



Legislation Text

File #: 23-181, Version: 1

Motion to authorize the Mayor to send a letter of support for Assembly Bill 1319 (Wicks), Bay Area Housing Finance Authority Clean-Up Legislation. (Nell Selander, Economic & Community Development Director)

RECOMMENDATION

Staff recommends that City Council authorize the Mayor to send a letter of support for Assembly Bill (AB) 1319 (Wicks), a clean-up bill for 2019's AB 1487 (Chiu), which established the Bay Area Housing Finance Authority.

BACKGROUND/DISCUSSION

Assembly Bill 1487, signed into law in 2019, created a regional authority that could address housing affordability by raising, administering, and allocating funding for affordable housing throughout the nine-county Bay Area. This authority would be called the Bay Area Housing Finance Authority or BAHFA. The original legislation provided BAHFA with powers to place a measure on a future ballot to raise revenue and allocate funds, apply for and receive both public and private grants or loans, issue bonds and other types of debt, develop affordable housing programs, and to incur other liabilities and obligations.

Since 2019, BAHFA has hired staff and begun to develop programs. Through this process the BAHFA team has identified a number of legislative clarifications and modifications that are necessary to meet the housing needs of the region. In addition, BAHFA staff are aware of more recent efforts by affordable housing partners across the state to explore statewide measures that may interact with BAHFA and future BAHFA ballot measures. Assembly Bill 1319 addresses this new context to allow BAHFA to benefit from any potential changes passed by voters in the future, as well as address the necessary clarifications staff have identified.

Clean-Up Legislation Provisions

Assembly Bill 1319 serves to clarify and modify previous legislation rather than create additional substantive legislation. The bill outlines narrowly focused tweaks that will help ensure that BAHFA is as high functioning as possible. As it is currently drafted, the legislation includes changes to:

- Exempt BAHFA's administrative functions (such as raising or administering funds) from CEQA, similar to other government entities;
- Clarify BAHFA's range of lending authority, including issuing revenue bonds backed by rent payments;
- Allow BAHFA to buy and sell land to advance its statutorily authorized purposes;
- Expand the authority of its tenant protection programs to also include funding for homelessness prevention programs;
- Conform BAHFA with any future changes to the State Constitution; and
- Make other minor and clarifying changes.

All of these changes serve to make BAHFA a more effective organization which will better help address housing at the regional level.

What is Next for BAHFA

The Bay Area Housing Finance Authority received a nominal amount of seed funding in the 2022 state budget to fund staff expenses and start pilot programs. Authority staff are holding listening sessions regarding draft program guidelines for those pilots over the coming month, which City staff are participating in and providing comment on. City staff anticipate these pilot programs being up and running before the end of calendar year 2023 and are paying close attention to how they develop. As programs develop, staff will bring those that may be a good fit with City goals before Council for consideration.

Letter of Support

Staff has drafted the attached letter of support for the clean-up legislation, AB 1319, for Council consideration. Should there be Council support for the legislation, Council should consider authorizing the Mayor to send the letter.

FISCAL IMPACT

There is no fiscal impact associated with signing a letter of support for AB 1319. However, there could be fiscal benefits to the City should BAHFA have success in securing long-term revenues via ballot initiative. Recent reports are that BAHFA may put a bond measure for \$10 to \$20 billion, of which the County of San Mateo would receive \$1 to \$2 billion, on a ballot in 2024. Staff will brief Council with any updates as these plans move forward.

RELATIONSHIP TO STRATEGIC PLAN

Supporting affordable housing, and funding for affordable housing, is in line with the City's Strategic Plan Priority #2: Quality of Life, providing a full range of housing options.

CONCLUSION

Staff recommends that City Council consider authorizing the Mayor to send a letter of support for AB 1319 Wicks, which will help further financing options for affordable housing throughout the nine-county Bay Area.

Attachments:

1. Draft Letter of Support