

Bay Area Housing Finance Authority (BAHFA) Regional Affordable Housing Bond

Oakland City Council
June 4, 2024



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

BAHFA's History: 7+ Years in the Making

- In 2017-18, local elected officials and stakeholders gathered to identify solutions to the region's affordable housing challenges
- Goal was to move from DIY for all 109 jurisdictions to collaborative solutions
- Lack of affordable housing funding a common condition
- In 2019, local leaders partnered with State Legislature to enable a new, regional approach





ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

Bay Area Housing Finance Authority (BAHFA) was created in 2019 to help solve housing affordability challenges

BAHFA's Core Power

To **raise revenue** regionally 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

BAHFA's Mission

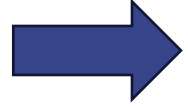
1. **Collaborate** with cities and counties
2. **Add Value**
3. **Improve our housing delivery system**



Proposed 2024 Regional Housing Bond

- Up to **\$20 billion**
- Build and preserve **~72,000 affordable homes** across the nine counties
- Requires voter approval
- Eligible uses set forth in statute and state constitution
- Most ambitious housing program in region's history

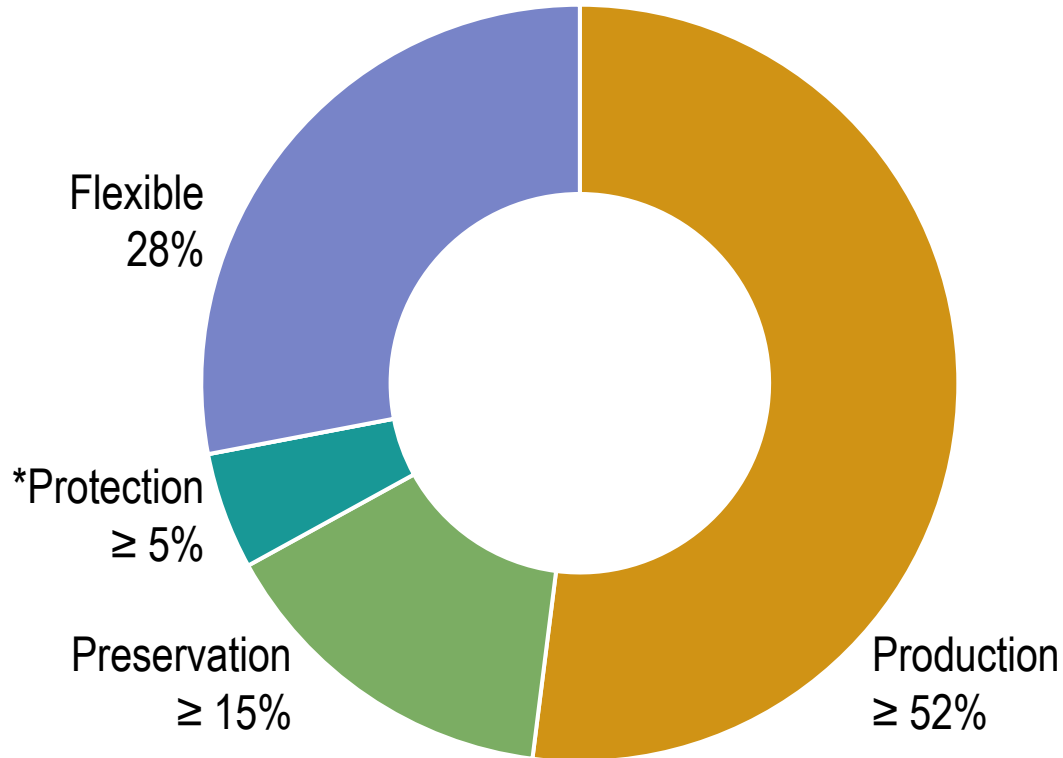
Substantial Benefits to Every County



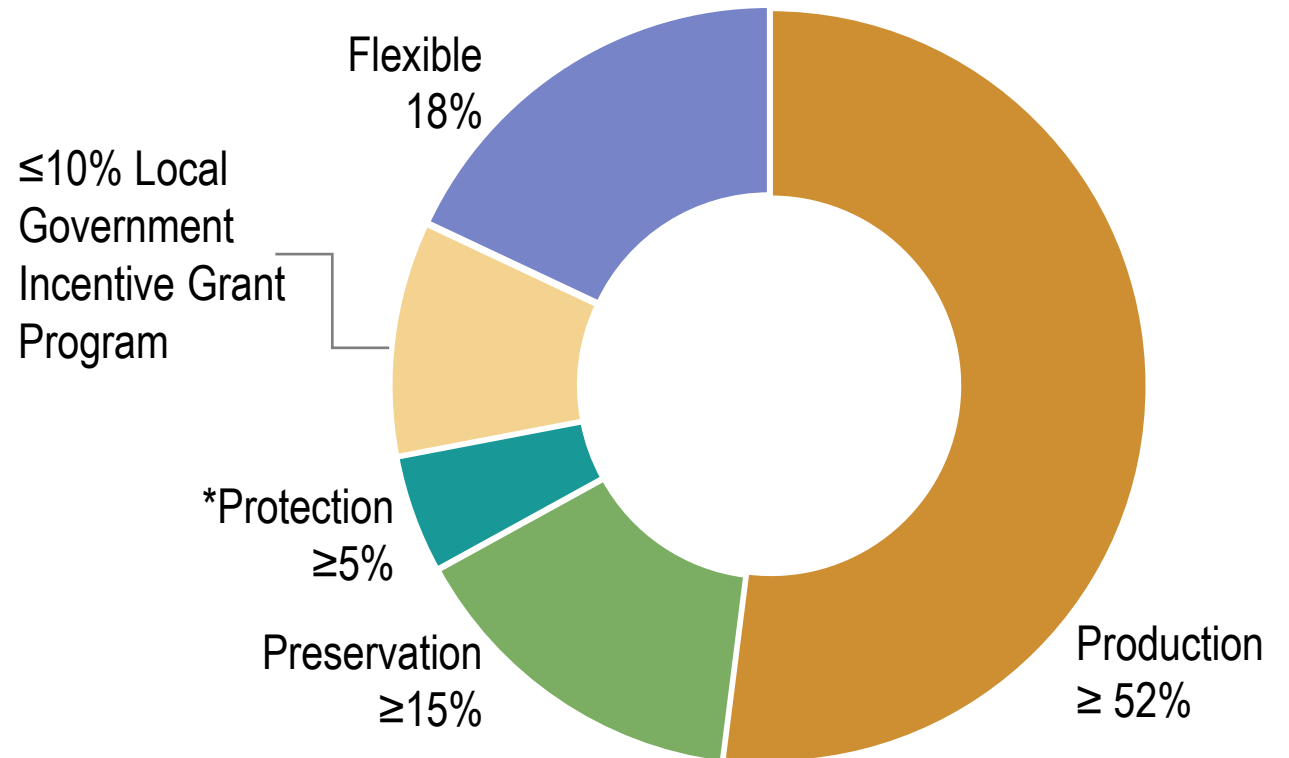
County & Direct City Allocations	\$10B GO Bond	\$20B GO Bond
Alameda County (excluding Oakland)	\$984 M	\$2 B
Oakland	\$383 M	\$765 M
Contra Costa County	\$925 M	\$1.9 B
Marin County	\$352 M	\$704 M
Napa County (excluding City of Napa)	\$100 M	\$200 M
City of Napa	\$79 M	\$158 M
San Francisco City and County	\$1.2 B	\$2.4 B
San Mateo County	\$1 B	\$2.1 B
Santa Clara County (excluding San Jose)	\$1.2 B	\$2.4 B
San Jose	\$1 B	\$2.1 B
Solano County	\$248 M	\$497 M
Sonoma County (excluding Santa Rosa)	\$282 M	\$564 M
Santa Rosa	\$121 M	\$242 M
Regional Funding (BAHFA administered)	\$2 B	\$4 B

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.*



2024 Affordable Housing Bond:

Local Expenditure Planning

County and Direct- Allocation City Expenditure Plans (the 80%)

- ✓ Oakland City Council must adopt its Expenditure Plan and transmit to Alameda County
- ✓ Must include minimum **52% for production, 15% for preservation, 5% for protections**
- ✓ **Production** must **prioritize** projects that help meet **ELI, VLI, and LI RHNA targets**
- ✓ **28% Flexible Funds** can be for housing and “**housing-related uses**”
- ✓ To the “extent feasible” the Plan should include **specific projects and programs**
- ✓ **If Expenditure Plan satisfy all criteria**, they will be approved as a matter of law

General Rules for County and Direct-Allocation City Expenditure Plans (the 80%)

- ✓ **All housing must be deed-restricted**
 - ✓ Minimum 30-year deed term for Production projects meeting RHNA obligations
- ✓ **All housing must be affordable, with cap of 120% AMI**
- ✓ **Rental, ownership and interim housing all eligible**
- ✓ Everything must conform to **Expenditure Plan**
- ✓ Everything must be **constitutional**



2024 Affordable Housing Bond:

Regional Expenditure Planning



BAHFA's Goals as a Regional Finance Agency

HDC Performance Metrics

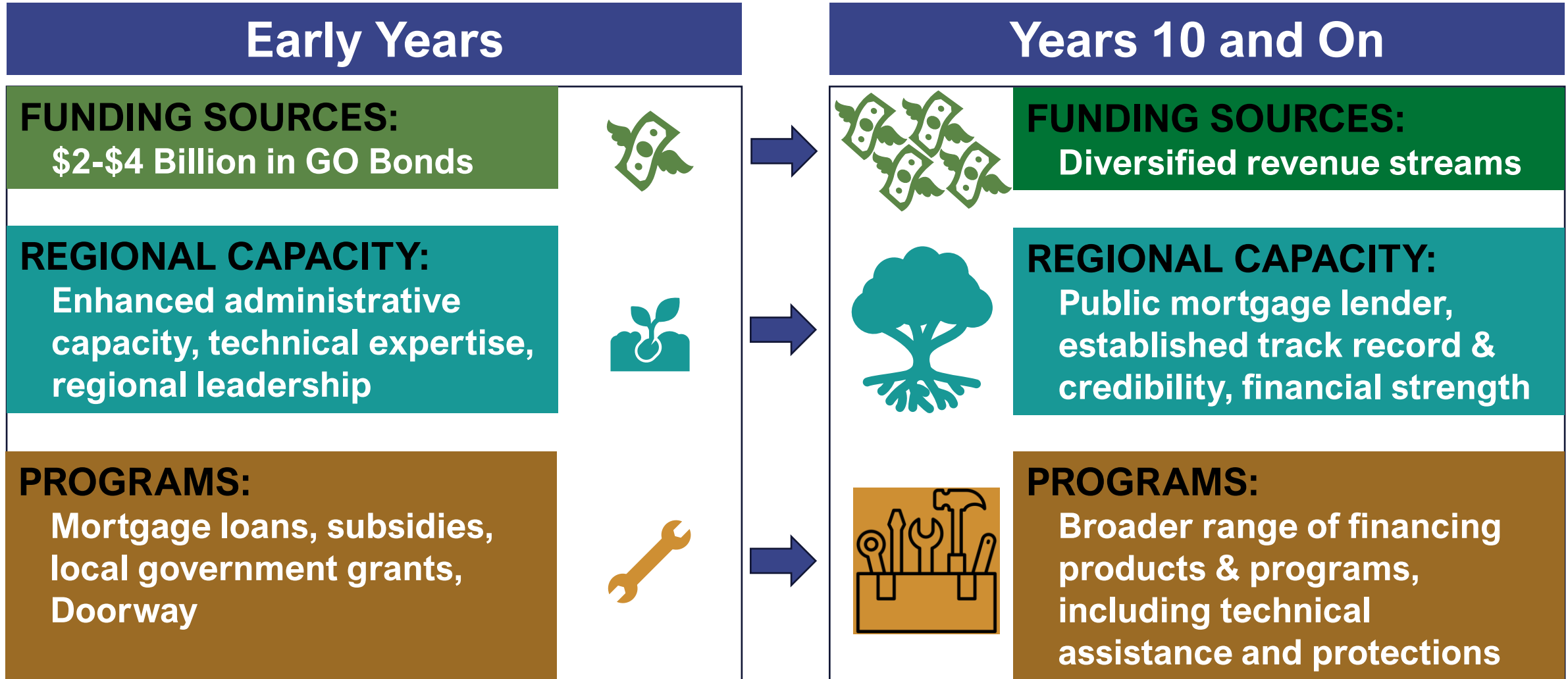
2017-2022:

- Bonds Issued: \$1.5-\$2.7B annually
- Subsidy Committed: \$102-\$325M annually
- Projects Financed: 27-44 annually
- Units Financed: 9,600-15,000 annually

By building upon the successful model of the NYC Housing Development Corporation (HDC) model, BAHFA can:

- Support a diverse set of projects and programs
- Achieve self-sustaining operations
- Generate a new source of recurring funding for programs and project subsidies
- Establish a regional, mission-driven lending agency not reliant on recurring taxpayer support

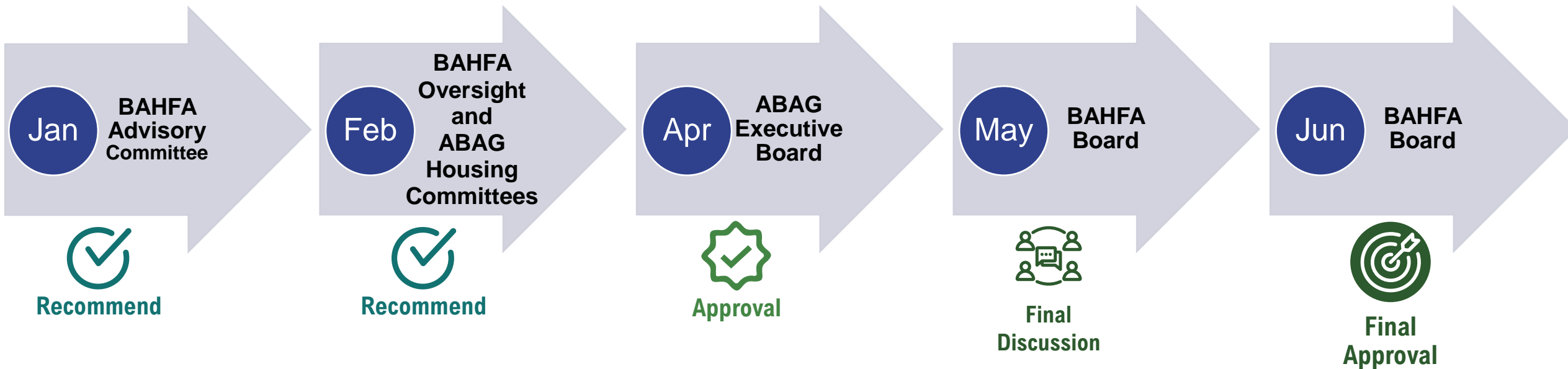
BAHFA's Goals & Growth



Accountability

- Annual reporting on regional expenditures and progress towards goals
 - Posting on BAHFA's website
- Annual financial reporting to state by BAHFA
- Regular, independent audits of BAHFA
- Citizen oversight committee will annually review expenditures and issue reports

2024 Housing Bond Approval Timeline*



* Dates are subject to change