BAHFA Strategic Planning Launch

ABAG Housing & BAHFA Oversight Committees

April 9, 2025

Bay Area Housing Finance Authority

ASSOCIATION OF BAY AREA GOVERNMENTS

METROPOLITAN TRANSPORTATION COMMISSION

Key Takeaways for BAHFA Next Steps

Part 1: BAHFA's Current Status

- BAHFA is funded through Summer 2026. We must start planning now to extend the runway.

Part 2: Investing in Affordability: Near-term Benefits and Long-Term Systems Change

- 2028 is likely the next best opportunity to pursue a regional housing measure
- Near-term funding strategy is multi-pronged: State budget request; financing revenue; private funding and more

Part 3: Proposed Strategic Planning Process

Strategic Planning Overview

North Star:

BAHFA was created to raise transformative revenue to meet regional affordable housing needs at scale

Purpose:

Articulate the vision and plan to sustain BAHFA until capitalized at scale

Process:

An inclusive process is necessary to maintain, strengthen, and expand coalition of BAHFA supporters

Four Modules:

1. New Regional Financing Products & Approaches
2. Regional Housing Programs
3. Sustaining Funding Strategy
4. Framework for Future Ballot Measure

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Considerations for Strategic Planning Process

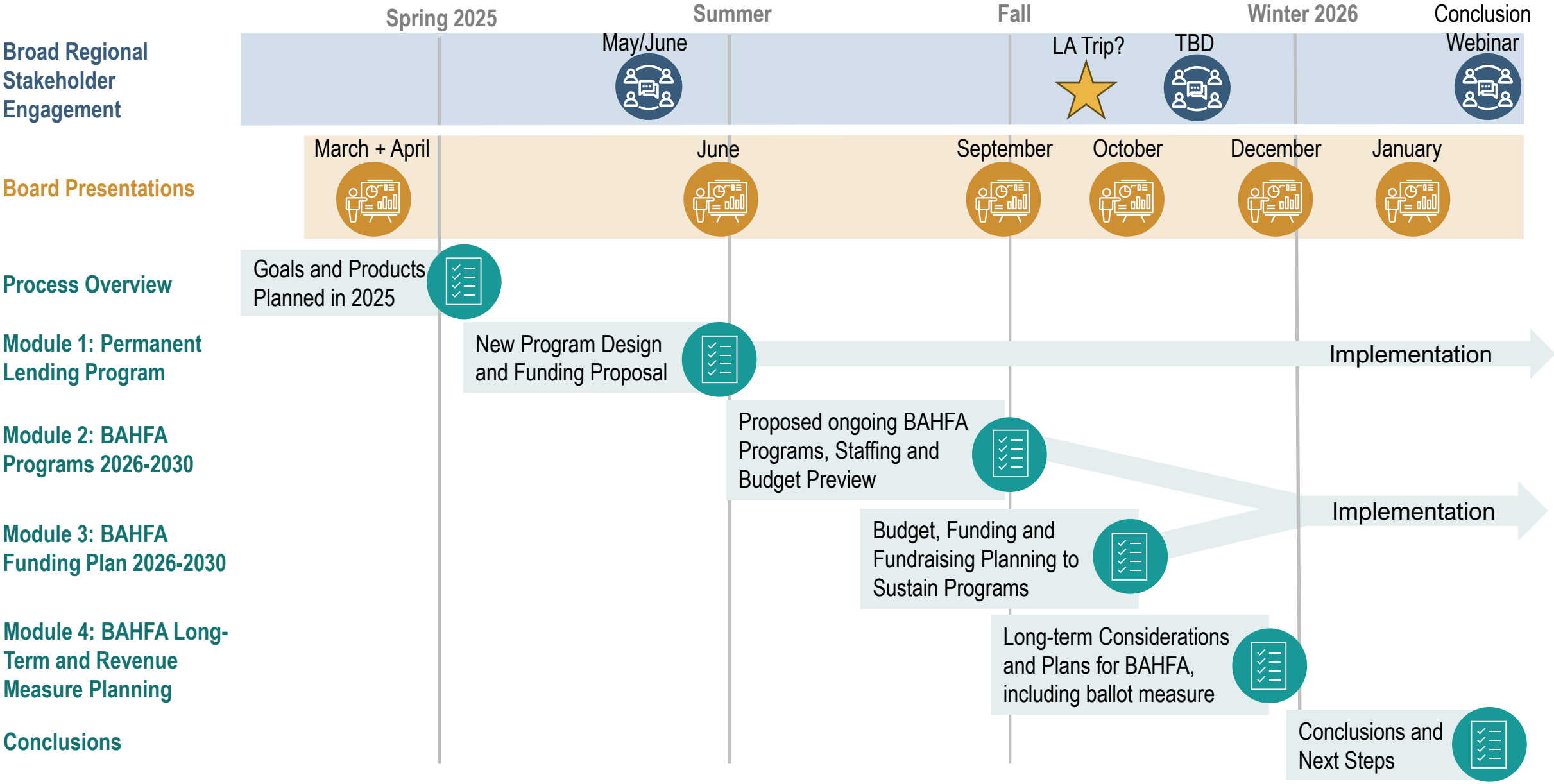
Lessons Learned

- **Plan for multiple scenarios.**
  BAHFA needs a sustainability plan that bridges to a potential 2028 revenue measure and will carry BAHFA into 2030 and beyond if timing of a revenue measure shifts.
- **Focus on financial sustainability.**
  BAHFA must create self-sustaining funding to ensure operational stability given uncertainty of revenue measure timing.

Focused Scope

- **What is BAHFA's *unique* contribution?**
  Must strike a balance between maintaining long-term vision while achieving short-term impacts on housing affordability and stability.
- **Right-Sized Process.**
  Given short timeframe, limited funding, and competing priorities the process will be largely staff-driven with targeted consultant support.

Proposed Strategic Planning Timeline



Inclusive Stakeholder Engagement Plan

Regional Sounding Board

- Informal, nimble group to provide feedback to staff
- Staff to convene as needed
- Participants to include:
  - BAHFA & ABAG Leadership
  - BAHFA Advisory Committee
  - Housing sector stakeholders
  - Funder(s)

Technical Advisory Groups

- Practitioners and other stakeholders with subject matter expertise
- Meetings and/or engagement focused module content
- Provide feedback to staff to incorporate into proposals to policymakers

Regional Engagement

- 1-2 workshops at launch and a mid-later point of strategic planning process
- Wrap up webinar at conclusion of process to disseminate path forward
- Broad sector-wide invitation to keep BAHFA's many stakeholders informed and gather input

TBD: Community-Focused Engagement

Module 1: New Regional Financing Products and Approaches

Goals

- Evaluate new financing approaches that:
  - Deliver affordability at lower cost
  - Generate revenue to support goal of financial sustainability

Process

- CSG Advisors on contract for financial analysis and program design
- Affordable housing finance-focused Technical Advisory Group

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Module 1: New Regional Financing Products and Approaches (Continued)

By June-July 2025

CSG Consulting Engagement Scope

1. **Feasibility Analysis and Program Modeling**
   - Permanent financing program where BAHFA replaces or complements role of private banks
   - Middle-income strategies including purchase of existing buildings
2. **Implementation Support (pending feasibility)**
   - Policy and procedure documents including underwriting standards, affordability requirements, term sheets, etc.
   - Engage with local governments and potential borrowers to source initial transactions

Module 2: Regional Housing Programs

Photo Courtesy of MidPen

Goals

- Prioritize programs to deliver tangible benefits in near-term

Process

- Evaluate current initiatives based on Equity Framework and efficacy advancing BAHFA's mission
- Assess new opportunities, with goal of integration across MTC-ABAG housing and land use programs
- Technical Advisory Group(s) to include expertise across 3Ps, housing justice sector, housing seekers and community groups

Module 3: Funding Strategy

Goals

- Develop funding strategy to ensure operational stability through 2028 and beyond

Process

- Estimate cost for new and ongoing programs
- Identify potential funding including state investments, private fundraising, and self-generated revenue (e.g., financing products & Doorway fees)
- Technical Advisory Group(s) to continue to advise from Module 2; additional funder groups may be included

Module 4: Framework for a Future Revenue Measure

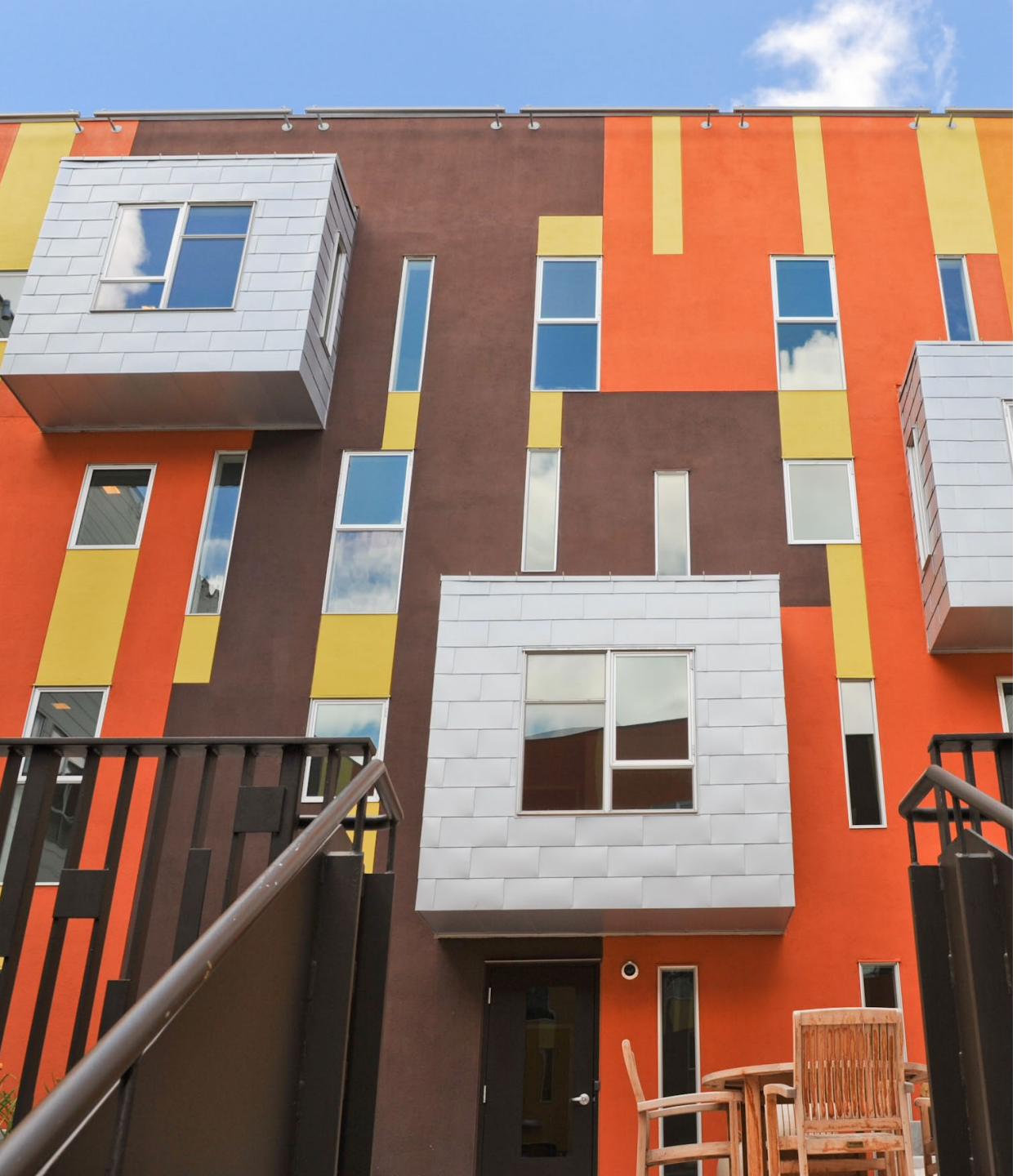
Photo Courtesy of RCD Housing

Goals

- Lay groundwork to unite the region for a future housing revenue measure

Process

- Articulate “lessons learned” from recent measures, including RM 4
- Proposed trip to Los Angeles to learn from success of Measure A in 2024 and early implementation
- Monitor political climate and voter attitudes
- Technical Advisory Group to include coalition leadership, local agency perspectives, state housing leaders, and legislative stakeholders



Next Steps

Ongoing: Advocacy in Sacramento to secure near-term resources for BAHFA

Late April: Kick-Off BAHFA Strategic Planning Module 1

May:

- Module 1 Subject Matter Expert Engagement
- First “Regional Stakeholder” Meeting

June-July:

- Module 1 Report to Committees

Thank you.

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