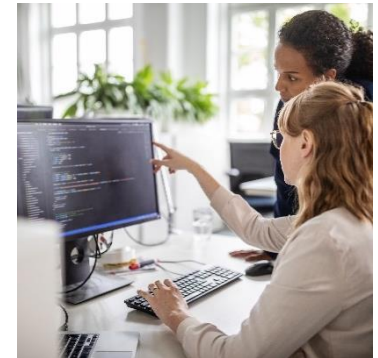
- Big Cities Create Their Own Expenditure Plans

### Cities that Carry 30%+ of a County's lower-income RHNA Obligation Can Choose to Receive Direct Allocation.

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



### 5% of Funds for Administrative Costs



# Requirements to Receive Local BAHFA Proceeds

## General Rules

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- All housing must be deed-restricted, but the term of restriction is not defined.
- All housing must be affordable, with a cap of 120% AMI.
- Rental, ownership, and interim housing are all eligible, including the capital costs of permanent supportive housing.
- The Expenditure Plan must comply with the BAHFA distribution percentages.
- Expenditure Plan must specify how much “Production” funding will be allocated to each affordability category.
- Other information such as identification of projects, proposed solicitation process, and whether and how to provide a direct sub-allocation to cities are not required by BAHFA to be addressed in the Expenditure Plan.

## Expenditure Plans

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- Local governing boards must approve plans at a noticed public meeting.
- Must include a minimum of 52% for production, 15% for preservation, and 5% for protections.
- Production should prioritize extremely low-income, very low-income, and low-income RHNA targets.
- 28% Flexible Funds can be for housing and “housing-related issues.”
- If Expenditure Plans satisfy all criteria, they will be approved as a matter of law.

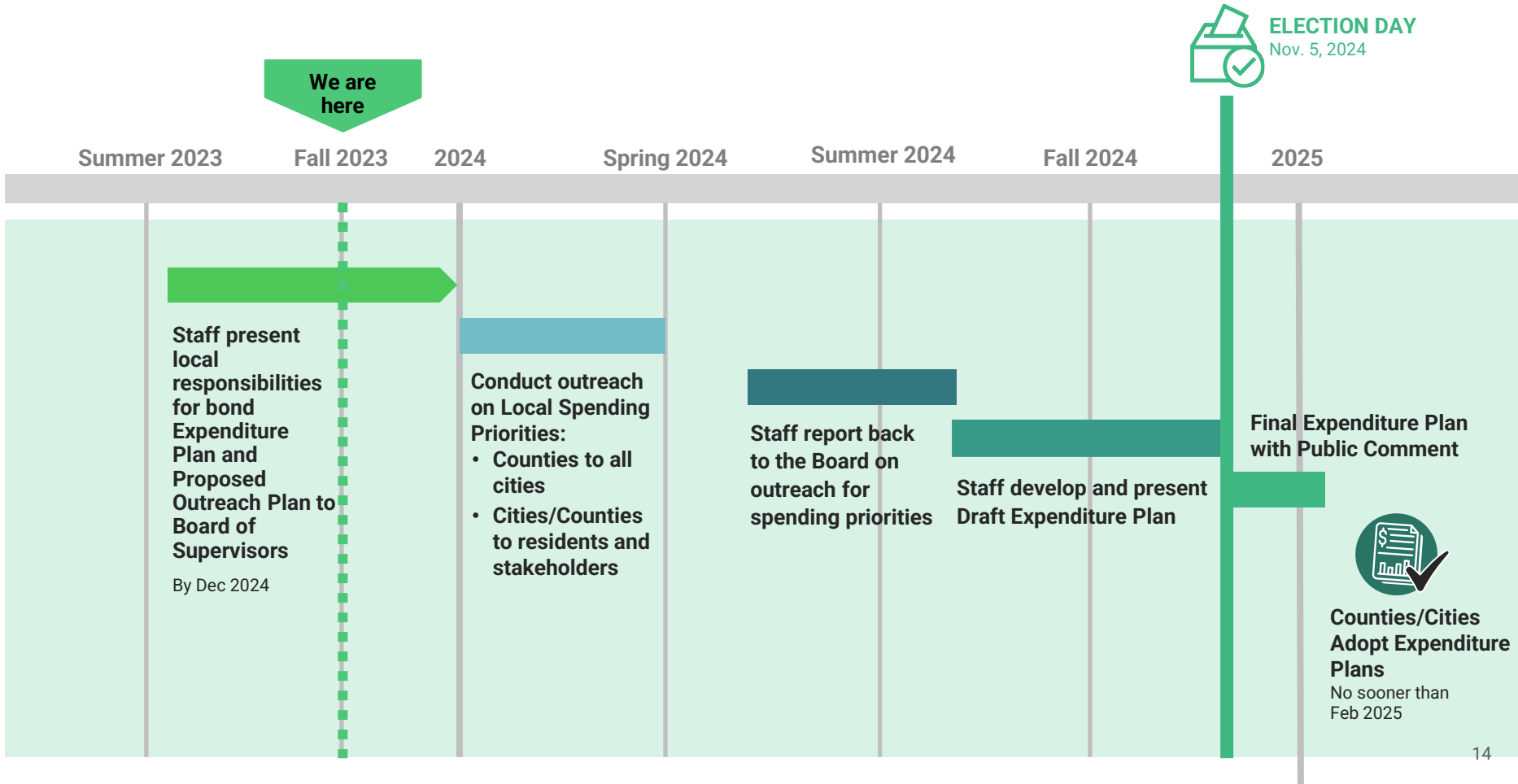
# General Timeline

BAHFA Regional Housing Measure Timeline



- Business Plan and Equity Framework revisions
  - Present to jurisdictions the potential benefits of a 2024 regional measure
- Business Plan adoption
- Public information sessions
- Early drafts of Expenditure Plan
- Conduct final poll
- BAHFA Finalizes its Expenditure Plan and Summary
- BAHFA Advisory Board recommends measures
- Counties place measure on ballot – by 8/9/24
- Public information sharing

# Recommended Local Outreach Timeline



# Proposed Outline of Outreach and Engagement

January 2024 until December 2024

01

## Public Meetings

Conduct five in-person public meetings, one in each Supervisorial District. Conduct two virtual meetings.

02

## Stakeholder Meetings

Conduct stakeholder meetings with city/town staff, affordable housing developers, and other public agencies.

03

## Individual Meetings

Invite city/town staff to have individual meetings with DCD staff.

04

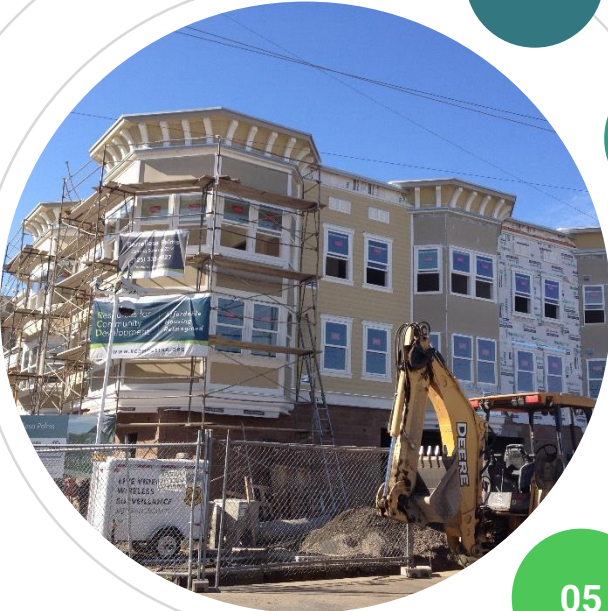
## Assist with Presentations

Assist city/town staff with presentations to their respective city councils, if requested, to provide information and to receive any comments related to local priorities.

05

## Survey

Distribute a survey to members of the public, stakeholders, and staff of local government.





# BOS Considerations

Guidance on Issues to Explore During Outreach



## 28% Flex Funds

How does the County allocate the 28% of the Flexible BAHFA funds to the 3 Ps?



## Outreach Approach

Aligning BAHFA outreach and engagement with the CDBG/HOME Consolidated Plan schedule.

## Expenditure Details

How much money should be allocated to each affordability level? Solicitation approach (e.g., integrating BAHFA Funds with existing County process for soliciting and selecting proposals)



## Role of Cities

Are cities interested in a direct sub-allocation? What percentage of total and what is the appropriate formula? Or should the County administer but assure equitable distribution?

