



# BAHFA's Regional Expenditure Plan

## 2024 Affordable Housing General Obligation Bond

Joint Housing Committees  
February 14, 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 1<sup>st</sup>, 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:<br>Issuances<br>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 <sup>st</sup> and 2 <sup>nd</sup> Bond Issuances Serving Households at Designated Income Level |
|--|---|
| Production:<br>Extremely Low- and Very Low-Income (0%-50% AMI)   | Approximately 44%   |
| Production:<br>Low-Income (51%-80% AMI)                          | Approximately 56%   |
| Preservation:<br>Extremely Low- and Very Low-Income (0%-50% AMI) | Approximately 10%   |
| Preservation:<br>Low-Income (51%-80% AMI)                        | Approximately 80%   |
| Preservation:<br>Moderate-Income (81%-120%)                      | Approximately 10%   |



# Element 3: Homes Produced and Preserved and Households Served

| Category     | 2025-2030 Regional Expenditure Plan Unit Count: 1 <sup>st</sup> & 2 <sup>nd</sup> Bond Issuances, @ 40% of Regional Housing Revenue |
|--------------|---|
| Production   | Approximately 1,450<br>Includes subsidy, construction, and permanent loans  |
| Preservation | Approximately 215<br>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"> <li>▪ Prioritize PSH &amp; ELI housing when financially feasible</li> <li>▪ Set “return to source” investment targets for each county</li> <li>▪ Work collaboratively with jurisdictions, not competitively</li> <li>▪ Adopt a flexible approach; pursue beneficial opportunities</li> <li>▪ Pursue cost efficiencies to maximize impact</li> </ul> |
| Preservation            | <ul style="list-style-type: none"> <li>▪ Prioritize investments in historically disinvested areas</li> <li>▪ Forestall immediate eviction risk or affordability loss</li> <li>▪ Support community-controlled housing through a 20% set-aside target</li> </ul>   |
| Protections             | <ul style="list-style-type: none"> <li>▪ If constitutional, Protection programs will assist households and communities facing the greatest housing precarity</li> </ul>  |
| Local Government Grants | <ul style="list-style-type: none"> <li>▪ Prioritize investments benefitting overall community and addressing need for more affordable housing</li> <li>▪ Target one investment (minimum) per county</li> </ul>   |

# Next Steps

- **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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