



Breaking Ground on a Transformative Regional Housing Approach

Seizing the Opportunity of the Bay Area Housing Finance Authority

When we look ahead 20 or 30 years, we see a Bay Area that works for all — where residents earn a living wage that pays for stable, decent homes, leaving them free to contribute to our society, economy and culture. We see a region not held back by crushing affordability and homelessness crises, able to rise to other challenges — from climate change to racial injustice — while ensuring our region can meet the needs and seize the opportunities of a dynamic future.

BAHFA embraces a regional approach to transform how the Bay Area advances social and racial equity and delivers on housing affordability and stability at scale. No longer must 109 jurisdictions each try to solve the region’s housing and homelessness crises on its own. Through a historic partnership between local and regional Bay Area elected leaders and the California Legislature, BAHFA was established in 2019 (AB 1487, Chiu). Jointly governed by the Association of Bay Area Governments and the Metropolitan Transportation Commission, BAHFA is designed to advance the **“3 Ps”**: **protect** current residents from displacement, **preserve** existing affordable housing, and **produce** new housing at all income levels. BAHFA is equipped with a powerful set of funding and finance tools to be deployed efficiently, equitably and creatively across the nine-county region, including the ability to raise substantial new housing revenue from a regional ballot measure, state and federal appropriations, and philanthropic and corporate contributions. BAHFA can become a sustainable source of affordable housing financing for the region.



To break ground on this new transformative approach made possible by BAHFA, we need a seed investment of \$23.5 million to launch five pilot programs that will support Bay Area residents today, while putting us on the path to long-term change.

These resources are essential for BAHFA to begin achieving the goals it was designed to meet. A true public-private partnership is needed to raise money, to deepen impact, and to ensure accountability.



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METROPOLITAN TRANSPORTATION COMMISSION



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BAHFA Regional Pilot Programs

Doorway: online platform to connect residents to opportunities for affordable homes across the region

Affordable Housing Pipeline: database to track the production and preservation of affordable homes

Preservation Strategy: financing and technical assistance to support and scale preservation efforts

Anti-Displacement Services Network: coordination and best practices for effective deployment of tenant protection services

Homelessness Prevention System: integrated resources and services to keep people housed

An investment in BAHFA pilot programs will make a direct impact now on the lives of thousands of families who are seeking a safe and affordable home. **Doorway**, a simple way for residents to find and apply for affordable homes across the region, means no longer spending months navigating an arcane system. A robust finance strategy can unlock the 25,650 affordable homes in the **development pipeline** that can house over 352,000 people for decades to come. Through **preservation**, thousands of families can stay in their community, and are no longer faced with the threat of eviction. **Anti-displacement** programs that are coordinated and equitably deployed will strengthen neighborhoods by helping thousands of families remain in their homes close to their jobs, schools, and places of worship. And finally, a robust **homelessness prevention** strategy will open up new opportunities to attract and leverage millions of dollars in private funds and effectively integrate state and federal prevention dollars so families do not find themselves on the streets.

BAHFA will put the Bay Area on a new path. BAHFA will build capacity to implement housing programs across the 3Ps — protection, preservation, and production — and efficiently administer resources. BAHFA will deepen partnerships with local elected officials, housing agencies, and housing organizations, allowing for greater impact. BAHFA also will help build the support for future ballot measures by demonstrating that a regional approach with measurable impacts is the way to solve the Bay Area's affordable housing and homelessness crises.

For more information, contact Daniel Saver, Assistant Director, Housing and Local Planning at dsaver@bayareametro.gov



Doorway

Online platform to connect residents to opportunities for affordable homes



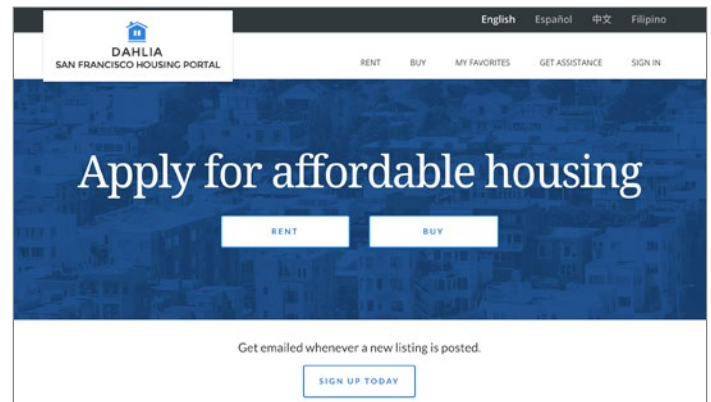
Photo: ©Alain McLaughlin Photography courtesy of Mid-Peninsula Housing

Maribel's Story When Maribel's family lost their home in the Outer Mission District due to an Ellis Act eviction, staying in San Francisco near their jobs, schools, and community seemed impossible. Maribel explained, "My fear was to be in the street with my children. We had looked for other places, but they never accepted us. With three children, they didn't accept us. [We were] desperate." Maribel has applied for affordable housing in the past, without success. But this time, Maribel had two important tools on her side. First, Maribel had access to San Francisco's DAHLIA web portal, which allowed her to receive notifications about housing opportunities and apply for them in a streamlined online application. This was a stark departure from the patchwork of information and applications Maribel had navigated in the past, often with lengthy, repetitive, in-person applications. Because of the eviction, Maribel also was eligible for a Displaced Tenant Housing Preference Certificate, which, integrated with DAHLIA, applied a preference to her application. With the support of DAHLIA and the certificate, Maribel and her family found an affordable home in the Mission District. Now her husband plans to start his own handyman business, and her son aspires to go to college and work in service of their community.

Meeting the Challenge Maribel and her family benefited greatly from DAHLIA, but for most Bay Area residents the experience of finding and applying for an affordable home is difficult and burdensome. Outside San Francisco, a person seeking housing needs to know where to apply for each newly available home and have the bandwidth to navigate the application process and eligibility requirements that vary by property. Many give up on finding an affordable home because the process is too time- and resource-intensive. Preference programs help households with special needs for placement, but they are hard to manage without the technology that DAHLIA provides.

Piloting Solutions San Francisco was the first city in the Bay Area to invest in a solution to make applying for and securing an affordable home easier. People can now easily find listings in one place, determine eligibility upfront, and apply for multiple listings. DAHLIA has received over 4 million site visits and over 500,000 applications.

Building off DAHLIA's success, Doorway would regionally coordinate efforts to create web-based portals across all nine Bay Area counties, providing access to affordable opportunities for the Bay Area's 7.5 million residents. BAHFA is a partner in this expansion effort, working closely with cities and counties, and will assess opportunities to leverage BAHFA's regional position to deliver Doorway infrastructure at a regional scale.



DAHLIA web portal

Creating Transformational Change Doorway opens a simple and equitable path for residents to find and apply for affordable homes throughout the Bay Area. It can provide data to better understand the preferences and patterns of people seeking affordable homes, particularly underserved populations, which can inform housing policies and practices and attract additional resources for affordable homes.



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Affordable Housing Pipeline

Regional database to track the production and preservation of affordable homes



The Tortuous Development Path In June 2019, a local non-profit developer secured the needed permits and entitlements — a significant milestone in the development process — for over 120 deeply affordable family homes in Oakland. Despite support from both community members and city officials, 18 months after receiving the entitlements, the project remains on hold due to a lack of funding. The developer has repeatedly applied for and been rejected by three different state funding programs despite meeting all requirements. Only when this funding is secured can the developer apply for tax credits and bonds, which also are hard to come by.

Meanwhile, this community-approved development is subject to holding costs, such as acquisition loan interest, property taxes, and security expenses. For this nonprofit, this development is one of 23 entitled projects totaling over 2,000 affordable homes spanning seven Bay Area counties without a feasible financial path forward.

Meeting the Challenge This example highlights the fragmented and byzantine system of affordable housing financing in California. Each stage in the development process is fraught with a lack of certainty and financial resources, thereby increasing

costs and slowing the supply of much needed affordable housing. These system failures have created an environment in which there are over 300 affordable housing developments — approximately 26,500 urgently needed homes — in various stages of pre-development in the Bay Area. About 19,000 of these affordable homes are awaiting an estimated \$4 billion in critical gap funding.

Piloting Solutions The first step to bring more predictability, resources, and efficiencies to the system is to create a centralized database — an Affordable Housing Pipeline — to track the production and preservation of affordable housing through the various stages of development. The Affordable Housing Pipeline would include all the affordable housing projects in the nine-county Bay Area that are in the pre-development, planning, financing, and construction stages. It would quantify the number of affordable units in the various stages of development, estimate the gap funding needed, and analyze current regional production and preservation capacity.

Creating Transformational Change The Pipeline can create efficiencies in the finance system for affordable homes, including providing data for a regional queue for tax credits and bonds. It can help developers and local jurisdictions manage their respective pipelines. For example, San Francisco partners with local non-profits to manage its affordable housing pipeline, which helps developers to know when to apply for local and state funding, often eliminating the need for multiple application rounds. This brings predictability and lowers overall project costs. Pipeline data also can be used to inform funding decisions for transformative new affordable housing and build support for new revenue at the regional, state, and federal levels. This critical funding can unlock the Affordable Housing Pipeline, which will create nearly 26,000 affordable homes that will house over 352,000 individuals and families for decades to come. It also will add to the stock of permanently affordable homes in Bay Area communities, helping to keep the region diverse and affordable over the long term.



Architectural Rendering of Nellie Hannon Gateway, LPAS Architects



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Preservation Strategy

Financing and technical assistance to support and scale preservation efforts



Photo: ©Noah Berger

Veronica's Story Veronica Clay and her family have lived in a 16-unit apartment complex on Hilton Street in East Oakland for four years. Built in 1965, the apartments received minimal updates over the years. Veronica has been frustrated with deferred maintenance:

"I have been through two owners and have dealt with empty promises and patch-up work." Historically, her landlords have charged below-market rents, but without legal affordability restrictions, the residents — who are predominantly low-income people of color — have been subject to the threat of rent hikes or eviction. This has been exacerbated by the economic pressures brought on by COVID-19. Veronica was relieved when the Northern California Land Trust bought the building in September 2020. NCLT's acquisition of the property means permanent affordability for Veronica and her neighbors, and provides the opportunity to finally address rehabilitation needs. NCLT also is working with the community to explore a pathway to collective ownership of the property. "Not once have I felt the reassurance or hope that I have with NCLT. Finally, someone that understands our situation is on our side. I'm ecstatic about the changes coming," says Veronica.

Meeting the Challenge Like Veronica before NCLT acquired her apartment complex, over 280,000 low-income Bay Area households — the overwhelming majority of all low-income households in the region — live in private rental homes. Many are vulnerable to displacement — often due to rising rents or eviction. For Black and Indigenous People of Color (BIPOC), the risk of being evicted is nearly twice that of white people. Research also shows households displaced from their homes are significantly more likely to experience homelessness in subsequent years. Before the COVID-19 pandemic, the Bay Area was losing the affordability of about 32,000 of these unsubsidized homes each year. The financial distress ushered in

by the COVID-19 pandemic exacerbates this risk, harming not only individual families but communities that become frayed and less diverse. Despite the dire need, the preservation of homes like Veronica's apartment complex, is not common practice. Preservation lacks significant funding and there is too little investment in the practitioners doing this work, who are often small developers and community-based organizations led by and serving people of color.

Piloting Solutions To help stop the rampant displacement and gentrification that has been displacing low-income communities of color, BAHFA will restructure existing regional preservation finance tools, MTC's Bay Area Preservation Pilot and ABAG's Bay Area Regional Energy Network (BayREN), for greater impact, which will directly result in the preservation of 150-200 homes as it prepares to reach scale. Through the restructuring of these funds, MTC and BAHFA will assume financial oversight and compliance of affordable homes for the first-time, serving as a valuable test-run for administering future capital resources. BAHFA also will pilot two technical assistance collaboratives: one for local jurisdictions to design effective preservation policies and programs, and another for developers and community-based organizations to build their expertise in finance, real estate, and resident engagement.

Creating Transformative Change This pilot program readies the region for preservation to become a more prevalent strategy to prevent long-time residents — many of whom are low-income people of color — from being displaced, ensure long-term affordability, and maintain the diversity of Bay Area communities. Through this increased capacity, and an influx of new capital, BAHFA will be poised to preserve potentially tens of thousands of homes.

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Anti-Displacement Services Network

Coordination and best practices for effective deployment of anti-displacement services



Photo: ©Karl Neilsen

Maria's Story Maria and her family have lived in their apartment in a predominantly Latinx neighborhood for nearly 15 years. Maria, who is undocumented, alerted her landlord to mold on the bathroom ceiling, but gave up hope of remediation after her landlord threatened to call immigration police on her neighbors for similar complaints. When the bathroom ceiling eventually collapsed, the landlord ordered Maria to pay \$3,000 for repairs and told her to find somewhere else to stay at her own expense for three weeks. Without money for repairs or a hotel, Maria felt she had no choice but to move out.

Maria called a Spanish-speaking tenant hotline she learned about through her church. A tenant counselor advised Maria of her rights, helped her connect with neighbors to help document damage, and then referred them to a legal aid agency. With the help of their free, Spanish-speaking attorney, Maria and her neighbors negotiated with the landlord to replace the burst pipe that caused problems throughout the complex. The attorney also helped Maria apply for rental assistance to cover the next month's rent needed from working reduced hours to address the repairs.

Maria's family and her neighbors remain in their homes and coordinate when other issues occur. "I thought my only options were to put my family's health at risk by living with mold or to move away from the Bay Area. Now I know we have the right to a healthy home, regardless of our immigration status. My family can stay in our community near our church, the kids' school, and our doctors. Plus, I've started to volunteer as a tenant counselor to help others stay in our neighborhood — it wouldn't be the same without the people."

Meeting the Challenge Maria is like the thousands of low-income renters — disproportionately people of color, including many not proficient in English — who may be displaced from their homes and neighborhoods for lack of knowledge about their rights and the support to access available resources. There has been recent progress on tenants' rights, including the statewide Tenant Protection Act of 2019, local tenant protection ordinances, and various federal, state and local COVID-related eviction protections. Yet these policies must be implemented to be truly effective. A robust network of anti-displacement services — outreach and education, tenant counseling, and legal and rental assistance — is needed to effectively serve the people most vulnerable to displacement.

Piloting Solutions BAHFA will develop a regional network of anti-displacement service providers and tenant organizations so thousands of Bay Area residents can realize their rights. By developing best practices and supporting their adoption across the region, especially in areas with a limited social safety net, BAHFA will help ensure that Bay Area residents at risk of displacement are well-informed about their rights and can get the help they need to remain in their homes. This involves teaming with trusted community-based organizations to deliver culturally relevant programs and reach the people who otherwise would face significant obstacles to accessing support.

Creating Transformational Change By establishing this network, BAHFA will strengthen local service providers who can speak with a unified voice to help implement tenant protections. This pilot will dovetail with the regional homelessness prevention system, and position BAHFA as a nexus between the anti-displacement and homelessness prevention networks to promote an integrated, enhanced social safety net to keep residents in their homes and off the streets.



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Homelessness Prevention System

Integrated resources and services to keep people housed



Moira's Story In early 2020, Moira, a 58-year-old cancer survivor, was forced to leave her job and quarantine at home due to her vulnerability to COVID-19. With no way to work remotely and no family to offer support, Moira was unable to pay rent in her Oakland apartment where she has lived for nearly eight years. Moira is one of the hundreds of thousands of Bay Area residents at risk of becoming homeless. What's unique is that Moira received integrated homelessness prevention support from Keep Oakland Housed, a public-private partnership between Bay Area Community Services, Catholic Charities East Bay and East Bay Community Law Center, with administrative support from the San Francisco Foundation. Moira got financial support to pay rent arrears and to continue paying the rent necessary to be protected from eviction through the duration of California's emergency eviction protections; and she got help to negotiate partial rent forgiveness with her landlord. Moira also was able to access emergency food assistance and employment support through one of the program's Wellness Centers, where a team is working with her to gain employment doing remote work. The model of service and the resources Keep Oakland Housed (KOH) provided Moira are rare. KOH used an evidence-based risk assessment tool, which prioritized Moira as someone at great risk of homelessness, and then developed a comprehensive stabilization plan, combining multiple types of assistance with the goal of keeping Moira in her home.

Meeting the Challenge In several Bay Area counties, for every person supported in keeping their home, three new people became homeless. Despite their high risk of homelessness, 88 percent of the Bay Area's roughly 400,000 extremely low-income households receive no form of housing assistance. The Covid-19 pandemic has exacerbated the threat. Most people facing the risk of homelessness do not have access to services and resources like Moira received. Current homelessness prevention efforts are limited; they are mostly an uncoordi-

nated patchwork of programs with inconsistent eligibility requirements and uneven service delivery; and they may not even reach the households most likely to become homeless. Many cities and towns are so overwhelmed by the crisis of unsheltered homelessness on their streets that they lack the capacity or funding to offer homelessness prevention in a comprehensive way.

Piloting Solutions The Regional Homelessness Prevention System Pilot is an effort now underway to design and implement a coordinated homelessness prevention strategy across the Bay Area. This effort is led by the nonprofit All Home, with BAHFA joining as a partner to design the program approach and collaborate with other stakeholders from the public, nonprofit and philanthropic sectors. The program will use evidence-based targeting with a focus on areas of severe housing insecurity. It will include financial and legal assistance, case management, and connection to benefits, social services and community resources. It will provide multi-jurisdictional consistency in eligibility, assessment, technology, approach, training and evaluation. The pilot will launch in three Bay Area counties in 2021.

Creating Transformative Change A coordinated, evidence-based homelessness prevention strategy across the Bay Area is a central pillar to achieve the ambitious goal of reducing unsheltered homelessness by 75 percent by 2024. The pilot will unlock new opportunities to attract and leverage private funds, while also integrating state and federal prevention dollars. With additional funds, BAHFA will support the expansion of the initial three-county pilot to the entire Bay Area while simultaneously evaluating whether and how the agency could transition into direct management of the regional homelessness prevention system by coordinating funding to local providers to achieve regional homelessness reduction goals. All Bay Area residents benefit from reductions in homelessness, which saves tax dollars on public health interventions; and increases neighborhood stability, vitality and diversity.



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