

ALBANY CALIFORNIA



CITY OF ALBANY
1000 SAN PABLO AVENUE
ALBANY, CA 94706
www.AlbanyCA.org

Agenda Date: July 15, 2024

MEMORANDUM

To: Albany City Council Members

From: Councilmember Tiedemann

Re: Bay Area Housing Finance Agency Regional Bond

RECOMMENDATIONS

That the Council adopt a resolution endorsing the Bay Area Housing Finance Agency's \$20 billion Regional Bond Measure.

BACKGROUND

The Bay Area Housing Finance Authority (BAHFA), was created by AB 1487 in 2019 as a regional governmental body to support the production, preservation, and protection of affordable housing through new revenue measures. BAHFA is governed by both the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC). Since its creation, BAHFA has been working towards a major, regional revenue measure. On June 26, 2024, after hearings at the ABAG Housing Committee, BAHFA Oversight Committee, and ABAG Executive Board, the MTC Board, acting as the BAHFA Board, unanimously passed a resolution placing a \$20 billion Affordable Housing General Obligation Bond on the November, 2024 ballot for all 109 jurisdictions within the nine-county Bay Area.

This Bond Measure represents a larger scale effort to address the housing crisis across the bay in terms of both geographic coverage and dollar amount. Bond funds will largely be used to fund new affordable housing, with at least 52% of all funds going towards production of new homes. The remaining funds are split between preserving existing affordable housing (15%) and flexible uses that can include a range of production and preservation strategies (28%). An additional 5% of funds are earmarked by BAHFA's enabling legislation for protection strategies, however the State Constitution does not currently allow General Obligation Bond funds to be spent on services. Residents would pay approximately \$200 per \$1 million in assessed property value per year to fund the Bond.

BAHFA Bond funding would return to Albany in several ways. The largest portion of funds, 80% of the total, return to their source county based on assessed property value. Because our County has Oakland in it, one of four cities that receives its own allocation due to having more than a third of

the County's lower-income RHNA, Alameda County will receive approximately \$2 billion to distribute. Oakland will receive approximately \$765 million. The County will be responsible for distributing this money to cities and development projects via an expenditure plan. Alameda County is ahead of most other Counties in that it has already started the process of creating this plan, which must ultimately be passed within 90 days of the Bond's passage. Albany and the County will also benefit from the other 20% of funds that do not follow a return to source model, but instead go to BAHFA to distribute regionally. These funds are intended to be used to create a regional public bank in the model of the New York City Housing Development Corporation, which has been highly successful in funding affordable housing without the need for repeated voter approval. BAHFA has already passed its Business Plan and Regional Expenditure Plan, which detail how funds will be targeted to produce the maximum impact and unlock housing units already in the pipeline but lacking in funding.

Given the depth of the affordable housing crisis and the difficulty for local governments to create funding for new affordable housing, the Regional Bond represents the most substantial and best chance for Albany to have more funds to invest in housing creation. As a member of the ABAG Executive Board and the ABAG Housing Committee, I have had the chance to take part in the process to create the bond measure and put it on the ballot. I have been very impressed with the efforts of BAHFA staff, other members of the ABAG and MTC Boards, and other stakeholders to create the best version of the Bond possible, and I believe it's passage is necessary to the health of our City and our region.

SUSTAINABILITY CONSIDERATIONS

While the Bond has no direct sustainability impacts, the creation of more dense, infill housing is a tertiary benefit with substantial benefits for our environment as it limits urban sprawl and reduces commute times.

SOCIAL EQUITY AND INCLUSIVITY CONSIDERATIONS

The Bond is focused on the creation and preservation of affordable housing for the lease well off in our region. It will create, at minimum, tens of thousands of units of affordable housing to reduce cost-burden, provide a pathway out of homelessness, and improve outcomes for lower-income households. BAHFA has also created an equity framework as part of its Business Plan that emphasizes investment in historically disadvantaged areas.

CITY COUNCIL STRATEGIC PLAN INITIATIVES

Passage of the bond would support the City's Goal 2: "Promote Housing Availability & Quality," and especially relate to the Objective "Establish funding opportunities to develop affordable housing."

FINANCIAL CONSIDERATIONS

Passage of the bond would increase the City's financial resources to respond to housing, subject to approval of the County's Expenditure Plan.

Attachment

1. Resolution No. 2024-61

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RESOLUTION NO. 2024-61

**A RESOLUTION OF THE ALBANY CITY COUNCIL SUPPORTING
THE BAY AREA HOUSING FINANCE AUTHORITY'S
REGIONAL HOUSING BOND MEASURE**

WHEREAS, the Bay Area is facing a severe and persistent housing crisis; and

WHEREAS, over 37% of Albany residents and over 51% of Albany renters are Housing Cost-Burdened, paying more than 30% of their incomes in housing cost; and

WHEREAS, the housing crisis has created a significant homelessness crisis, with almost 10,000 people experiencing homelessness in Alameda County on any given night according to the 2024 Point in Time Count; and

WHEREAS, Alameda County successfully leveraged Measure A1 General Obligation Bond funds to produce more than 4,000 units of affordable housing; and

WHEREAS, Albany utilized its Base City Allocation of Measure A1 funds to support the 62 unit Albany Family affordable development currently in construction; and

WHEREAS, Federal and State funding has been insufficient to meet the current crisis across California and in the Bay Area, necessitating innovative and local strategies to build more affordable housing; and

WHEREAS, a recent report produced by Bay Area Housing Finance Authority (BAHFA) and Enterprise Community Partners found that there are currently 433 affordable projects with almost 41,000 new affordable units stalled across the Bay Area for lack of funding; and

1 **WHEREAS**, the BAHFA Regional Bond will bring substantial new funding towards
2 the production and preservation of affordable housing in our City, County, and region; and

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4 **WHEREAS**, BAHFA’s structure offers a unique opportunity to create a public
5 investment authority able to reinvest bond funds in affordable housing regularly and without
6 the need for repeated tax measures.

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8 **NOW, THEREFORE, BE IT RESOLVED**, that the Albany City Council hereby
9 supports the BAHFA Regional Housing Bond on the November 2024 ballot; and

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11 **BE IT FURTHER RESOLVED**, that the Albany City Council supports the City of
12 Albany being listed as a supporter of the Bay Area Housing For All Coalition.

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17 JOHN MIKI, MAYOR