



# Ready to Build an Affordable Future

Bay Area Affordable Housing Pipeline  
May 2024

# BAHFA Pilot Program

- Created in partnership with Enterprise Community Partners (Enterprise), the Affordable Housing Pipeline (Pipeline) is a critical housing development and financing planning tool. The Pipeline provides information about:
  - What affordable housing is in the predevelopment process to be built and preserved over the next several years across the 9 counties, and
  - The funding necessary to complete these projects.
- Enterprise first completed the Bay Area Pipeline in 2020
- In 2022 and now 2023, Enterprise updated the Pipeline with a refined methodology, in partnership with and with funding from the Bay Area Housing Finance Authority as one of its five pilot programs.



# The Bay Area Pipeline Team

## BAHFA



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ABOUT ENTERPRISE COMMUNITY PARTNERS

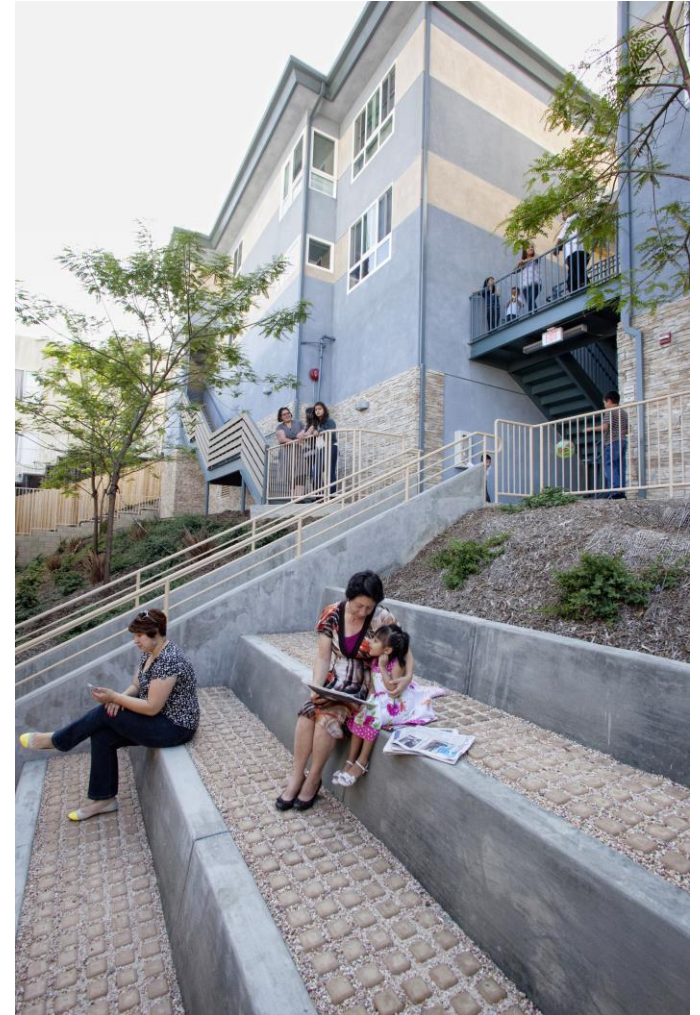
# OUR VISION & MISSION

**OUR VISION** is a country where home and community are steppingstones to more

**OUR MISSION** is to make home and community places of pride, power and belonging, and platforms for resilience and upward mobility for all

# Background and Scope

- The Pipeline is a point-in-time inventory of affordable housing developments that are currently in the predevelopment process, but for which not all funding is secured. Without sufficient funding, these developments cannot begin construction.
- The Pipeline includes:
  - 9-county Bay Area
  - State- and local-provided public data and data from developers and financial partners
  - Developments in predevelopment as of Q4 2023



# Building the Pipeline Database: Data Sources

- State public data: applications for state programs, regardless of award status (e.g., Low Income Housing Tax Credit (LIHTC), Department of Housing & Community Development programs, etc.)
- Local public data from city and county housing departments and authorities
- Proprietary data from developers and financial partners (*only shared with Enterprise*)

Data Source	All Pipeline Developments (n=433)	% of Total
Developments Identified Only in Public Sources	191	44%
Developments Identified Only in Proprietary Data	106	24%
Developments Identified in Both Public & Proprietary Data	136	32%

*The Pipeline is likely an underestimate of developments in predevelopment. This dataset does not include all developments, e.g., those that do not seek local funding (often built by for-profit affordable housing developers), developments that have yet to seek public funding, and developments that were not reported by jurisdictions or developers.*

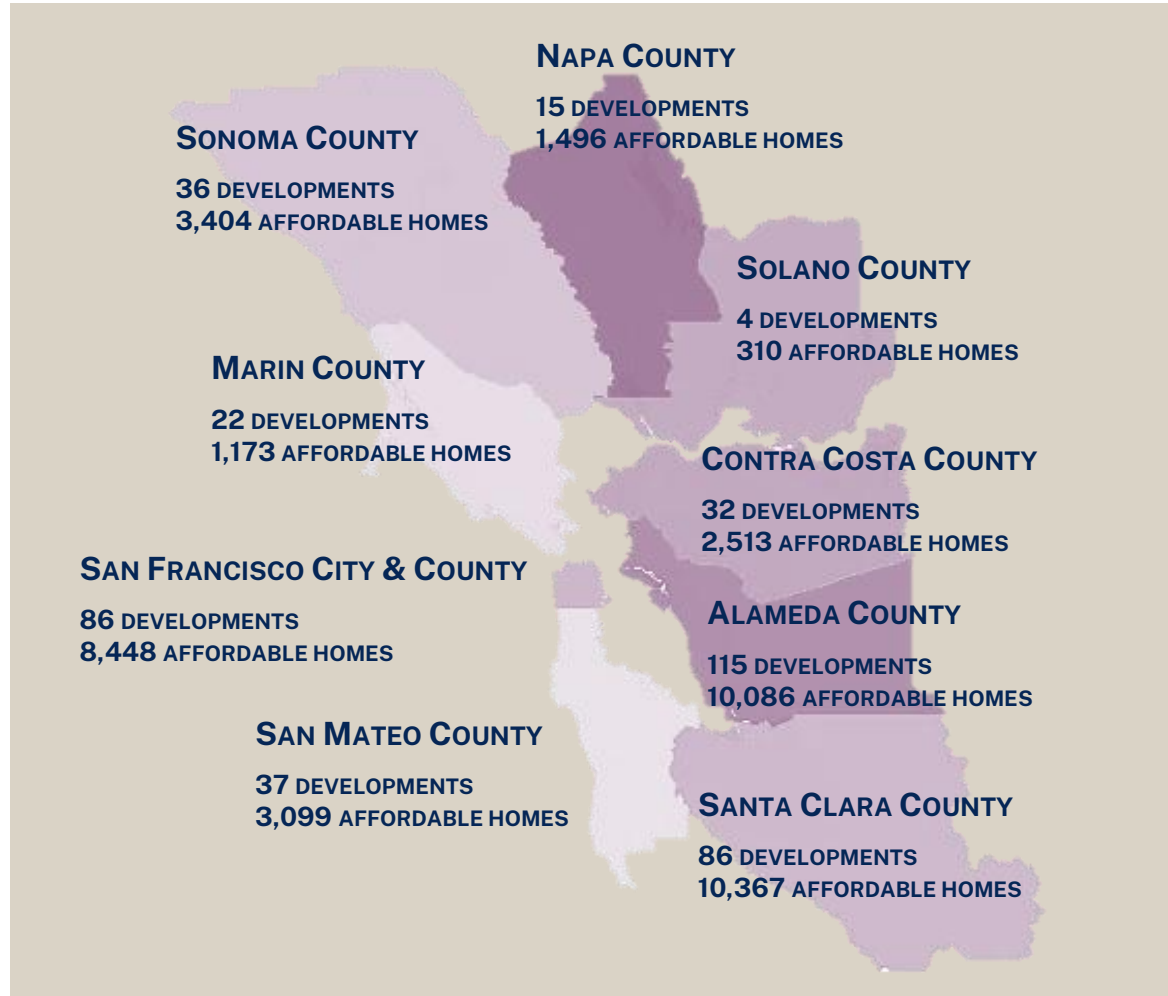
*Developments under construction, with recent LIHTC awards, and without unit count information were removed.*

# Participating Housing Agencies and Organizations

- Alameda County
- Housing Authority of City of Alameda
- City of Oakland
- City of Berkeley
- Oakland Housing Authority
- Contra Costa County
- San Mateo County
- City and County of San Francisco
- Santa Clara County
- City of San Jose
- City of American Canyon
- City of Dixon
- Sonoma County
- City of Santa Rosa
- Marin County
- Napa County and the City of Napa

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- Abode Services
  - Alta Housing
  - Bridge Housing
  - Burbank Housing
  - Charities Housing
  - Chinatown  
Community Development Center
  - CRP Affordable Housing
  - Danco
  - EAH Housing
  - East Bay Asian  
Local Development Corporation
  - Eden Housing
  - Enterprise Community Loan  
Fund /Investments
  - Episcopal Community Services
  - First Community Housing
  - Habitat for Humanity East  
Bay/Silicon Valley
  - Habitat for Humanity Greater  
San Francisco
  - John Stewart Company
  - Local Initiatives Support  
Corporation
  - Mission Economic Development  
Agency
  - Mercy Housing
  - MidPen Housing
  - Mission Housing
  - PATH
  - PEP Housing
  - Resources  
for Community Development
  - Related Companies of California
  - Satellite Affordable Housing  
Associates
  - San Francisco Housing  
Development Corporation
  - Tenderloin  
Neighborhood Development  
Corporation
  - The Kelsey
  - The Unity Council

# Affordable Housing Pipeline in Predevelopment



**433**

TOTAL DEVELOPMENTS IN  
PREDEVELOPMENT

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**40,896**

TOTAL AFFORDABLE HOMES IN  
PREDEVELOPMENT

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**\$9.7B**

SUBSIDY NEEDED TO MOVE AFFORDABLE  
PIPELINE FORWARD

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# Affordable Housing Predevelopment Pipeline and Need by County

COUNTY	AFFORDABLE HOUSING PROJECTS IN PREDEVELOPMENT	AFFORDABLE HOMES IN PREDEVELOPMENT	REGIONAL HOUSING NEEDS ALLOCATION AFFORDABLE HOMES 2023-2031	HOMELESS POINT-IN-TIME COUNT <sup>1</sup>
Alameda	115	10,086	37,197	9,747
Contra Costa	32	2,513	21,031	2,372
Marin	22	1,173	6,571	1,121
Napa	15	1,496	1,796	506
San Francisco	86	8,448	32,881	7,754
San Mateo	37	3,099	19,219	1,808
Santa Clara	86	10,367	50,923	9,903
Solano	4	310	4,415	1,179
Sonoma	36	3,404	6,301	2,266
<b>Regional Total</b>	<b>433</b>	<b>40,896</b>	<b>180,334</b>	<b>36,656</b>

<sup>1</sup> Point-in-time (PIT) count data is collected and made available for each county on an annual basis, although counties generally do a full count every two years. The last comprehensive PIT count for the entire 9-county Bay Area was conducted in 2022 and these figures are used for all counties except Contra Costa, Napa, Santa Clara, and Sonoma, which updated their PIT counts in 2023.



## Pipeline by Housing Type

Household Type	Developments	Units
Large Family	117	9,827
Large Family w/ Special Needs	23	2,605
Special Needs	53	3,962
Senior	45	4,783
Non-Targeted	42	4,049
Educator or Workforce	10	1,118
Farmworker	5	274
SRO	3	116
Other	13	1,589
Unknown	122	12,572
<b>Total</b>	<b>433</b>	<b>40,896</b>

## Pipeline by Development Type

Development Type	Developments	Units
New Construction	338	34,056
Acquisition & Rehab <sup>1</sup>	45	2,802
Only Rehab <sup>2</sup>	13	339
Homekey	13	1,163
Adaptive Reuse <sup>3</sup>	2	90
Unknown	22	2,446
<b>Total</b>	<b>433</b>	<b>40,896</b>

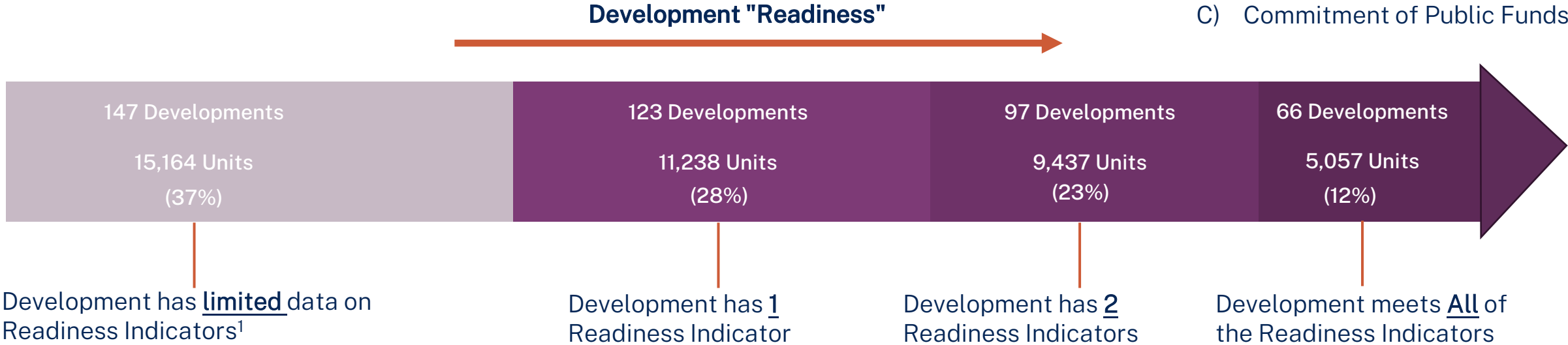
<sup>1</sup> Acquisition-Rehab refers to the acquisition of currently unsubsidized affordable housing to preserve it as deed-restricted affordable housing.

<sup>2</sup> Only Rehab refers to existing affordable housing undergoing rehabilitation.

<sup>3</sup> Adaptive Reuse refers to projects that are repurposing formerly commercial uses for residential.

# Significant time, resources, and community buy-in have already been invested into the overwhelming majority of developments in the Pipeline.

Readiness Indicators include:  
 A) Site Control  
 B) Entitlements  
 C) Commitment of Public Funds



Development has limited data on Readiness Indicators<sup>1</sup>

Development has 1 Readiness Indicator

Development has 2 Readiness Indicators

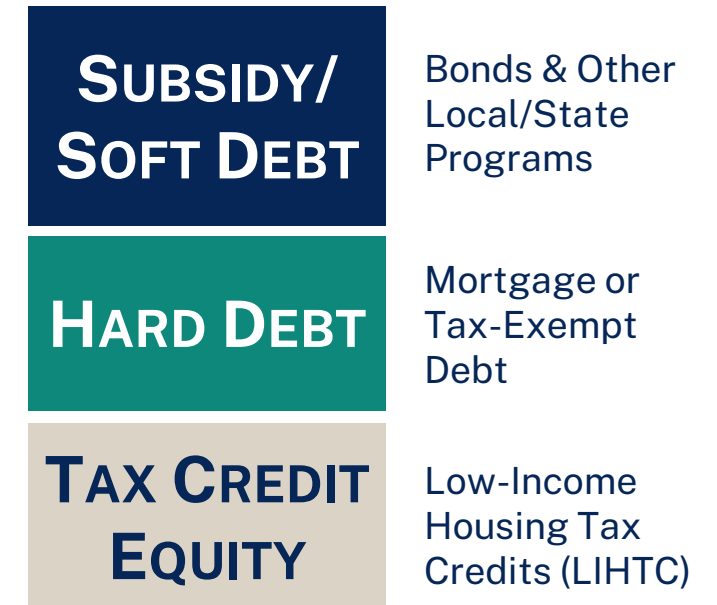
Development meets All of the Readiness Indicators

<sup>1</sup>Developments that had limited data on site control, entitlement status, or funding could not be assessed for "readiness". This information was either not self-reported or included in any public data.

# Understanding the Funding Need

- An affordable housing development generally requires multiple funding sources to fully finance the construction of affordable homes.
- Gap funding comes from local, regional, and state programs. It is often the first funding committed to a development, which allows the development to then access additional financing. For this reason, subsidy or soft debt gap funding is especially critical for developments to move forward.
- In recent years, oversubscription of California's tax-exempt bonds have also made securing 4% LIHTC much more challenging.
- Similarly, oversubscription of state housing programs, like the Multifamily Housing Program, in recent years have made securing state subsidy more difficult, creating a bottleneck in the funding process.

## TYPICAL CAPITAL STACK



# Pipeline Total Development Costs Per Unit

County	All Developments		25% Lowest-Cost Developments	
	Average Cost Per Unit <sup>1</sup>	Estimated Subsidy Per Unit (Local + State, Assumed 35% <sup>2</sup> )	Average Cost Per Unit	Estimated Subsidy Per Unit (Local + State, Assumed 35%)
Alameda	\$825,000	\$289,000	\$472,000	\$165,000
Contra Costa	\$798,000	\$280,000	\$598,000	\$209,000
Marin	\$794,000	\$279,000	\$654,000	\$229,000
Napa	\$553,000	\$193,000	\$495,000	\$173,000
San Francisco	\$873,000	\$305,000	\$568,000	\$199,000
San Mateo	\$874,000	\$306,000	\$624,000	\$218,000
Santa Clara	\$868,000	\$304,000	\$751,000	\$263,000
Solano	\$671,000	\$235,000	\$491,000	\$172,000
Sonoma	\$634,000	\$222,000	\$582,000	\$204,000
<b>Bay Area</b>	<b>\$817,000</b>	<b>\$286,000</b>	<b>\$530,000</b>	<b>\$185,000</b>

<sup>1</sup>Projects that did not report total development cost were assigned the average total development cost per unit of all projects in the county that received both LIHTC and local subsidy, from 2021-2023. Values are rounded to the nearest thousand. These projects have a variety of unit sizes, development types, and populations served that are not able to be controlled for in this comparison.

<sup>2</sup>Based on awarded 4% LIHTC projects that received public funds from 2021-2023, 20% of their capital stack was local subsidy and 15% was subsidy. Actual subsidy needed varies greatly based on construction type, LIHTC type, and housing type.

# Funding Needed to Unlock the Pipeline

In order to move the region’s predevelopment projects to fruition, these developments will need their “capital stacks” to be fully funded. The following estimates reflect the anticipated funding need over the next several years. Given federal constraints on LIHTC, a non-LIHTC path through BAHFA could help unlock the pipeline by fulfilling the LIHTC need for select projects.

	Estimated Anticipated Need	Average Annual Allocation <sup>1</sup>
<b>Subsidy / Soft Debt Gap</b> <i>From local, regional, or state public programs</i>	\$9.7 billion	\$740 million
<b>Tax-Exempt Bond Demand</b> <i>This demand reflects the need for developments to request at least 50% of their total development cost in tax-exempt bonds, per federal law, in order to qualify for 4% tax credits.</i>	\$9.7 billion <i>(\$5.8 billion, if federal law changes to 30% test)</i>	\$890 million
<b>4% LIHTC Equity Demand</b>	\$11 billion	By Right
<b>9% LIHTC Equity Demand</b>	\$1.3 billion	\$107 million
<b>State Tax Credit Equity Demand</b>	\$1.1 billion	\$60 million

<sup>1</sup>This is the historical annual average of subsidy, tax-exempt bonds, and 9% equity Bay Area LIHTC projects receiving public funds received from 2021-2023. Projects not receiving public funds also receive tax-exempt bonds, an average of \$610 million annually. By right allocation refers to the automatic 4% tax credit awards to developments that are awarded tax-exempt bonds.

# Case Study: Colibri Commons



**Developers:** MidPen Housing and EPACANDO

**Status:** Under Construction

**Entitlement:** December 2019

**Construction Start Date:** October 2023

**Total Units:** 136

**Income Level:** 30% to 60% of Area Median Income

**Unit Mix:** Studio to 4-bedrooms

Nearly 4 years to secure all 8 public funding sources to complete capital stack and begin construction

Total development costs increased 28%, from \$765k to \$978k/unit (\$104M to \$133M) over these 4 years

## Project Public Funding Sources Timeline

Funding Source	Year	Awarded
County Affordable Housing Fund (4 Rounds)	2019-2022	Yes, all 4
City of East Palo Alto	2020	Yes
Housing Authority of San Mateo County PBVs	2020	Yes
Affordable Housing and Sustainable Communities Program (AHSC)	2020	No
Affordable Housing and Sustainable Communities Program (AHSC)	2021	Yes
HCD Infill Infrastructure Grant Program	2021	No
Housing Endowment & Regional Trust of San Mateo County Local Housing Trust Fund Program	2021	Yes
County HOME	2020 & 2021	Yes, all 2
HCD Super NOFA Multifamily Housing Program	2022	No
State Earmark	2022	Yes
Tax Credits	2023	Yes

# Looking Ahead

## Regional Revenue Measure

Provide outreach and education regarding the ways a \$10-20 billion regional bond can address the Pipeline's identified funding needs.

## Alleviate Funding Scarcity and Bottlenecks

BAHFA can help address these gaps by providing regional subsidies and a non-LIHTC path for developments to move the Bay Area's affordable housing pipeline forward.

## Support BAHFA Planning and Technical Assistance

The Pipeline will inform BAHFA's allocation of resources in collaboration with jurisdictions and help BAHFA tailor technical assistance to jurisdictions during their bond expenditure planning.

## Inform Policy and Innovation

The Pipeline can be used to pursue broader policy goals, including efforts to create a more predictable, efficient, and equitable funding system for affordable housing in the region.





# Thank You!

For more information, please contact  
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