



Housing Advisory Commission

CONSENT CALENDAR
June 25, 2024

To: Honorable Mayor and Members of the City Council
From: Housing Advisory Commission
Submitted by: Debbie Potter, Chairperson, Housing Advisory Commission
Subject: Adopt a Resolution Supporting the Bay Area Housing Finance Authority's
2024 Regional Affordable Housing Bond

RECOMMENDATION

Adopt a resolution supporting the Bay Area Housing Finance Authority's (BAHFA's) 2024 Regional Affordable Housing Bond.

FISCAL IMPACTS OF RECOMMENDATION

Voter approval of the nine Bay Area countywide bond measure, if placed on the 2024 November ballot, would raise a significant amount of funding to assist local jurisdictions in building and preserving affordable housing. Depending on the size of the bond (\$10 to \$20 billion) and the fund distribution model adopted by the Alameda County Board of Supervisors, Berkeley would be eligible to receive \$45 million - \$107 million over a 10-year period. This would have a positive fiscal impact on the City's ability to fund permanent affordable housing.

CURRENT SITUATION AND ITS EFFECTS

The Housing Advisory Commission (HAC) received a presentation about the Bay Area Finance Authority's 2024 Regional Affordable Housing Bond from Alameda County Housing and Community Development (HCD) staff at its May 2, 2024 meeting. The City Council received a similar presentation at its February 13, 2024 meeting.

Following the presentation, the HAC voted unanimously to recommend to City Council that it endorse the BAHFA Regional Bond Measure and to recommend to City Council that it encourage the County to use the allocation method that would result in the most funding to Berkeley. A draft resolution has been prepared for the City Council's consideration and action.

Action: M/S/C (Simon-Weisberg/Ortiz-Cedeno) to recommend to City Council to endorse the BAHFA Regional Bond Measure and to recommend to City Council to encourage the County to use the allocation method that would result in the most funding to Berkeley.

Vote: Ayes: Bell, Braslaw, Calavita, Mendonca, Ortiz-Cedeno, Potter and Simon-Weisberg. Noes: None. Abstain: None. Absent: None.

BACKGROUND

BAHFA is a joint effort of the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG). Its mission is to raise, administer, and allocate funding and provide technical assistance at a regional level for tenant protection, affordable housing preservation, and new affordable housing production. BAHFA's jurisdiction is the entire nine-county Bay Area region.

In the summer of 2022, the BAHFA Board and the ABAG Executive Board began the process to consider placing a \$10-\$20 billion general obligation bond on the November 2024 ballot. The affordable housing bond would be a general obligation bond financed through a tax on real property. The annual cost to taxpayers would be \$10-\$20 per \$100,000 of assessed value for up to 30 years. Eighty percent (80%) of the net revenue generated would be returned to counties based on each county's share of assessed property value ("return to source"). Berkeley's share of the bond proceeds would be determined by the Alameda County Board of Supervisors based on an approved distribution model.

The ABAG Executive Board and the BAHFA Board must authorize the regional housing bond to be submitted to Bay Area votes; if they do so, counties are required to place the measure on the ballot.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

There are no identifiable environmental effects, climate impacts, or sustainability opportunities associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

Placement of the affordable housing bond measure on the November 2024 ballot and approval of the measure could provide critical funding for Berkeley's affordable housing initiatives and help the city achieve a number of its Housing Element goals and objectives.

ALTERNATIVE ACTIONS CONSIDERED

No alternative actions were considered.

CITY MANAGER

The City Manager takes no position on the content and recommendations of the Commission's Report.

CONTACT PERSON

Anna Cash, Commission Secretary, HHCS, (510) 981-5403

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Finance Authority's 2024 Regional Affordable Housing Bond

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Attachments:
1: Resolution

RESOLUTION NO. ##,###-N.S.

SUPPORTING THE BAY AREA HOUSING FINANCE AUTHORITY 2024 REGIONAL AFFORDABLE HOUSING BOND MEASURE

WHEREAS, costs for both rental and for-sale housing in the City of Berkeley and the rest of Alameda County have risen substantially in recent years; and

WHEREAS, affordable housing is a critical resource that provides a stable, safe environment for members of the local workforce, as well as seniors, people with disabilities, and others on a fixed income; and

WHEREAS, through the Regional Housing Needs Assessment (RHNA) process completed by the Association of Bay Area Governments in 2021, Berkeley's assigned share of the regional housing need was 8,934 units, including 3,854 units affordable to low- and very low-income households; and

WHEREAS, the City has a Housing Element policy to "seek, advocate for, and develop additional sources of funds for permanently affordable housing, including housing for people with extremely low incomes and special needs"; and

WHEREAS, the Bay Area Housing Finance Authority is conducting work sessions and public stakeholder meetings for the purpose of developing a proposed 2024 Bay Area affordable housing bond; and

WHEREAS, the Alameda County Department of Housing and Community Development provided presentations on the affordable housing bond measure to the Berkeley City Council on February 13, 2024, and to the Housing Advisory Commission on May 2, 2024; and

WHEREAS, the proposed measure would generate \$10-\$20 billion throughout the nine-county Bay Area region for affordable housing, including an estimated \$984 million in Alameda County (excluding Oakland); and

WHEREAS, up to 21% of funds generated in Alameda County would be earmarked for Berkeley projects; and

WHEREAS, the bond measure would provide an important new resource for developing and preserving affordable rental housing in Berkeley to assist the City to meet its RHNA goals and to achieve numerous policy goals as laid out in the Housing Element.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Berkeley does hereby affirm its support for the 2024 Bay Area Affordable Housing Bond measure and encourages Berkeley residents and businesses to support the measure if placed on the November 2024 ballot.

BE IT FURTHER RESOLVED, that the City of Berkeley encourages the Alameda County Board of Supervisors to adopt a funding distribution model that maximizes the City of Berkeley's share of bond proceeds for the production of permanent affordable housing.

