

ABAG Report to MCCMC¹

May 2025

EXECUTIVE SUMMARY: This report highlights: (1) a request for all **ABAG delegates and/or alternates to register for the General Assembly scheduled for June 20, 2025**; (2) AB 804 and SB 750; (3) ABAG support of BAHFA's request for \$30M from the State Legislature; and, (4) Doorway Housing Portal.

REMINDER -- REGISTER FOR THE ABAG GENERAL ASSEMBLY – JUNE 20, 2025:

The annual ABAG General Assembly will be held at the Bay Area Metro Center in San Francisco on Friday, June 20, 2025 from 9:00 am to 2:00 pm. **All ABAG delegates and/or alternates, please register.** The business section of the General Assembly agenda includes:

- 1) adoption of the ABAG Budget and Work Program for July 1, 2025 thru June 30, 2026. The ABAG budget includes a request to transfer \$160,000 from the Finance Authority for Nonprofit Corporations' Fund Balance to reduce the projected operating deficit²; and,
- 2) adoption of proposed changes to the ABAG Bylaws.

There will also be a panel discussion **on Regional Tools to Power Local Solutions** and a **Keynote Speaker Dr. Christopher Thornberg**, Beacon Economics' Partner.

ABAG EXECUTIVE BOARD SUPPORTS AB 804 AND SB 750:

On May 15, 2025, the ABAG Executive Board voted to support the following bills:

1. Assembly Bill 804 (Wicks): This bill would add housing support services as a new Medi-Cal benefit for enrollees experiencing homelessness or at risk of becoming homeless to stabilize their housing situation. This bill is co-sponsored by the Corporation for Supportive Housing, Housing California and Western Center on Law and Poverty. Bay Area supporters include All Home, Bay Area Legal Aid, City and County of San Francisco, and EAH Housing.
2. Senate Bill 750 (Cortese): This bill creates a multifamily housing loan insurance and credit enhancement program backed by the state's AA-credit rating. It creates the California Residential Mortgage Insurance Program under which the California Housing Finance Agency would offer insurance and credit enhancements for construction and permanent loans for new multifamily development. By using the state's credit rating to guarantee private loans, this approach would reduce lenders' risk and provide affordable housing developers access to lower interest rates. It is modeled after California's Health Facility Construction Loan Insurance Program, which has insured \$9 billion in loans since its inception in 1969. To take effect, SB 750 would require passage of a companion Senate Constitutional Amendment (SCA) by the Legislature and then voters. Senator Cortese plans to introduce the SCA in the coming months.

BAY AREA HOUSING FINANCE AUTHORITY (BAHFA):

BAHFA voted to submit a \$30 million request to the state legislature to sustain housing affordability programs that are administered by BAHFA. In late April, Senator Becker submitted a budget request letter in support of BAHFA that was signed by 16 members of the Bay Area Caucus (see Attachment 1). The letter is a strong

¹ Marin County Council of Mayors and Councilmembers (MCCMC). For questions, contact Councilmember Pat Eklund; City of Novato at: pateklund@comcast.net; and/or 415-336-9913 (cell).

² For more information on the ABAG Budget and Workplan for FY 2025-2026 refer to my ABAG report in the April 2025 MCCMC packet.

demonstration of the level of support, especially given how many Bay Area members are part of leadership and customarily do not sign such letters.

BAHFA was created by the legislature in 2019 to tackle the region's toughest housing challenges in partnership with local governments and community-based organizations. BAHFA's most impactful tool is the ability to raise large-scale revenue across the nine counties with 80% of the funds flowing directly to counties and 20% remaining at BAHFA for regionwide programs.

The FY 2025-26 state budget is expected to be very constrained, creating difficult conditions for BAHFA's request despite support from the Bay Area Caucus.

DOORWAY HOUSING PORTAL:

The Doorway Housing Portal is a centralized search and application website for affordable housing in the Bay Area. The portal replaces time-consuming online searches and paper applications with a single site where renters can find deed-restricted apartments that meet their income/size needs, apply for multiple listings at once and get up-to-date lottery/waitlist information.

On May 15, 2025, the ABAG Housing Committee voted to support BAHFA's request to negotiate and enter into a fourth amendment in an amount not to exceed \$780,000 to the October 1, 2022, contract with Exygy Inc. ("Consultant") for Doorway Housing Portal web design services for a total contract amount not-to-exceed \$4.83 million.

On June 29, 2023, BAHFA launched the Doorway Housing Portal, a comprehensive, user-friendly site that allows housing seekers to find and apply for housing opportunities from their phones or personal computers. The portal was launched through the Exygy contract and the support of a pro bono Google.org fellowship that provided more than a dozen full-time Google fellows January-June 2023.

Starting in July 2023, through March 2024, with funding assistance from a \$2.5 million grant from Google.org, BAHFA expanded the Consultant's work scope to further develop the portal through a first contract amendment, adding regional accounts, application, and additional functionality for housing seekers, jurisdictions, and professional partners. The work scope also included data and reporting research and sustainability planning. From April 2024 through February 2025, BAHFA further expanded the Consultant's work scope through a second contract amendment, to include the development of lottery and application deduplication functionality, and additional work on public data and reporting, along with research on affordable housing placement. The amendment also included six months of platform maintenance services.

Through a third contract amendment funded by Regional Early Action Planning Grant of 2021 ("REAP 2.0") funds, BAHFA expanded the Consultant's work scope to improve existing Doorway Housing Portal functionality, such as map rendering and listing search, and extend the maintenance period through April 2026. Now, through a fourth contract amendment, funded in part by REAP 2.0 funds, BAHFA will extend the Consultant's scope of work to assist with the integration of the Alameda County Housing Portal into the Doorway platform, as well as address some platform technical remediation needs, paper application digitization support, and sustainability planning.

Attachment – Senator Becker's budget request to sustain BAHFA dated April 9, 2025

For questions, contact Councilmember Pat Eklund; City of Novato at: pateklund@comcast.net; and/or 415-336-9913 (cell).

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BAY AREA CAUCUS
CHAIR
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VICE CHAIR

April 9, 2025

The Honorable Scott Wiener
Chair, Senate Budget and Fiscal Review
1020 N Street, Room 502
Sacramento, CA 95814

The Honorable Jesse Gabriel
Chair, Assembly Budget Committee
1021 O Street, Suite 8230
Sacramento, CA 95814

The Honorable Christopher Cabaldon
Chair, Senate Budget Subcommittee #4
1021 O Street, Suite 7320
Sacramento, CA 95814

The Honorable Sharon Quirk-Silva
Chair, Assembly Budget Subcommittee #5
1021 O Street, Suite 4210
Sacramento, CA 95814

RE: Budget Request – Sustaining the Bay Area Housing Finance Authority

Dear Chairs Wiener, Gabriel, Cabaldon, and Quirk-Silva:

We write as members of the Bay Area Caucus to request \$30 million to sustain housing affordability programs administered by the Bay Area Housing Finance Authority (BAHFA) that are providing immediate benefits to Bay Area residents and increasing the long-term supply of affordable homes. This funding would also allow BAHFA to leverage roughly \$100 million for multifamily mortgage loans, lowering development costs and capturing interest income to support its operations.

The Legislature created the BAHFA in 2019 to tackle the region's toughest housing challenges in partnership with local governments and community-based organizations. BAHFA's most impactful tool is the ability to raise large-scale revenue across the nine counties - with 80% of the funds flowing directly to counties and 20% remaining at BAHFA for regionwide programs. Our region came close to realizing this vision through last year's ambitious \$20 billion housing bond – but anti-tax sentiment led to its postponement.

While doing the intensive work to place the measure on the ballot, BAHFA also leveraged \$20 million in state seed funding to attract an additional \$55 million in other resources. The combined funds support more than 10 initiatives that demonstrate the value of a regional approach, including:

- **Doorway Housing Portal**, a centralized search and application website for affordable housing. The portal replaces time-consuming online searches and paper applications with a single site where renters can find deed-restricted apartments that meet their income/size needs, apply for multiple listings at once, and get up-to-date lottery/waitlist information. Usage tripled in the last

quarter of 2024, going from 14,000 new users to 45,000. Doorway frees up local housing resources for other priorities by allowing counties to fold their listings into the portal. It also offers major benefits to property managers, including conducting lotteries for open apartments.

- **Welfare Tax Exemption Program**, which has preserved the long-term affordability of more than 800 apartments in Alameda, Contra Costa, San Mateo, and Santa Clara counties in just two years. This cost-effective program provides the \$5,000 in public support that allows property owners to qualify for property tax relief, which makes affordable rents feasible. Deed restrictions stabilize rents for 55 years and protect existing residents from displacement.
- **Priority Sites Program**, an example of how BAHFA's "nesting" in agencies that craft the Sustainable Communities Strategy and Regional Housing Needs Allocation facilitates development of programs marrying climate and fair housing goals. The program's predevelopment grants are advancing the construction of more than 1,600 new affordable homes in ten projects on large, underutilized sites near transit. This is one component of a multi-faceted Priority Sites strategy in the region's SCS to focus growth near essential services, frequent transit and green space.
- **Eviction and Legal Services Study**: In mid-2025, BAHFA will publish research on the rates, causes and consequences of evictions. This is the first comprehensive study of its kind in the Bay Area. Results are intended to guide development of data-driven anti-displacement strategies.

Other BAHFA initiatives are advancing the 3 Ps (housing production, preservation and tenant protections) via an annual development pipeline report, a senior rental assistance program, a second preservation program, and an SB 35 tribal notification toolkit.

Postponing the regional ballot measure put BAHFA in a tight financial position, with its operating funding estimated to run out in June of next year. A \$15 million appropriation would allow BAHFA to maintain and expand the Doorway Housing portal, preserve additional homes, continue filling gaps and innovating in the 3Ps, and retain for at least three years the expert staff necessary to administer programs and prepare for the next regional housing ballot measure.

The additional \$15 million would launch a new regional lending program with the primary goals of reducing development costs, capturing interest income for public benefit, and assisting BAHFA in becoming self-sufficient. Modeled on the highly successful New York Housing Development Corporation (HDC), a public mortgage lending program could offer financing to affordable housing developers at lower interest rates than private lenders, thereby reducing development costs.

New York established HDC in 1971 to make low-cost mortgage loans to build and preserve affordable housing. It's now one of the top-ranked financiers nationally, with \$20.6 billion in loans for more than 200,000 apartments. Revenue bonds provide its lending dollars and the interest rate "spread" and loan fees support its operations.

BAHFA is currently exploring various options for transferring this model to the Bay Area. Their initial estimate is that \$15 million in seed funding could raise enough private capital to make roughly \$100 million in loans. After a handful of years, the lending program could generate enough revenue to sustain

BAHFA, including operating Doorway and additional housing subsidy programs.

The Bay Area Housing Finance Authority is a vital resource that's already demonstrated the value of a regional approach to major housing affordability challenges. We cannot afford to lose either the immediate housing affordability benefits BAHFA provides or its longer-term revenue-raising potential. And the state needs BAHFA as a robust partner to meet shared housing goals.

We appreciate your consideration of this request.

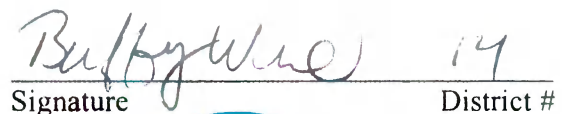
Sincerely,



JOSH BECKER
Senator, 13th District


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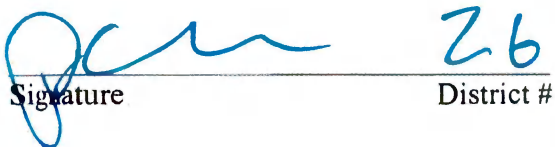
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