



MOMENTUM FOR LASTING SOLUTIONS

*Launching the Bay Area Housing Finance Authority
and the Expanded Regional Housing Portfolio*

February 2021



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION



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Executive Summary

The COVID-19 pandemic and ensuing economic downturn have created a new urgency to solve the San Francisco Bay Area’s longstanding housing affordability crisis. Many residents — especially Black, indigenous and other people of color — have been hit particularly hard both by the pandemic and by untenable housing costs, forcing all Bay Area residents to grapple with the legacy of decades of discriminatory housing policies and disproportionate impacts on communities of color. As the Bay Area seeks to pursue a just recovery from the pandemic, the region must also come together on a path towards a new future where every resident enjoys the bedrock of strong, vibrant communities: a safe, stable and affordable home.

As governing bodies for the nine-county Bay Area, the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) – served by a single, consolidated staff (known as the “Bay Area Metro” staff) – are launching a new initiative to tackle the region’s housing crisis head on.

The **Expanded Regional Housing Portfolio** represents a new cross-sector, collaborative approach to address the region’s housing challenges through comprehensive, data-driven, and equity-focused programs and strategies. A central pillar of this effort is the **Bay Area Housing Finance Authority (BAHFA)**, established by Assembly Bill 1487 (Chiu, 2019). BAHFA is the first state-approved regional housing finance authority in California. BAHFA

provides the region with a powerful new set of financing tools that can raise significant new housing revenue from a variety of sources, including a regional ballot measure, state or federal appropriations, as well as philanthropic and corporate contributions.

The Expanded Regional Housing Portfolio is guided by the “**3Ps**” framework: **protect** current residents from displacement, **preserve** existing affordable housing, and **produce** new housing to secure long-term affordability. The 3Ps framework recognizes that there is no silver bullet to resolve the region’s housing problems. Just as the causes and impacts of the region’s housing crisis are complex and multifaceted, the Expanded Regional Housing Portfolio must deploy a multipronged package





Marshall Apartments, Redwood City

Photo: ©Noah Berger

of solutions that leverages available tools at the region's disposal. Combining protection, preservation and production into a complementary and mutually reinforcing strategy will enable the Expanded Regional Housing Portfolio to maximize impact for a wide range of residents across each of the Bay Area's nine counties.

Ultimately, the goal of the Expanded Regional Housing Portfolio is to transform the Bay Area's housing systems so that all residents can enjoy a safe, stable and affordable home. This outcome will require substantial new capital resources. Moreover, change of this scale must be cultivated over time.

As an intermediate step, the Expanded Regional Housing Portfolio over the next two to four years will focus on **readying the region for transformational change** in the housing sector. This paper outlines three components to this near-term phase:

1. Plan for and Secure New Funding: raise substantial new funding for capital and programmatic investments from a variety of

sources, including federal or state appropriations, or a regional funding measure placed on the ballot by BAHFA.

- 2. Complement and Fortify 3Ps Capacity in Local Governments:** amplify the impact of local housing staff on the front lines of program implementation by building a robust network for cross-jurisdictional collaboration and dissemination of best practices.
- 3. Launch Regional Pilot Programs:** invest in catalytic pilots designed to make a meaningful difference for housing and homelessness while also building the capacity of Bay Area Metro staff to deliver game-changing protection, preservation and production programs once significant new resources are secured.

This Concept Paper proposes five new regional pilot programs to be developed in partnership with stakeholders representing all 3Ps:

- **Support the Design and Rollout of a Homelessness Prevention System.** Partner with the Regional Impact Council, an emergent multi-stakeholder initiative, to help design a regional homelessness prevention system and explore BAHFA's potential role in implementation. Such a system could spur regional adoption of evidence-based best practices and equip existing county and local homelessness service programs with new tools and resources.
- **Strengthen the Regional Rental and Mortgage Assistance Network.** Develop a network of rental and mortgage assistance providers to ensure efficient deployment of eligible philanthropic, local, state and federal funds. This would involve regularly convening local government and nonprofit providers, developing standardized best practices, and facilitating region-wide data collection, sharing and evaluation.
- **Enhance Preservation Financing Tools and Provide Technical Assistance.** Restructure and coordinate existing regional housing preservation finance programs, including MTC's Bay Area Preservation Pilot (BAPP) and ABAG's Bay Area Regional Energy Network (BayREN), to maximize their



Villa Torino, San Jose
 Photo: ©Martin Klimdek

impact. Develop a housing preservation technical assistance program by supporting two new regional collaboratives, one for local jurisdictions looking to implement preservation policies and programs, and another for developers and community-based organizations pursuing acquisition-rehab projects.

- **Support a Regional Affordable Housing Application Platform.** Expand San Francisco’s successful affordable housing search and application platform (DAHLIA), which centralizes available affordable housing opportunities for those seeking affordable units. Partner with “Doorway,” an existing effort to replicate DAHLIA in other jurisdictions, including Alameda County, San Mateo County and San Jose.
- **Build and Maintain a Regional Affordable Housing Pipeline Database.** Create and maintain a database of affordable housing projects in the development pipeline, including units in early development (pre-development) and those in the later stages of development (entitled, funding and tax credits secured). A reliable understanding of the affordable housing pipeline could improve efficiency of the production system by increasing predictability as well as helping to prioritize local, regional and state funding.

The launch of the Expanded Regional Housing Portfolio coincides with other significant housing initiatives. Federal and state lawmakers have included housing as a key part of several COVID relief packages, with a particular emphasis on eviction protections and rental assistance. In the Bay Area, public and private sector leaders have come together in

the newly formed Regional Impact Council to undertake a multi-year, blue-ribbon process to advance bold solutions to end homelessness. The Expanded Regional Housing Portfolio will overlap with some of these efforts and provide a necessary complement to others. In the coming years, Bay Area Metro staff will engage with partners at the federal, state, and regional levels to ensure that the Expanded Regional Housing Portfolio and BAHFA leverage parallel efforts and add value to the evolving housing ecosystem.

Once the necessary funding is secured and partnerships are established, the activities proposed in this Concept Paper will lay the foundation for a comprehensive and collaborative regional strategy that will provide new tools to deliver an equitable future for the Bay Area. A future where safe and affordable homes allow every Bay Area resident to thrive. A future where all workers can afford to live near their workplaces, reducing traffic, GHGs, and congestion for everyone. A future where residents from all walks of life – teachers, first responders, and service workers; families, veterans, and people with disabilities – are free to pursue their dreams, feel connected to their neighborhoods, and can access the amenities that make the Bay Area such a great place to live. A future where the Bay Area’s racial and ethnic diversity is preserved and recognized as one of its core strengths, where everyone – Black and white, Latinx and Asian, and indigenous – can comfortably call the Bay Area home. The launch of the Expanded Regional Housing Portfolio is one step on the path towards this vision of shared prosperity for all the Bay Area’s current and future residents.



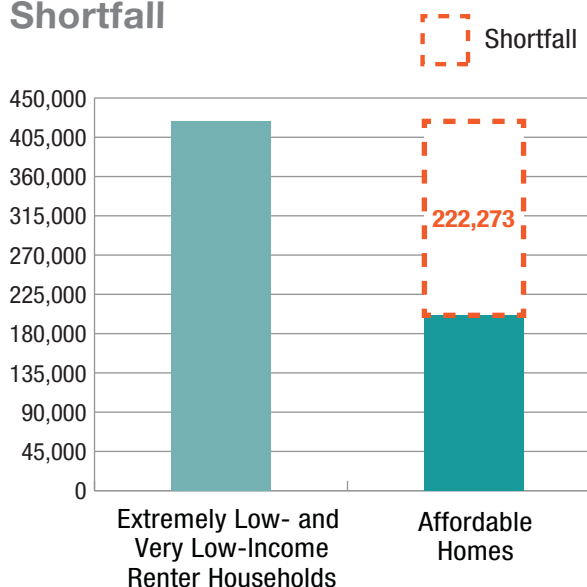
1. The Current Moment: Challenge and Opportunity

California, and the San Francisco Bay Area¹ in particular, face an affordable housing crisis that has built up over decades. The Bay Area faces a shortfall of over 220,000 homes² affordable to its poorest residents.³ Roughly 45% of Bay Area renter households spend more than 30% of their income on housing (meeting the definition of “cost-burdened”),⁴ while roughly 23% spend over 50 percent of their income (meeting the definition of “severely cost burdened.”)⁵ The reality is even bleaker for those at the lowest end of the income spectrum: nearly 85% of extremely low-income residents and 61% of low-income residents are cost burdened, while 69% of extremely low-income and 15% of low-income residents face severe cost burdens.⁶

Market rents in the Bay Area increased by 36% from 2010 to 2015 while inflation-adjusted median earnings actually decreased over the same period.⁷ Between 2012 and 2017, the Bay Area lost roughly 32,000 unsubsidized affordable homes per year, an indicator of rapidly increasing housing costs and the displacement of long-time residents.⁸ Over 55% of Bay Area

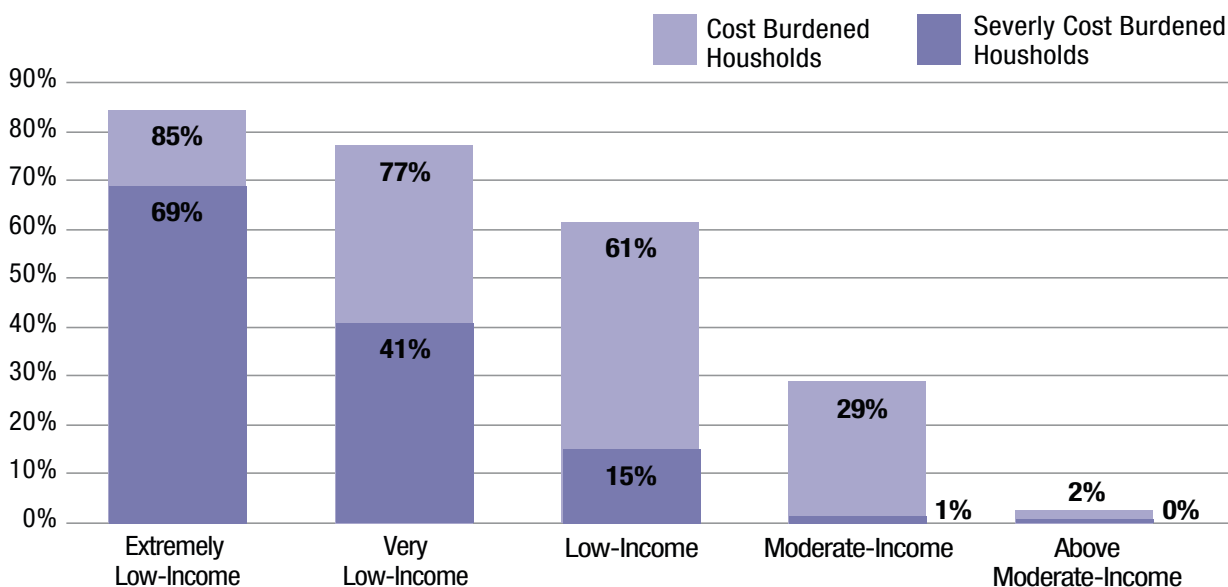
residents live in census tracts that are either at risk of or currently experiencing gentrification or exclusion.⁹ This displacement crisis disproportionately impacts people of color, especially Black, indigenous and Latinx residents, as well as female-headed households and families

Bay Area Affordable Homes Shortfall



Source: California Housing Partnership analysis of 2018 PUMS data

Bay Area Cost Burdened Households



Source: California Housing Partnership analysis of 2018 PUMS data

“The Expanded Regional Housing Portfolio is a new cross-sector, collaborative approach to address the housing challenges facing our region through comprehensive, data-driven, and equity-focused programs and strategies.”



with children.¹⁰ These dynamics have led to an increasingly segregated region, with low-income residents and people of color often pushed to the peripheries of the Bay Area if they are able to remain in the region at all.¹¹ The Bay Area’s inability to adequately house all its residents, especially close to job centers, has led to a host of other challenges such as crippling traffic, attendant greenhouse gas emissions, and labor shortages that affect all Bay Area residents.

Recent events have exacerbated the housing crisis. Every Bay Area resident has been affected in some way by the COVID-19 pandemic and the accompanying economic downturn, as well as by the historic wildfires that have threatened homes, caused large-scale evacuations, and resulted in prolonged periods of unhealthy air quality. Yet some residents bear a disproportionate burden from these overlapping crises. The murders of George Floyd and other Black Americans by law enforcement have elevated awareness and urgency to address the deep, persistent racial inequities woven throughout our society – including our housing systems. Many of today’s racial disparities are the direct result of discriminatory housing policies that were embedded in public and private sector policies for decades, including racially restrictive covenants, redlining and exclusionary zoning.¹²

The pandemic also has underscored the connection between housing and health. People cannot comply with public health “shelter in place” orders if they do not have a shelter. This is disproportionately the case for Black and indigenous residents who have been shut out of housing opportunities by historic discriminatory policies.¹³ Essential workers, who are often disproportionately people of color,¹⁴ face increased risk of contracting the virus, which in turn results in compounded population-level risks since low-wage essential workers are more likely to live in overcrowded and multi-generational households.¹⁵ Now, more than ever, our individual, family and collective health depends on the foundational principle that everyone – especially Black, indigenous, people of color, and other systematically marginalized groups – must have access to an affordable, stable and safe home.

The Bay Area’s housing challenges are not just a big city problem – the suburban and rural parts of the region also face pervasive housing shortages and escalating housing costs. While the specific circumstances of the unmet housing need may vary with geography, all jurisdictions in the Bay Area must step forward to be part of the solution to what is truly a regional problem.



Without a significant increase in the production and preservation of permanently affordable homes, as well as tenant protections, the Bay Area will fail to provide enough accessible, stable, and affordable housing for all current and future residents. Achieving this will require a significant investment of public money. Yet state and federal affordable housing funding has been cut by 82 percent over the last decade, including the dissolution of the state’s redevelopment program.¹⁶ The inadequacy of public investment in housing threatens the quality of life of all Bay Area residents.

Recognizing that “business as usual” is not an option, the Bay Area’s regional governing bodies, the Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC), have pledged to comprehensively address the Bay Area’s chronic affordable housing and displacement crises by committing to an Expanded Regional Housing Portfolio. This is a new cross-sector, collaborative approach to address the housing challenges facing our region through comprehensive, data-driven and equity-focused programs and strategies. This diverse portfolio of housing authorities, tools and programs is led by the single, consolidated staff of MTC and ABAG and their associated entities, collectively known as the “Bay Area Metro” staff.

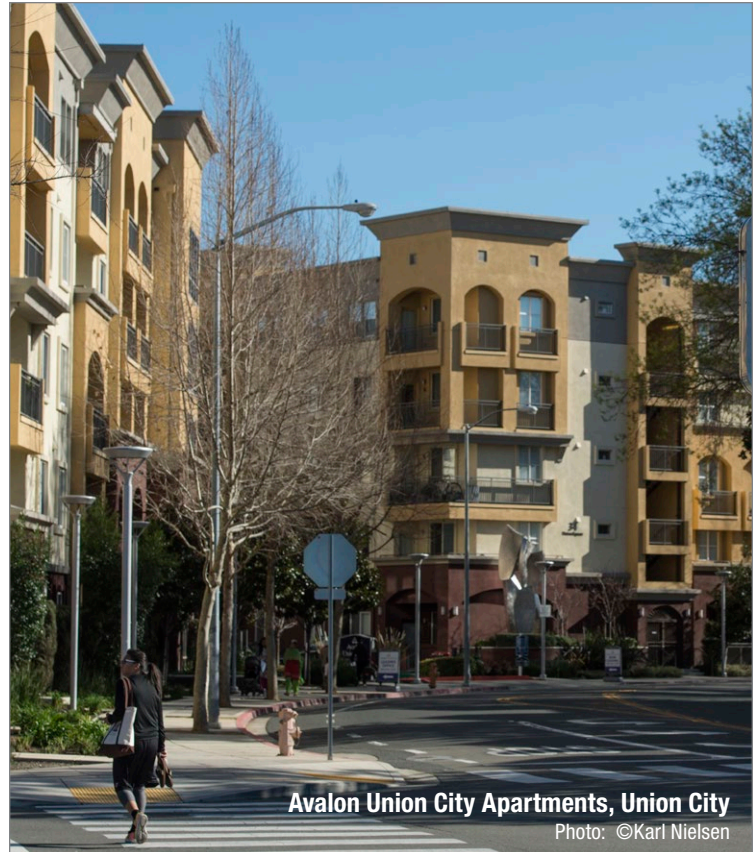
The centerpiece of Bay Area Metro’s expanded regional housing efforts is the Bay Area Housing Finance Authority (BAHFA). Established in 2019 by Assembly Bill 1487 (Chiu), BAHFA is the first legislatively-approved regional housing finance authority in California that has the potential to raise hundreds of millions of dollars annually through ballot measures and other revenue mechanisms for the entirety of the nine-county Bay Area. BAHFA equips the region with a powerful set of new funding and financing tools to address systemic challenges in the delivery of equitable affordable housing and housing stability.

The Expanded Regional Housing Portfolio, anchored by the new tools provided by BAHFA, is a transformational opportunity to grow resources and help coordinate across what currently are disconnected housing delivery systems. The Expanded Regional Housing Portfolio charts a path for a Bay Area where all residents – including Black, indigenous, immigrants and people of color – can thrive while also ensuring that new generations of Bay Area residents can afford to remain in the communities where they grew up. With a regional commitment and new tools to implement this vision, the opportunity is ripe for action.



2. The Origins of the Expanded Regional Housing Portfolio and BAHFA

In 2018, recognizing the need for bolder action to address the region’s housing challenges, MTC and ABAG convened leaders from the public, private and nonprofit sectors to develop a comprehensive set of strategies to tackle the region’s affordability and displacement challenges. This process – known as CASA – aimed to identify game-changing solutions to the Bay Area’s housing crisis. One of the most critical and lasting contributions of the CASA process is the **“3Ps” framework**, which represents a comprehensive package of housing solutions grouped in three categories: **protection** for current residents to avert displacement; **preservation** of existing housing affordable to lower- and middle-income residents and **production** of new housing at all income levels, especially affordable housing. The final product of the CASA process was the CASA Compact,¹⁷ which outlined 10 actionable and measurable steps, many of which required state legislative action, including creating a regional housing entity that could raise significant new



Avalon Union City Apartments, Union City

Photo: ©Karl Nielsen

The 3 Ps of Housing

The 3Ps framework reflects a comprehensive approach to overcome the Bay Area’s housing challenges. It provides a package of solutions that respond to the urgent needs of residents today while also reversing the conditions that cause and perpetuate the crisis. The framework combines protection, preservation and production into complementary and mutually reinforcing strategies that can achieve broad and deep impact that benefits all Bay Area residents.



Protection

Protect current residents from displacement and homelessness by ensuring that they have rights and resources to remain in their homes.



Preservation

Preserve existing homes affordable to lower- and middle-income residents to guarantee that the current housing stock remains healthy and affordable into the future.



Production

Produce new homes at all income levels, with a commitment to use public policy and funding to encourage deeply affordable housing for those most in need.

revenue. CASA estimated a \$2.5 billion annual gap in regional funding for at least the next 15 years.

In 2019, Assemblymember David Chiu authored enabling legislation (AB 1487) to create BAHFA. With ABAG and MTC input and support, the bill was passed by the Legislature and signed into law; BAHFA was legally established on January 1, 2020.

With BAHFA established, Bay Area Metro leadership and housing sector partners pursued placing the first regional housing revenue measure on the ballot in all nine Bay Area counties – targeting the November 2020 election. However, the surge of COVID-19 and the related economic downturn in the spring and summer of 2020 resulted in a decision to delay consideration of a regional ballot measure.



Lumina Towers, San Francisco
Photo: ©Gary Pike



Assemblymember Chiu and others look on as Governor Newsom signs AB 1487 into law.

Photo: www.gov.ca.gov

Bay Area Metro leadership remains poised to run a regional housing revenue measure at the next viable election opportunity. Even before a regional ballot measure, Bay Area Metro leaders have taken steps to advance the Expanded Regional Housing Portfolio, including developing a governance infrastructure for this collective effort by constituting the BAHFA Board, comprised of the same members as the MTC Commission,¹⁸ as well as forming a new Housing Committee at ABAG.¹⁹ In collaboration with other public and private sector partners, Bay Area Metro policymakers are evaluating a diverse set of opportunities to bring new funds to the region that could supplement a future regional housing measure, including federal and state public funds as well as philanthropic and corporate donations.



3. What is the “Expanded Regional Housing Portfolio” and What Can It Offer the Region?

The Expanded Regional Housing Portfolio is rooted in the “3Ps” framework that recognizes the need for a comprehensive suite of protection, preservation and production strategies, all with the goal of preventing homelessness and alleviating housing insecurity. It builds on existing strategies and tools to achieve greater efficiencies, identify gaps in existing approaches, and catalyze innovative regional-scale solutions. It also calls for stronger coordination between ABAG, BAHFA, local jurisdictions, and external stakeholders. With partnership at its core, the Expanded Regional Housing Portfolio is guided by the following principles:



Advance the “3Ps Framework.”

Ensure BAHFA and the Expanded Regional Housing Portfolio operate within the “3Ps Framework” of protecting current residents, preserving existing housing and producing new affordable housing. This framework should include a focus on the most vulnerable residents, elevating homelessness prevention strategies across the 3Ps by serving those with extremely low incomes.



Equity-Focused Approach.

Prioritize communities that are most impacted by the region’s affordability crisis, especially low-income communities as well as Black, Latinx and indigenous populations that are underhoused or unhoused at persistently higher demographic proportions. Without ensuring affordable and stable housing opportunities, systemically marginalized Bay Area residents will lose access to critical resources such as public transportation, health care, jobs, and quality schools—and the region will lose its racial and cultural diversity, as well as its economic edge.



Collaborative, Shared Agency Strategy.

Pursue a regional housing strategy rooted in a collaborative partnership between ABAG and MTC/BAHFA that draws upon the strengths of each agency. BAHFA provides an opportunity to strengthen this partnership by formalizing shared decision-making with respect to new regional funding tools. This collaborative strategy gives us a chance to ensure the whole is more than the sum of its parts.



Multi-Sector Partnership Model.

Cultivate partnerships to deepen impact and spur cross-sector communication to achieve shared goals. Focus on value-add activities that complement, scale up and/or fill gaps in the efforts of other public sector, philanthropic and private sector endeavors.



Embrace Innovation and Creativity.

Craft innovative approaches to overcome persistent challenges the region has faced, including creative financing, pilot programs and a bold vision to achieve measurable impact on housing outcomes.



Achieve Scale.

Strive for housing strategies that meet the scale of the region’s housing problems, aspiring to truly solve the housing and homelessness crises rather than mitigating or managing them. Pursue ambitious revenue-generating opportunities.



Ensure Financial Sustainability.

Right-size new programs to available resources to ensure BAHFA and the Expanded Regional Housing Portfolio proceed in a fiscally responsible way. Work toward a self-sustaining model that bolsters existing staff as program demands increase.



PRODUCTION
Photo: ©Karl Nielsen



PROTECTION
Photo: iStock



PRESERVATION
Photo: ©Karl Nielsen

BAHFA is a key pillar of the Expanded Regional Housing Portfolio. It is the first government entity in California established to enable affordable housing funding and financing at a multi-county, regional scale. BAHFA has a unique governance structure designed to ensure cooperation across MTC and ABAG. While the BAHFA Board is comprised of the same members as MTC, the statute requires a double green-light process to obtain approval from both the ABAG Executive Board and the BAHFA Board for many consequential decisions. BAHFA has the power to raise revenue regionally from a variety of sources, including several taxes subject to voter approval, a commercial linkage fee, a general obligation bond, grants or loans from public and private sources, as well as its own revenue-generating activities. BAHFA can deploy resources through a variety of mechanisms, including direct financing of affordable housing production and preservation, supporting tenant protection programs, providing technical assistance to local governments, and collecting regional-scale data.

ABAG, which historically has led regional housing planning activities, will serve as the other key pillar in the Expanded Regional Housing Portfolio. Using ABAG's Advancing California Finance Authority (ACFA), Bay Area Regional Energy Network (BayREN), and other programs and tools, the Expanded Regional Housing Portfolio can deploy a range of finance and technical functions to improve housing affordability across the Bay Area. Existing ABAG and MTC programs are outlined in the Appendix.

THE BAY AREA HOUSING FINANCE AUTHORITY



Established by Assembly Bill 1487

(Chiu, 2019), the Bay Area Housing Finance Authority is a central pillar of ABAG and MTC's Expanded Regional Housing Portfolio. BAHFA is the first

state-approved regional housing finance authority in California. BAHFA represents a powerful set of tools to raise new revenue as well as coordinate policy and funding across jurisdictions. Launching BAHFA is a critical step to create the infrastructure needed to solve the Bay Area's housing and displacement crises.



ROLE AND POWERS

- BAHFA's purpose is to raise and deploy funding to produce new affordable housing, preserve existing affordable

housing and protect tenants; provide technical assistance to local jurisdictions; and generate regional data to inform local housing policies and programs.

- BAHFA's laser-focus on the nine-county San Francisco Bay Area gives it a unique ability to tailor financing packages specific to the region's needs.
- BAHFA's role vis-à-vis local governments is to complement and fortify their efforts, supporting increased access to technical expertise and attracting new resources to advance the production and preservation of housing and improve tenant protections.



GOVERNANCE & ACCOUNTABILITY

- The BAHFA Board is comprised of the same members as MTC. To ensure regional cooperation, BAHFA's enabling

statute requires a double green-light process to obtain approval from both the ABAG Executive Board and the BAHFA Board for many consequential decisions, such as a regional ballot measure.

- AB 1487 requires formation of an advisory committee to provide input and recommendations to BAHFA and the ABAG Executive Board. The advisory committee is comprised of nine experts with knowledge of housing finance, housing preservation and tenant protections.
- BAHFA must outreach to a spectrum of interest groups and use public participation in all formal decision-making.



REVENUE OPTIONS

- A defining feature of BAHFA is the authority to raise revenue through a ballot measure that would require

two-thirds approval from voters in the nine Bay Area counties. Potential mechanisms include a general obligation bond, a parcel tax and two employer-based taxes — a per-employee "head tax" and a gross receipts tax.

- If voters approve a general obligation bond or parcel tax, BAHFA and ABAG may impose a regional commercial linkage fee on developers that is capped at \$10 per square foot (plus an annual inflation adjustment), though only after conducting a regional nexus study that substantiates the fee.
- BAHFA can receive gifts, fees, grants, loans or other allocations from public and private entities.
- BAHFA can generate revenue through financing products, reinvestment of interest earned, and bond issuance and monitoring fees, as well as other activities.
- By efficiently leveraging all these resource options, BAHFA can generate a self-sustaining business model that provides a reliable funding stream to advance the 3Ps for decades to come.



SPOTLIGHT: REGIONAL REVENUE MEASURE EXPENDITURES

AB 1487 defines how funds from a regional ballot measure must be allocated:

- County governments will make the vast majority of investment decisions, subject to guidelines issued by the ABAG Executive Board and BAHFA.
- Depending on the revenue source, 50% to 80% of funds will be returned to the county of origin. This leaves a regional pool of 20% to 50% of funds for which BAHFA and the ABAG Executive Board have spending authority.
- For both the county and regional funds, AB 1487 establishes statutory minimum expenditures for each of the 3Ps: at least 52% of funds must be spent on new affordable housing production, at least 15% must be dedicated to preservation, and at least 5% must be spent on tenant protections. The remainder of funds can be flexibly invested based on local and regional needs.



4. The Next Phase: Ready the Region for Transformational Change



Photo: ©Karl Nielsen

The goal of the Expanded Regional Housing Portfolio is transformative, systems-level change in housing supply and stability across the Bay Area. To ready the region for this type of change over the next two to four years, Bay Area Metro leadership and private sector partners are committed to three key actions:

Plan for and Secure New Funding

The Expanded Regional Housing Portfolio must undertake several activities to prepare for significant new capital resources:

- **Determine Timing for a Winning Regional Ballot Measure.** Bay Area Metro staff, in collaboration with partners in the philanthropic, nonprofit and corporate sectors, will monitor the economic and political climate during the coming years to determine the optimal timing for a regional funding measure to be placed on the ballot.
- **Advocate for Additional State and Federal Resources.** While BAHFA provides the Bay Area with a mechanism to raise new revenue regionally, there is a parallel responsibility for Bay Area Metro and housing partners to advocate for significant new state and federal funds to support work across the 3Ps.

- **Develop a Business Plan.** Bay Area Metro and the private sector already have raised \$500,000 to fund a Business Plan that will recommend high-impact housing strategies and financing tools that can be activated once new resources have been secured. The Business Plan also will evaluate the institutional design of a fully resourced BAHFA, identifying the types of expertise and staffing structures necessary to effectively execute large-scale funding programs and provide options to advance the 3Ps in a variety of potential future revenue scenarios.

Complement and Fortify 3Ps Capacity in Local Governments

The importance of developing the regional infrastructure across all 3Ps cannot be overstated—both within local governments and Bay Area Metro staff. It is critical to recognize the indispensable role of local governments, especially given their ground-level view of housing instability and their authority over land use decisions. However, many local governments struggle with significant staffing challenges in the housing sector. There is a lack of technical expertise across the 3Ps in many of the 101 cities and towns across the region. With the loss of redevelopment, most jurisdictions in the

Bay Area do not have a housing department at all. Even for municipalities with some housing expertise on staff, this expertise is often unevenly distributed across the 3Ps. This problem is particularly acute in the 60+ jurisdictions with fewer than 60,000 residents, which tend to have limited staff overall. Moreover, local housing staff rarely have the opportunity to collaborate with counterparts in other jurisdictions.

The lack of a regionally coordinated network of local housing staff leads to inefficiencies, duplication of effort, and delays in identifying and adopting best practices. In contrast, other local government departments have regional and sub-regional networks that enable knowledge sharing and coordination. For example, most Bay Area counties have regular monthly meetings of local Planning Directors and Public Works Directors. There is no analogous network for local housing staff. Although some jurisdictions have well-functioning housing departments, most cities do not have sufficient funding to provide the staffing levels needed to develop and administer programs that fully meet local needs. Given that AB 1487 directs 50-80 percent of funds from a regional revenue measure to the county of origin to be administered by local staff, this lack of capacity could delay the deployment of future funds.



The role of the Expanded Regional Housing Portfolio vis-à-vis local governments is to **complement and fortify** cities' and counties' efforts, supporting increased access to technical expertise and

attracting new resources to advance local projects and programs that further regional goals.

To promote relationship-building across jurisdictions and develop a space for shared learning, Bay Area Metro staff will begin to convene local housing staff on a quarterly basis. This can serve to identify longer-term technical assistance needs the regional agencies could deliver once new resources are secured. For example, as Bay Area jurisdictions work to implement a series of legislative changes to facilitate development of accessory dwelling units (ADUs), BAHFA could build on successful

local models and develop a regional one-stop shop for ADU resources and disseminate them through a fortified local housing staff network. The regular convenings will aim for participation from all relevant local staff, with particular attention to counties and cities that would receive a direct allocation of funds from a regional revenue measure placed on the ballot by BAHFA.²⁰

Developing a cohort of public sector housing staff will yield multiple benefits, including:

- Strengthen cross-jurisdictional relationships;
- Nurture a stronger public-sector housing ecosystem;
- Identify and disseminate best practices and decrease duplicative work;
- Increase regional understanding of local housing challenges, decisions and programs; and
- Develop the foundation for a strong partnership between Bay Area Metro and local housing staff to ensure swift and effective deployment of future regional housing funds.

Launch Regional Pilot Programs

In advance of anticipated future capital resources, Bay Area Metro will seek to strengthen regional 3Ps capacity through the launch of several pilot projects that can begin immediately. This approach serves several strategic functions. First, rather than simply planning for future transformative impact, the pilot activities will enable the Expanded Regional Housing Portfolio to also make a meaningful difference for Bay Area communities and families today. Second, such projects will establish a proof of concept for a coordinated regional housing strategy that can inspire investment in more ambitious future programs. Finally, strategically selected pilot projects will incrementally build capacity and expertise – both within local housing departments as well as in the regional agencies – to ensure that significant future capital resources can be deployed quickly, efficiently and effectively.



5. Regional Pilot Projects and Expected Impact



The following early-stage pilot projects would enable Bay Area Metro staff to build in-house capacity across all 3Ps, including affordable housing finance, regulatory compliance, affordable housing preservation, and tenant protection programs. The pilots also present an opportunity to expand new data systems to track and analyze housing data at a regional level to enable data-driven policy and funding decisions. The pilot projects are designed to prepare BAHFA to allocate transformative capital resources with the speed and scale that the problem demands.

In light of COVID-related impacts on MTC's and ABAG's budgets, modest new resources must be secured in the near-term to develop and launch the pilot projects. Bay Area Metro will seek to partner with early investors to provide seed funding for these pilots, which BAHFA will scale as public budgets recover from the impacts of the coronavirus and significant new capital resources are brought to bear.



Homeless encampment next to I-80 in Berkeley
Photo: Peter Beeler, MTC

PILOT 1: Support the Design and Rollout of a Homelessness Prevention System

NEED: Many Bay Area families are struggling to remain in their home or are already experiencing homelessness. The roughly 830,000 people with extremely-low incomes (ELI) are just one emergency away – a sudden medical expense, car repair bill, etc. – from losing their homes and eventually ending up on the streets. While racial disparities exist throughout the housing market, they are especially acute with the unhoused and ELI populations: Black residents are over-represented six-fold in the unhoused population, and ELI and very low-income (VLI) households skew dramatically toward non-white residents. Different racial groups bear a disproportionate burden depending on geography (e.g., 40% of ELI households in San Francisco are Asian, 66% in Napa are Latinx).

While every Bay Area county faces homelessness, there is no regional, coordinated homelessness prevention system.

Instead, homelessness prevention as well as homeless services typically are operated at the county or city level with little coordination across borders. Moreover, most city and county offices are so overwhelmed responding to their existing unhoused populations that they do not have a comprehensive local homelessness prevention system. There is a growing body of evidence-based interventions that have proven effective at preventing homelessness, but the patchwork of local efforts that exist today poses a barrier to widespread adoption of best practices regionwide and the available resources are wholly inadequate to the scale of the challenge.

APPROACH: The Regional Impact Council (RIC)²¹, convened by All Home with participation by nearly a dozen ABAG and BAHFA Board and staff members, is engaged in a multi-year, “blue-ribbon” effort to advance bold solutions for homelessness and expand economic/social mobility for people at the lower end of the income spectrum. Leading with a racial equity lens, this multi-sector effort presents a partnership opportunity to help build consensus and identify appropriate roles and responsibilities for new initiatives to end homelessness.

One key new initiative is to design a model multi-county homelessness prevention system. A pilot phase for this initiative would involve three Bay Area counties collaborating to provide targeted, data-informed and coordinated homelessness prevention services to avert at-risk households from experiencing homelessness. Bay Area Metro staff can partner with All Home and RIC stakeholders to support the design of this pilot, leveraging its regional platform and relationships with local governments to facilitate consensus-building and dissemination of best practices, and explore BAHFA’s potential role in implementation of a future regional system.

IMPACT:

- Develop a coordinated, regional homelessness prevention system that can efficiently deploy existing resources and inspire the investment of significant new resources that can match the scale of the problem.
- Create a pathway towards ending homelessness in the Bay Area, rather than just managing it. Build towards a future where homelessness is a rare, brief and non-recurring condition.



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PILOT 2 : Strengthen the Regional Rental and Mortgage Assistance Network

NEED: Tenant protection programs such as rental and legal assistance are a proven way to keep people housed and avoid homelessness. It is an upstream, cost-effective strategy that can reach more Bay Area residents than downstream housing solutions. With meaningful legal protections, renters cannot be removed without just cause and rents cannot be raised beyond a certain percentage (e.g., the state anti-gouging law caps annual rent increases at 5% plus CPI). There is an acute need for enhanced tenant protection programs as pre-COVID displacement pressures are exacerbated by the economic fallout from the pandemic, with thousands of Bay Area renters at risk of immediate displacement upon the expiration of eviction moratoria. Similarly, many low-income homeowners face the threat of foreclosure. Displacement disproportionately impacts Black, indigenous, and other people of color; people with disabilities; and families with children.

Currently there are no regionwide initiatives that focus on tenant protections at scale or that can provide standardized data across the Bay Area's 109 jurisdictions. While many jurisdictions and organizations have rental and mortgage assistance funds, there is no regional network that can facilitate development of best practices nor are there regional standards for eligibility criteria, data tracking or outcome evaluation. This makes it hard to assess the underlying factors that threaten housing stability (i.e., loss of job, unexpected medical bill, rent increase) and the overall regional impacts of existing programs (i.e., how many households avoided homelessness due to receipt of financial assistance?). Moreover, most local rental assistance programs operate in a separate silo from homelessness services, despite overlap in core activities such as dispensing direct financial assistance.

APPROACH: Develop a regional network of rental and mortgage assistance providers to ensure efficient deployment of eligible philanthropic, local, state and federal funds. This could involve regular convenings of local government and nonprofit providers, developing standardized best practices, and facilitating region-wide data collection and evaluation. This approach would dovetail with the regional homelessness prevention system (see Pilot 1) to ensure an integrated, enhanced social safety net to keep residents in their homes and off the streets. This approach also would position Bay Area Metro to partner with the housing sector to advocate at the state and federal levels for systemic and sustainable solutions to the staggering rent debt accumulated during the COVID-induced economic downturn²².

IMPACT:

- Maximize existing public and private resources to prevent displacement of Bay Area residents, especially people of color and other systematically marginalized groups that bear the brunt of the dual threats posed by COVID-19 and the displacement crisis.
- Stabilize communities, especially lower-income communities and communities of color, by ensuring that residents can remain in their homes.
- Case making for significant new federal funding by developing region-wide data that quantifies the need, and the development of a network that can facilitate efficient and effective deployment of any such funds that are secured.



Savoy Hotel, Oakland
Photo: courtesy of Mid-Penninsula Housing

PILOT 3: Enhance Preservation Financing Tools and Provide Technical Assistance

NEED: Several communities in the Bay Area and across the country are embracing affordable housing preservation as an effective strategy to address displacement and homelessness. Also referred to as acquisition-rehabilitation (“acq-rehab”), preservation is the process by which mission-driven nonprofit organizations acquire privately-owned housing occupied by low-income residents to establish long-term affordability and rehabilitate the property as needed to improve habitability.

Preservation aims to break a common displacement pattern: speculative acquisition of an aging building, eviction of the existing residents, renovation of the units, and then renting or selling the property to higher-income and typically whiter new residents. This pattern simultaneously displaces lower-income residents and people of color, and reduces the housing stock affordable to lower-income people.

The threat of speculative displacement is heightened in the current environment as investors have publicly signaled their eagerness to acquire properties, displace tenants and turn huge profits—threatening a repeat of the 2008 foreclosure crisis but now in the multifamily sector.²³

APPROACH: Building upon lessons learned by community-based organizations and public agencies that now operate effective programs and practices²⁴, Bay Area Metro can catalyze effective acq-rehab financing tools and build capacity in the preservation ecosystem through the following programs:

- Restructure and coordinate existing regional preservation finance tools, including MTC’s Bay Area Preservation Pilot (BAPP) and ABAG’s Bay Area Regional Energy Network (BayREN), to maximize their impact.
- MTC launched BAPP in 2018 as a revolving loan fund to help mission-driven developers and community-based organizations acquire unsubsidized multifamily housing properties. Seeded by \$10 million in capital from MTC, the BAPP program has achieved limited impact due to the incompatibility of program requirements with shifting market realities. MTC recently made several changes to unlock these funds, including the reduction of a 5:1 leveraging requirement and conversion of some MTC loan funds into permanent subsidy. These revisions will allow BAPP funds to be deployed more swiftly to a more diverse set of projects across a larger geography during this critical time. This also will transition MTC/BAHFA into a role

of overseeing regulatory agreements for the first time, providing a unique opportunity to develop in-house expertise in long-term compliance monitoring and serving as a valuable test run for wider-scale permanent financing programs once BAHFA secures more significant resources.

- Prospective projects that come through BAPP for acquisition financing can be connected to ABAG's BayREN program, which offers rebates, grants and technical assistance to support energy and water conservation upgrades that lower utility costs by as much as 25% in aging apartments. Because BayREN can cover some upfront rehabilitation costs and reduce long-term operating costs, expanding the use of BayREN in combination with BAPP could make economically feasible some preservation projects that otherwise may not pencil, and allow for deeper

income-targeting to serve lower-income residents. With BAPP and BayREN under one roof, the Expanded Housing Portfolio could unlock new and more effective preservation deals.

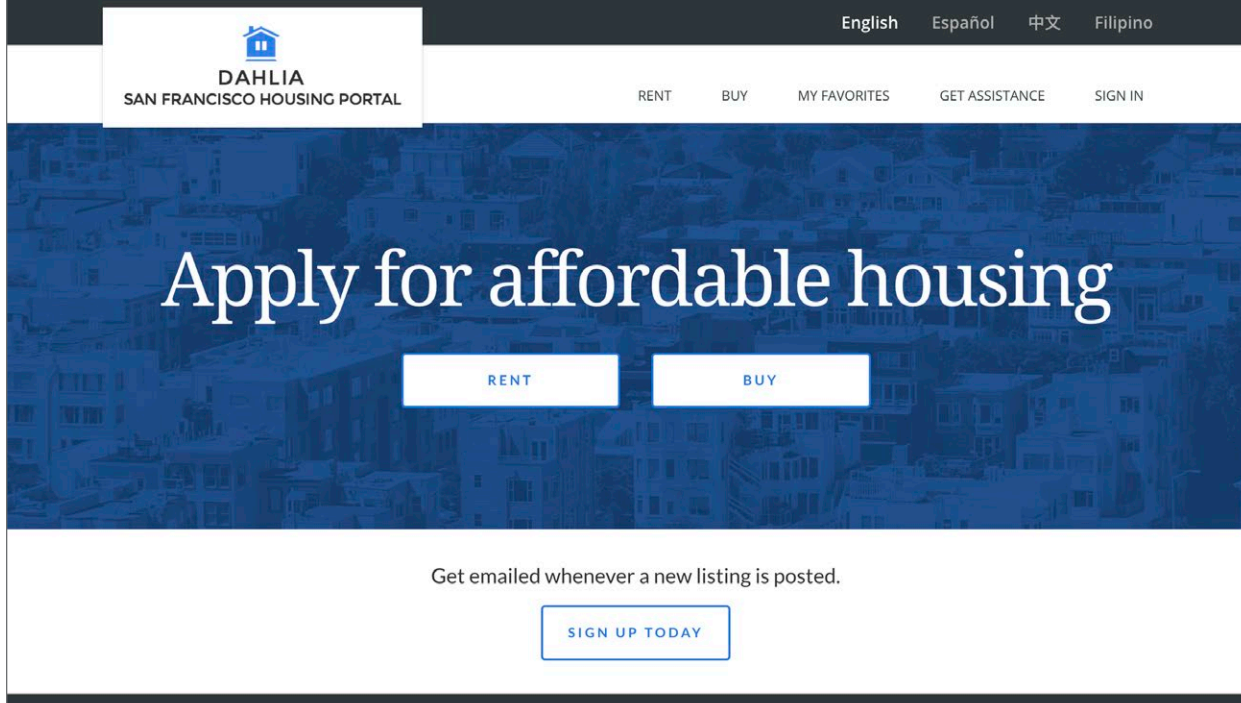
- Develop a housing preservation technical assistance program to support mission-driven organizations engaged in preservation efforts at the local level. This program could be integrated with ABAG's REAP-funded Housing Technical Assistance Program, which takes a collaborative approach to support localities with housing planning and policy development. Bay Area Metro staff could set up two regional collaboratives, one for local jurisdictions looking to implement preservation policies and programs, and another for developers and community-based organizations pursuing acq-rehab projects. The purpose of each collaborative would be to both create a forum for shared learning and partnership among members and to provide tailored technical assistance to each member. This model would empower mission-driven nonprofits to employ best practices across the region and achieve economies of scale through the pooling of resources. The housing preservation technical assistance program also could offer organizational capacity grants that prioritize BIPOC-led organizations to support their staff with predevelopment activities, such as pre-acquisition building inspections and resident outreach.



Fatigued duplex, Piedmont
Photo: Michele Stone, MTC

IMPACT:

- Stabilize communities, especially lower-income communities and communities of color, by ensuring that more of the existing housing stock remains permanently affordable.
- Build capacity so that preservation becomes a more common strategy among affordable housing practitioners and agencies.
- Provide opportunities for lower-income communities and communities of color to build stability through innovative ownership models (land trusts, limited equity co-ops, etc.).



PILOT 4: Support a Regional Affordable Housing Application Platform (“Doorway”)

NEED: Over decades, tens of thousands of affordable homes have been developed and managed by non-profit, mission-driven housing developers in the Bay Area. Many of these nonprofits serve specific neighborhoods and communities, and provide a range of services from small business development to youth programming. However, the process for lower-income residents to access these affordable homes is complex and uncoordinated. Time-strapped, low-income residents are forced to submit separate (usually paper) applications to each housing development, and identifying which developments are accepting applications can be a full-time job. Residents often must complete dozens of repetitive applications just to face a handful of over-subscribed waiting lists.

Similarly, affordable housing developers and property managers must each “reinvent the wheel” to ensure they comply with fair housing laws at a property-by-property level. Furthermore, jurisdictions seeking to develop local preferences in tenant selection to advance anti-displacement and racial justice goals typically do not have the technology to swiftly implement policies in accordance with complex fair housing rules.

APPROACH: Modeled on San Francisco’s city-wide, coordinated affordable housing search and application platform (DAHLIA), which centralizes available affordable housing opportunities and offers a universal application, several additional jurisdictions have begun to expand this platform to other parts of the region through an initiative called “Doorway.” The Expanded Regional Housing Portfolio could include a partnership with Doorway to expand this platform regionwide.

IMPACT: Drastically improve how affordable housing seekers search and apply for opportunities and make access to opportunities more equitable:

- Ease the administrative burden on housing-seekers and property managers.
- Overcome persistent equity barriers to affordable housing that favor those with time and skills to navigate the complex existing system.
- Facilitate development and deployment of local preference policies that can target available housing resources to achieve racial equity goals.
- Develop robust data on the housing needs of various populations and geographies to inform regional funding priorities.



Richardson Housing, San Francisco
 Photo: ©Bruce Damonte, courtesy of Mid-Penninsula Housing

PILOT 5: Build and Maintain a Regional Affordable Housing Pipeline Database

NEED: The Bay Area is fortunate to have one of the most sophisticated and robust affordable housing sectors in the country, producing and preserving hundreds of affordable homes a year. These affordable housing developers, including land trusts and public housing authorities, have many projects in the early stages of development that need gap funding to reach completion. In the Bay Area, there are over 310 pre-construction affordable housing projects in the pipeline that would provide approximately 25,750 homes. Of these, an estimated 200 projects totaling approximately 16,700 units require gap funding to proceed — though the precise numbers are unknown due to insufficient data. To comprehensively address the regional affordable housing crisis, it is critical to develop a reliable understanding of the project pipeline that captures both new construction and preservation, and identifies the funding gap for the pipeline of projects.

Additionally, the current financing system for affordable housing is complex and uncoordinated, requiring developers to piece together financing from many sources. An affordable housing pipeline database would improve efficiency of the entire system by increasing predictability as well as helping to prioritize local, regional and state funding.

APPROACH: Create a regularly updated affordable housing pipeline database that includes units in early development (predevelopment) and those in later stages of development (entitled, funding and tax credits secured). Creating the pipeline requires primary data

collection from public and private sources, including state funding programs, local jurisdictions, community development finance institutions and developers. The affordable housing pipeline could be coordinated with existing databases managed by Bay Area Metro staff, including the housing pipeline and permit data from the Annual Progress Reports (APRs) submitted by local jurisdictions to the California Housing and Community Development Department.

IMPACT:

- Case making for transformative new affordable housing funding by quantifying the financing gap. Build support for a regional ballot measure, as well future state and federal funding.
- Increase the impact of existing affordable housing funding by improving efficiencies in the affordable housing finance system.
- Encourage analysis of barriers and opportunities for affordable housing development with the ability to analyze data based on multiple factors: geography, type of housing (e.g., senior vs. extremely low income vs. multifamily, etc.), and phase of the development process.
- Inform funding priorities for future capital resources.
- Spur coordination and management of regional affordable housing developments, which may lead to a regional queue for tax credits and bonds that could further increase efficiencies and cost-savings.



6. Conclusion

The Bay Area faces a complex set of interconnected challenges, with housing at the center. COVID-19, more frequent and severe wildfires driven by a changing climate, and increasing public consciousness of racial justice have only made it clearer that we need our systems to work better — especially our housing systems. Housing is not only at the center of the Bay Area’s challenges, it must also be at the center of our solutions. This moment presents an opportunity to advance new housing policies that transform the region into a more equitable and prosperous place for current and future generations of Bay Area residents.



Merritt Crossing
Housing, Oakland
Photo: ©Tim Griffith

ABAG’s and MTC’s launch of the Expanded Regional Housing Portfolio is a critical step in this direction. Spurred by the establishment of the Bay Area Housing Finance Authority, this new initiative has the potential to overcome structural challenges that have stood in the way of providing stable, safe, affordable housing to people across the entire Bay Area. Launching BAHFA and its embedded ABAG partnership within the Expanded Regional Housing Portfolio is a once-in-a-generation opportunity. This Concept Paper establishes a framework and identifies actionable next steps designed to ready the region to seize this opportunity. By preparing for and securing significant new resources, fortifying local government capacity, and investing in regional pilots to build Bay Area Metro staff’s capacity across the 3Ps, the Expanded Regional Housing Portfolio will deliver bold regional housing outcomes. Taken together, these new activities can catalyze transformative, systems-level change that can be scaled upon the receipt of new resources.

Success in a venture of this magnitude will require an alliance

of cross-sector partners willing to come together to invest significant financial and political capital. By jointly launching the Expanded Regional Housing Portfolio and sharing governance of the Bay Area Housing Finance Authority, ABAG and MTC are leading through partnership. During the coming months and years, we hope to strengthen the Expanded Regional Housing Portfolio through collaboration with public and private sector partners, including local, state and federal agencies as well as nonprofit and community-based organizations and philanthropic and corporate partners.

Investing in housing is an investment in the quality of life for everyone in the region, especially the next generation. Housing is foundational to the success of our region—paying dividends in community health and wellness, economic competitiveness and a vibrant workforce, as well as access to opportunity for all Bay Area residents, especially those that historically have been left behind. With a robust multisector partnership and new tools to tackle our collective housing challenges, the Expanded Regional Housing Portfolio can pave the way for a more affordable, more equitable and more vibrant Bay Area.

Appendix: ABAG and MTC's Existing Housing Programs

Bay Area Metro staff will work to integrate new initiatives launched as part of the Expanded Regional Housing Portfolio with existing MTC and ABAG programs to ensure administrative efficiencies and to support a coordinated and comprehensive regional housing strategy.

Existing ABAG and MTC programs include:

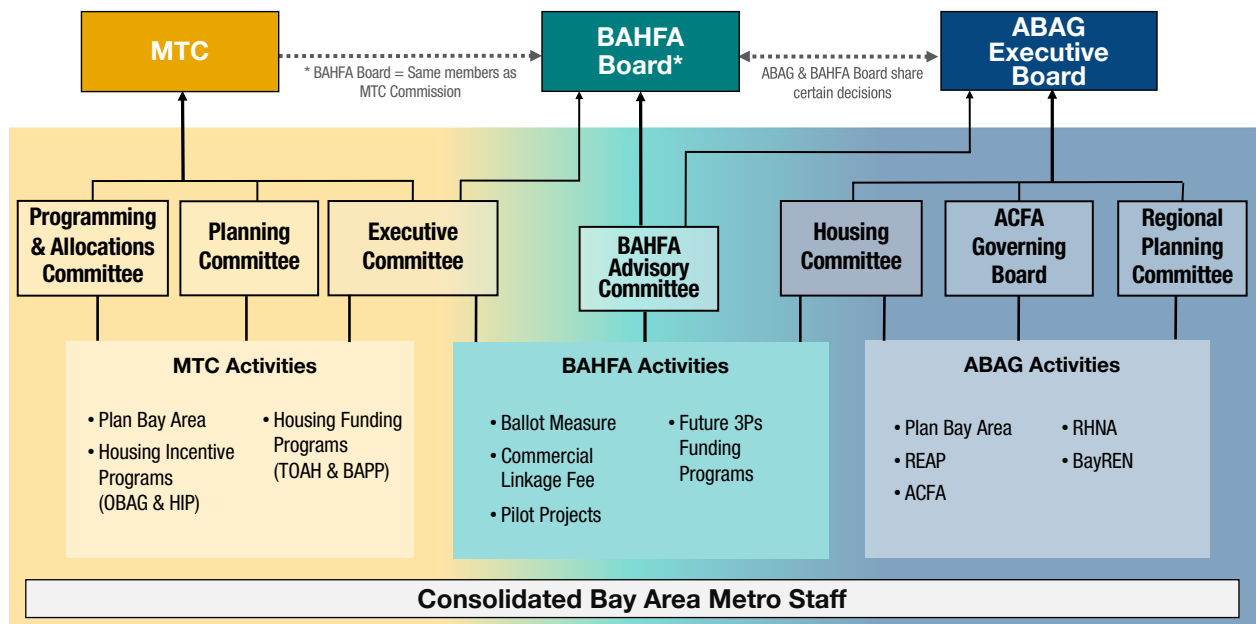
Plan Bay Area

Housing is a central focus of the region's long-range plan that seeks to make the Bay Area more affordable, connected, diverse, healthy, and vibrant. The forthcoming **Plan Bay Area 2050** reflects the regional agencies' commitment to housing by treating it like public infrastructure that is essential to meet our regional goals, including climate goals. Starting with a recognition that housing is a human right, Plan Bay Area 2050's "Final Blueprint" advances forward-thinking housing strategies across all 3Ps. These include strengthening renter protections beyond existing state law, fostering the preservation ecosystem through tailored policies and resources for community land trusts and other innovative forms of homeownership that can close the racial wealth gap, as well as

context-specific land use and zoning reform to enable the production of new homes at all income levels. The Final Blueprint's strategies are complemented by catalytic new investments, including \$7 billion for anti-displacement services; \$237 billion for housing preservation; and \$219 billion for new affordable housing production. The Final Blueprint's strategies and investments would enable the Bay Area to guarantee that every lower-income resident has a deed-restricted affordable home by 2050.

The vision set forth in Plan Bay Area 2050 reflects the type of transformational change that MTC and ABAG seek to inspire through BAHFA and the Expanded Regional Housing Portfolio. Achieving this vision will require collaboration between federal, state, and local governments. The Implementation Plan for Plan Bay Area 2050, anticipated in summer 2021, provides an opportunity to align Bay Area Metro's long-range housing planning activities with action-oriented programs in the Expanded Regional Housing Portfolio while also identifying public and private sector partnerships that will be critical to the Plan's success.

Regional Housing Governance Relationship





Regional Housing Needs Allocation (RHNA)

As the Council of Governments for the Bay Area, ABAG every eight years is required to develop a RHNA Methodology that **allocates state-mandated expected growth at the jurisdictional level** and across the income spectrum. ABAG is now developing the RHNA Methodology for the 2023-2031 planning period. The state Department of Housing and Community Development (HCD) assigned the Bay Area a total of 441,176 housing units that must be planned during this period, which is 235% of the number assigned for the prior period. Additionally, new state law requires that the RHNA Methodology for the 2023-2031 period **“affirmatively further fair housing” (AFFH)** to overcome patterns of segregation and foster inclusive communities.

To help develop the RHNA Methodology, ABAG formed a 38-member **Housing Methodology Committee** that included local elected officials, local planning and housing staff, as well as regional stakeholders representing diverse perspectives. The committee deliberated for more than a year and provided a recommendation adopted by the ABAG Executive Board in January 2021 as the **Draft RHNA Methodology**. The Draft Methodology incorporates Plan Bay Area 2050 by using the Final Blueprint as a baseline and then making adjustments to direct more housing to areas of high opportunity with the best access to jobs. Additionally, to comply with the new AFFH requirement, the Draft Methodology includes an “equity adjustment” that ensures all communi-

ties plan for their fair share of affordable housing. ABAG will submit the Draft Methodology to HCD for review and then open an appeals period in summer 2021. ABAG expects to finalize the allocations for Bay Area cities and counties by the end of 2021. BAHFA and the Expanded Regional Housing Portfolio can help jurisdictions meet their RHNA targets by providing resources and technical assistance so local plans actually result in more homes, especially for lower-income residents.

Regional Housing Technical Assistance Program

ABAG in 2020 initiated a new **Regional Housing Technical Assistance Program** to support Bay Area cities and counties with local planning and housing policy development using \$24 million in one-time funds from the FY 2019-20 state budget (otherwise known as a Regional Early Action Planning Grant or REAP). The initial focus of the program is to **help local governments adopt compliant Housing Elements** to implement the upcoming RHNA cycle. During the next several years, the program will assist local jurisdictions with efforts to meet a variety of state housing requirements, including meaningful community engagement regarding local housing plans, a new mandate for local governments to “affirmatively further fair housing,” and potential amendments to local zoning rules to accelerate housing production. The Regional Housing Technical Assistance Program is in development and thus provides a prime opportunity for integration with the Expanded Regional Housing Portfolio.

Advancing California Finance Authority (ACFA)

As a project of ABAG, ACFA provides secure, low-cost conduit financing to public agencies and their partners in the Bay Area. Since 1978, ACFA and its predecessor agency, the Finance Authority for Nonprofits (FAN), have provided \$8 billion in low-cost investment capital. While ACFA can help to meet the capital financing needs for a variety of public infrastructure projects including hospitals, transit systems and schools, historically its focus has been on the production and preservation of affordable housing through direct access to municipal bond markets.

Housing Funding Programs

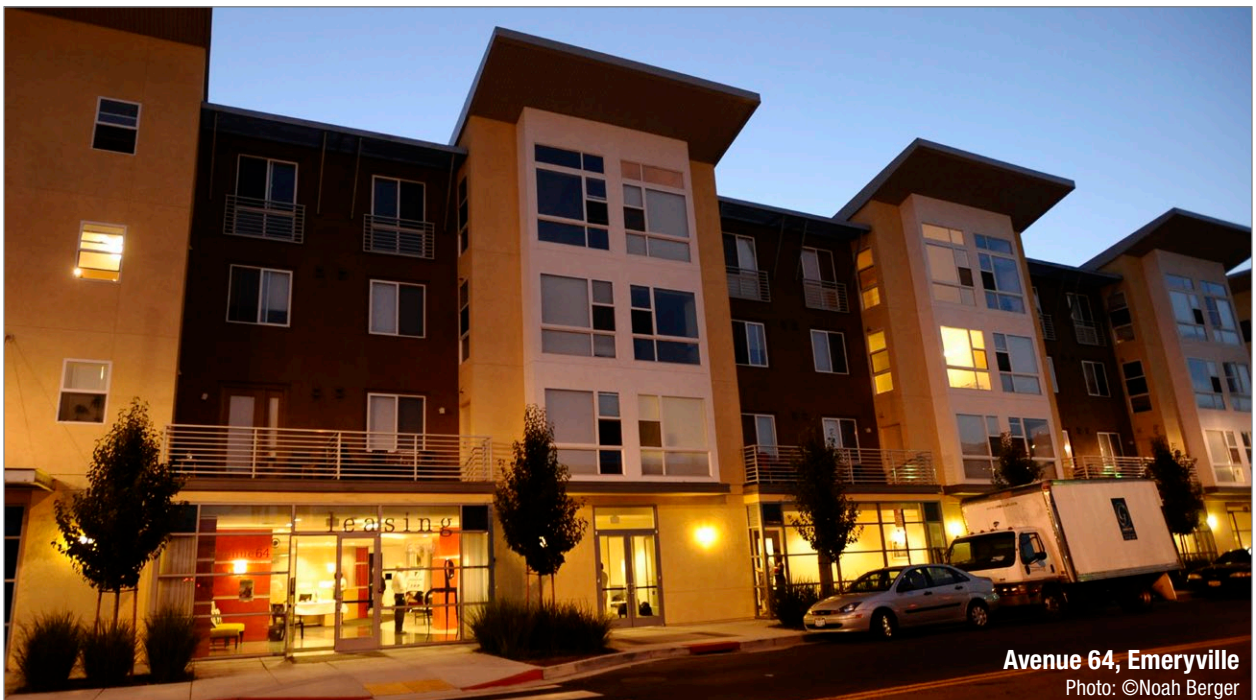
MTC has devoted significant resources directly into housing through the **Transit-Oriented Affordable Housing (TOAH)** and **Bay Area Preservation Pilot (BAPP)** funds. An investment of \$20 million by MTC has leveraged significant private capital to grow the TOAH fund to \$50 million and the BAPP fund to \$49 million. These funds provide favorable terms for acquisition loans to build new affordable housing and to preserve existing affordable housing in transit-connected locations.

Housing Incentive Programs

MTC over the last several years has incentivized housing production through various funding programs. The **One Bay Area Grants (OBAG)** program has disbursed hundreds of millions of transportation dollars to counties using a formula that rewards jurisdictions that plan and produce a significant share of the region's housing needs. OBAG also conditions transportation funds on local jurisdictions' compliance with several state housing laws. As part of the OBAG program, the **Housing Incentive Pool (HIP)** is a set aside of transportation funds to be awarded to 15 jurisdictions that produce and preserve the most affordable housing during a five-year period.

Bay Area Regional Energy Network (BayREN)

As a project of ABAG, BayREN offers energy and water savings programs for single- and multi-family housing across the region. BayREN's Multifamily Program offers property owners free technical assistance and rebates of \$750 per unit for improvements that create monthly energy savings of 15% or more. To date, 37,130 units have benefited from this program, receiving \$27,847,500 in rebates. BayREN's new Water Upgrades Saves Program, in its pilot phase, reduced multi-family housing water usage by 15-25%.



Avenue 64, Emeryville
Photo: ©Noah Berger

Endnotes

- 1 The following data on the Bay Area refers to the nine-county San Francisco Bay Area (Alameda County, Contra Costa County, Marin County, Napa County, San Francisco City and County, San Mateo County, Santa Clara County, Solano County, Sonoma County), unless otherwise specified.
- 2 California Housing Partnership analysis of 2018 PUMS data.
- 3 Shortfall of homes affordable and available to “very low-income” (<50% of Area Median Income) and “extremely low-income” (<30% of Area Median Income) households.
- 4 “Cost burdened” is defined as a household that spends more than 30% of its gross income on housing costs.
- 5 “Severely cost burdened” is defined as a household that spends more than 50% of its gross income on housing costs.
- 6 California Housing Partnership analysis of 2018 PUMS data
- 7 Policy Link, the San Francisco Foundation, and the USC Program for Environmental and Regional Equity. Bay Area Equity Atlas. <https://bayareaequityatlas.org/indicators>.
- 8 Yelen, James. “Preserving Affordability, Preventing Displacement: Acquisition-Rehabilitation of Unsubsidized Affordable Housing in the Bay Area.” Enterprise Community Partners. 2020.
- 9 Analysis of 2015 Urban Displacement Project data available for download here: <https://www.urbandisplacement.org/map/sf>.
- 10 Verma, Philip; Rinzler, Dan; Kaplan, Eli; and Zuk, Miriam. “Rising Housing Costs and Re-Segregation in the San Francisco Bay Area.” UC Berkeley’s Urban Displacement Project and the California Housing Partnership. April 2019. https://www.urbandisplacement.org/sites/default/files/images/bay_area_re-segregation_rising_housing_costs_report_2019.pdf; see also Marcus, Justine; and Zuk, Miriam. “Displacement in San Mateo County: California Consequences for Housing, Neighborhoods, Quality of Life, and Health.” UC Berkeley’s Urban Displacement Project. May 2017. https://www.urbandisplacement.org/sites/default/files/images/impacts_of_displacement_in_san_mateo_county.pdf.
- 11 Verma, Philip; Rinzler, Dan; Kaplan, Eli; and Zuk, Miriam. “Rising Housing Costs and Re-Segregation in the San Francisco Bay Area.” UC Berkeley’s Urban Displacement Project and the California Housing Partnership. April 2019. https://www.urbandisplacement.org/sites/default/files/images/bay_area_re-segregation_rising_housing_costs_report_2019.pdf.
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See also Rothstein, Richard. *The Color of Law: The Forgotten History of How Our Government Segregated America*. New York: Liveright Publishing Corporation. 2017.
- 13 “Bay Area Homelessness: A Regional View of a Regional Crisis.” Bay Area Council Economic Institute. April 2019. <http://www.bayareaeconomy.org/files/pdf/BayAreaHomelessnessReport.pdf>.
- 14 Racial and ethnic minorities are overrepresented in some essential work settings such as healthcare facilities, farms, factories, grocery stores, and public transportation. U.S. Bureau of Labor Statistics. “Labor force characteristics by race and ethnicity, 2018. 2019. <https://www.bls.gov/opub/reports/race-and-ethnicity/2018/home.htm>.
- 15 Dougherty, Conor. “12 People in a 3-Bedroom House, Then the Virus Entered the Equation.” *The New York Times*. August 1, 2020. <https://www.nytimes.com/2020/08/01/business/economy/housing-overcrowding-coronavirus.html>.
- 16 California Housing Partnership. “The Bay Area’s Housing Emergency Update.” December 2019. <https://chpc.net/resources/bay-area-housing-need-update/>.
- 17 CASA Compact. December 2019. https://mtc.ca.gov/sites/default/files/CASA_Compact.pdf.
- 18 By statute, the governing Board for BAHFA is comprised of the same members as the MTC Commission, and MTC/ABAG staff serve as staff for BAHFA. References to “BAHFA” in the balance of this paper reflect this relationship between BAHFA and MTC.
- 19 ABAG and MTC. “Agencies Take New Steps to Solve Bay Area Housing Problems.” June 24, 2020. <https://abag.ca.gov/news/agencies-take-new-steps-solve-bay-area-housing-problems>.
- 20 Generally, AB 1487 requires that 80% of funds from a regional ballot measure return to the county of origin, except for a regional “head tax” that would require 50% of funds to return to the county of origin. For larger cities or cities that receive a significant share of their county’s housing needs, the statute gives such cities the option to accept a direct allocation rather than from the county where they reside. San Francisco, Oakland and San Jose are eligible for direct allocation. In other counties, a city that receives more than 30% of the county’s RHNA for lower-income households may receive a direct allocation upon request. Under the 5th RHNA cycle for 2015-2023, cities that exceed this 30% threshold include Fairfield, Napa, San Rafael and Santa Rosa.
- 21 More information available at <https://www.allhomeca.org/regional-impact-council/>.
- 22 While estimates of COVID-related accumulated rent debt vary, nearly all identify an order of magnitude in the billions of dollars. One study prepared for the National Council of State Housing Agencies estimated that by January 2021 California renters would owe between \$3.7 and \$5.6 billion of back rent. Stout Risius Ross, LLC. “Analysis of Current and Expected Rental Shortfall and Potential Evictions in the U.S.” September 25, 2020. https://www.ncsha.org/wp-content/uploads/Analysis-of-Current-and-Expected-Rental-Shortfall-and-Potential-Evictions-in-the-US_Stout_FINAL.pdf. A study by the Federal Reserve Bank of Philadelphia estimates accumulated California rent debt by December 2020 at nearly \$1.7 billion. Reed, Davin; and Divringi, Eileen. “Housing Rental Debt During COVID-19” Federal Reserve Bank of Philadelphia. October 2020. <https://www.philadelphiafed.org/-/media/frbp/assets/community-development/reports/household-rental-debt-during-covid-19.pdf>.
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Bay Area Housing Finance Authority/ Metropolitan Transportation Commission

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San Mateo County Board
of Supervisors

Vacant
Cities in the County
of Sonoma

**Jayne Battey,
Advisory Member**
Board Member, San
Francisco Bay Regional
Water Quality Control Board



Station Center Apartments, Union City
Photo: ©Bruce Damonte, courtesy of Mid-Penninsula Housing



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION



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