



ASSOCIATION OF BAY AREA GOVERNMENTS  
METROPOLITAN TRANSPORTATION COMMISSION

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April 9, 2025

The Honorable Christopher Cabaldon  
Senator, District 3  
1021 O St, Suite 7320  
Sacramento, CA 95814

**RE: SB 417 (Cabaldon): Affordable Housing Bond – Support and Seek Amendments**

Dear Senator Cabaldon:

On behalf of the Metropolitan Transportation Commission (MTC) and Association of Bay Area Governments (ABAG), I am writing to express our support for your SB 417, which would place a \$10 billion housing bond on the June 2026 ballot, and to share our request for a friendly amendment.

Lowering California's housing costs after decades of underbuilding will take a coordinated and sustained effort by all levels of governments. The Bay Area alone needs 180,334 new homes affordable to lower income households by 2031. SB 417 provides an important opportunity for the state to do its part to address housing affordability without affecting near-term state budgets.

MTC and ABAG request a friendly amendment that would allow regional agencies like the Bay Area Housing Finance Authority (BAHFA) – an MTC/ABAG affiliate agency – to pilot a public mortgage lending program, with the primary goals of reducing development costs and capturing interest income/fees for public benefit. Modeled on the highly successful New York Housing Development Corporation, this program could offer financing to affordable housing developers at lower interest rates than private lenders, thereby reducing development costs. MTC/ABAG's initial estimate is that \$15 million in seed funding could generate roughly \$100 million in loans. Other areas of the state might also benefit from a regional public lending model, and we encourage the pilot program to be structured to allow regional variations.

In addition, MTC recommends the Legislature incorporate maximum flexibility into the various programs funded by the bond to allow cost-effective interim housing models to be pursued with the new bond funds in order to address the state's housing needs as quickly as possible.

If you have any questions regarding our position, please contact Rebecca Long, Director of Legislation and Public Affairs ([rlong@bayareametro.gov](mailto:rlong@bayareametro.gov)/510-504-7914), or our Sacramento representative, Scott Wetch ([swetch@actumllc.com](mailto:swetch@actumllc.com)/916-446-3413).

Sincerely,

Andrew B. Fremier  
Executive Director

JS: ABF