



BAHFA's Regional Expenditure Plan

2024 Affordable Housing General Obligation Bond

BAHFA Advisory Committee
January 25, 2024



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

Requested Action

Recommendation to the ABAG Executive Board, as the executive board to BAHFA (Executive Board), and the BAHFA Board to adopt BAHFA's Regional Expenditure Plan

Legal Authority

- **The San Francisco Bay Area Regional Housing Finance Act, California Government Code Sec. 64500, et. seq., (the Act) gives BAHFA the authority to raise, administer, and allocate funding for affordable housing in the San Francisco Bay Area**
- **BAHFA may retain 20% of the net bond proceeds (Regional Housing Revenue; RHR), which must be spent according to a Regional Expenditure Plan adopted by the Executive and BAHFA Boards**
- **The BAHFA Advisory Committee must consult and make recommendations to the BAHFA Board and Executive Board**

Expenditure Plan Elements

The Act requires the Regional Expenditure Plan to include:

- The share of RHR and estimated funding amount to be spent for each spending category:
 - Production, Preservation and Tenant Protections
 - Local Government Grant Program
- Households served by income category
- Estimated number of homes produced and preserved
- Specific programs or projects, to the extent feasible

Additional Legal Requirements

The Act requires that the Regional Expenditure Plan:

- **Achieve certain expenditure shares for each spending category over a 5-year period:**
 - **Minimum 52% of RHR for Production***
 - **Minimum 15% of RHR for Preservation***
 - **Minimum 5% of RHR for Protections, if permitted by the California Constitution**
 - **Maximum 10% of RHR for Local Government Grants**
 - **18% for either Production, Preservation or Protections**
- **Be submitted annually by July 1st, except for the initial plan**

*The Act states that a “minimum of two-thirds” of RHR must be allocated to Production and Preservation, with a minimum of 52% of 2/3rds for Production and a minimum of 15% of 2/3rds for Preservation. Language presented is modified for simplicity.

BAHFA's Initial Expenditure Plan Assumptions

- **Bond Value: \$10 billion - \$20 billion**
- **BAHFA's RHR, at 20%, is \$2 billion - 4 billion**
- **5 separate bond issuances (counties and direct-allocation cities may request issuances at their own speed)**
- **For the initial Expenditure Plan spending period of 2025-2030, with two bond issuances totaling 40% of funds, the total expenditure value is:**
 - **\$800 million - \$1.6 billion**

Element 1: Revenue Share and Estimated Funding

FIRST REGIONAL EXPENDITURE PLAN – 2 ISSUANCES, OR 40% OF RHR

Category	Percent of All Funds: Issuances 1 & 2	If \$10 Billion Bond	If \$20 Billion Bond
Total Funds Available, Issuances 1 & 2	100%	\$800 million	\$1.6 billion
Production	61%-70%	\$488 - \$560 million	\$976 million – \$1.12 billion
Preservation	15%-24%	\$120 – \$192 million	\$240 million – \$384 million
Protections, if constitutional	5%	\$40 million	\$80 million
Local Government Grants	10%	\$80 million	\$160 million

Element 2: Households Served by Income Level

Category	Percent of 1 st and 2 nd Bond Issuances Serving Households at Designated Income Level
Production: Extremely Low- and Very Low-Income (0%-50% AMI)	Approximately 44%
Production: Low-Income (51%-80% AMI)	Approximately 56%
Preservation: Extremely Low- and Very Low-Income (0%-50% AMI)	Approximately 10%
Preservation: Low-Income (51%-80% AMI)	Approximately 80%
Preservation: Moderate-Income (81%-120%)	Approximately 10%

Element 3: Homes Produced and Preserved and Households Served

Category	2025-2030 Regional Expenditure Plan Unit Count: 1 st & 2 nd Bond Issuances, @ 40% of Regional Housing Revenue
Production	Approximately 1,450 Includes subsidy, construction, and permanent loans
Preservation	Approximately 215 Includes subsidy, construction, and permanent loans
Protections	TBD Households Served
Total	1,665

Element 4: Program Descriptions

Category	Program Description
Production	<ul style="list-style-type: none"> ▪ Prioritize PSH & ELI housing when financially feasible ▪ Set “return to source” investment targets for each county ▪ Work collaboratively with jurisdictions, not competitively ▪ Adopt a flexible approach; pursue beneficial opportunities ▪ Pursue cost efficiencies to maximize impact
Preservation	<ul style="list-style-type: none"> ▪ Prioritize investments in historically disinvested areas ▪ Forestall immediate eviction risk or affordability loss ▪ Support community-controlled housing through a 20% set-aside target
Protections	<ul style="list-style-type: none"> ▪ If constitutional, Protection programs will assist households and communities facing the greatest housing precarity
Local Government Grants	<ul style="list-style-type: none"> ▪ Prioritize investments benefitting overall community and addressing need for more affordable housing ▪ Target one investment (minimum) per county

Next Steps

- **February 14: Joint Housing Committees – vote to recommend adoption of Regional Expenditure Plan by Executive and BAHFA Boards**
- **April 18: Executive Board – vote to adopt Regional Expenditure Plan**
- **May 22: BAHFA Board – consider Regional Expenditure Plan and ballot measure for bond**
- **June 26: BAHFA Board vote to adopt Regional Expenditure Plan and to submit bond measure to Bay Area voters**

Thank You



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