ABAG Report to MCCMC¹ March 2025

EXECUTIVE SUMMARY: This report highlights a call for nominations for Priority Conservation Areas; Formation of the MTC ABAG Community Advisory Council; CALCOG recognition for ABAG Housing Website; Proposed legislation to modify the Regional Housing Needs Allocation (RHNA) to allow housing credits for preserving housing; <u>Affordable Housing Bond Act of 2026;</u> and, the upcoming <u>ABAG General Assembly</u> <u>scheduled for June 20, 2025</u>.

<u>Call for Priority Conservation Area Nominations Now Open:</u> Priority Conservation Areas (PCAs) are areas nominated by local governments that include natural lands, working lands, recreation areas, urban green spaces, and locations where nature-based solutions can be used to adapt to climate change. The window to nominate new PCAs is open through May 2, 2025, offering an opportunity to help shape the Bay Area's conservation priorities. To support local nominations, ABAG-MTC hosted a webinar on March 4 covering the nomination process and submission tool. Materials from the session, along with additional resources and staff assistance, are available online [2025 Priority Conservation Area (PCA) Nomination Cycle | Metropolitan Transportation Commission]

Formation of the MTC ABAG Community Advisory Council: The ABAG Executive Board voted to support the formation of the joint **MTC ABAG Community Advisory Council** that would replace and integrate ABAG's Regional Planning Committee and the MTC Policy Advisory Council into a single advisory council to serve the MTC Commission and the ABAG Executive Board.

The formation of a new MTC ABAG Community Advisory Council would establish MTC and ABAG as equal partners in selecting county-based and at-large nominees; retains an open nomination process while inviting input from the ABAG Executive Board and the MTC Commission; limits membership to 27; reserves membership for non-elected Bay Area residents to expand the diversity of viewpoints influencing MTC and ABAG decisions. Elected officials from community and special districts (e.g. water, sanitary, college boards and/or school districts) would be eligible.

Nominations and applications to join the Council will be open to the public. Staff would first review applications and provide a list of recommendations to the MTC Chair and ABAG President as well as to an ad hoc committee of members from MTC and ABAG, as selected by the MTC Chair and ABAG President. In the case of county-specific appointees, the MTC and ABAG members representing a given county will also be provided with a list of recommendations. Final appointments will be made by the MTC Chair and ABAG President taking into consideration recommendations from the ad hoc committee and any recommendations for county-specific appointments provided by MTC and ABAG members.

Recruitment for the new body would begin in the summer of 2025, selections would be finalized in the fall of 2025, and the new body would hold its first meeting in January 2026.

Doorway Housing Platform: Through the release of key new features and processes, and the integration of other Bay Area housing portals, Doorway has grown significantly since its launch in June 2023. On June 29, 2023, BAHFA launched the Doorway affordable housing placement platform, which <u>consists of two websites</u>. The **Doorway Housing Portal** provides a comprehensive, user-friendly site that allows housing seekers to find and apply for housing opportunities from a phone or personal computer. The **Doorway Partner Portal**, for jurisdictions and professional partners (developers and property managers), helps make the lease-up process

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

significantly simpler. Together, the two sites provide critical data about who searches for what kinds of affordable housing throughout the Bay Area, enabling policy makers to better assist their constituents.

A regional affordable housing platform provides significant value to housing seekers, jurisdictions, and our professional partners. Housing seekers - often households that live in one city and work in another - benefit from having everything in one place ("one-stop shop"). Jurisdictions benefit from reduced staffing and costs, and developers/property managers greatly appreciate standardized processes across the region.

The Doorway platform was launched through a contract with Exygy, a software development consultant, and the support of a pro bono Google.org fellowship that provided more than a dozen full-time Google staffers January-June 2023. Starting in July 2023, with funding assistance from a \$2.5 million grant from Google.org, BAHFA expanded the consultant's work scope to further develop Doorway.

In the last year, the Doorway platform has added account, application, and lottery functionality for housing seekers, jurisdictions, and professional partners. These new key features, along with some additional enhancements, have brought the platform's functionality to a place where it can fill the role of a <u>regional one-stop shop for affordable housing</u>. That milestone was underscored with the integration last October of the former San Mateo County Housing Portal. Doorway now handles all San Mateo County listings, applications, and users. Recently, BAHFA announced that the Alameda County Housing Portal will be similarly integrated with Doorway later this spring.

Doorway's role has also grown into regional affordable housing collaboration. Doorway discussions with external partners, including local government staff and property managers, have generated ideas about how to standardize and streamline regional practices on subjects such as application questions to demographics data collection to lottery and waitlist management. To access the portal: <u>Doorway Housing Portal</u>

<u>ABAG Technical Assistance Highlighted on New CALCOG Website:</u> CALCOG launched a new Housing Implementation Programs Exchange website, a collection of the best of what CALCOG members produced for REAP 1. The site includes a curated set of resources for most of the major housing subject areas and updated 2025 summaries of the law in key areas.

Regional Housing Needs Allocation	Housing Element
Permit Processing, CEQA, & Density Bonus	By Right Rules for Specific Development Types
Fairness and Equity	Enforcement
Regional Agency Policies	Housing and VMT – Coming Soon
Funding and Financing – Coming Soon	Other Items of Variable Importance

Housing Implementation Policy Exchange

Resources created by ABAG's Regional Housing Technical Assistance Program are included throughout the site. Following is the link to the website: <u>Housing Implementation Policy Exchange: California Association of Councils of</u> <u>Governments</u>

<u>Regional Housing Needs Allocation Credit for Preservation</u>: The ABAG Executive Board agreed to co-sponsor a bill by Assemblymember Sharon Quirk-Silva to allow cities and counties to earn credit toward their Regional Housing Needs Allocation (RHNA) targets by preserving "naturally occurring affordable housing" with long-term deed restrictions.

The phrase "naturally occurring affordable housing" or NOAH is used to describe apartment buildings, often older stock, with market-rate rents that are affordable to low-to-moderate income households. NOAH "preservation" refers to a growing practice by mission-driven organizations of buying these properties and attaching to them long-term deed restrictions that prevent displacement and preserve their affordability for low-income households for 55 years. Without such intervention to pull these homes off the speculative market, private equity and gentrification can drive up rents and displace long-time residents. Since 2020, California communities have lost an estimated 163,000 NOAH units for low-income households, according to the California Housing Partnership Corporation. In the Bay Area, more than 60,000 additional homes are at high risk of conversion.

This legislation will allow jurisdictions to claim credit on their Annual Progress Report (APR) for NOAH properties affordable to low-income households and preserved with public assistance, for up to 25 percent of their RHNA allocation in the relevant income category. To qualify, the properties must be deed-restricted for at least 55 years and protect existing tenants against displacement. The bill will also clarify for jurisdictions their reporting obligation related to demolished homes. Finally, it will add a minor APR reporting requirement to track developers' compliance with replacement housing and relocation assistance requirements.

Ralph M. Brown Act Teleconferencing Reform: The ABAG Executive Board agreed to co-sponsor SB 239 authored by Senator Arreguin (our Past President of ABAG) that would expand remote meeting options for non-decision-making local legislative bodies – including advisory boards – <u>that do not take final action</u>. The League of California Cities and California Association of Counties are co-sponsoring the bill.

In the 2023-24 legislative session, MTC and ABAG supported AB 817 (Pacheco), which would have provided that "subsidiary bodies" - defined as a body that serves exclusively in an advisory capacity and does not take final action on legislation, regulations, contracts, licenses, permits, grants, or any other entitlements - could use alternative teleconferencing provisions similar to the emergency provisions so long as the legislative body that established the subsidiary body made specified findings and voted every 12 months to allow for remote meetings. AB 817 was a compromise bill since there is significant resistance in the State legislature to restoring the broad flexibility to meet entirely remotely as was allowed during the COVID.

Senator Arreguin on January 30th introduced SB 239, a modified version of AB 817. The changes are intended to address key policy concerns raised by the Senate Local Government Committee and other members of the Senate during bill including: 1) Narrowing the bill to exclude advisory bodies with subject matter jurisdiction over police oversight, elections or budgets; 2) Exempting elected officials from taking advantage of the enhanced teleconferencing flexibility authorized by the bill. 3) Clarifying that legislative bodies that take final action on grants are not "subsidiary bodies".

<u>Affordable Housing Bond Act of 2026</u>: On March 20, 2025, the ABAG Executive Board voted to support and seek amendments on two bills that are nearly identical [Assembly Bill (AB) 736 (Wicks) and Senate Bill (SB) 417 (Cabaldon)] that would place a <u>\$10 billion GO bond on the June 2026 statewide ballot to fund the state's core rental and ownership programs</u>. The proposed distribution is largely consistent across the bills, with the exception of the \$450 million that comprises the last two bullets:

• \$5.25 billion to build apartments affordable to households earning 80 percent or less of the area median income (AMI) through the Multifamily Housing Program. At least 10 percent of the apartments must be reserved for households earning 30 percent AMI or less.

• \$1.75 billion for supportive housing for people living with disabilities, through the Multifamily Housing Program.

• \$1 billion for first-time homebuyer assistance and for-sale home production through CalHome and the California Housing Finance Agency.

• \$800 million to the Portfolio Reinvestment Program to rehabilitate or preserve the affordability of currently deed-restricted apartments.

• \$500 million for a new state program to acquire market-rate apartments and attach long term affordability restrictions, to be established in separate legislation.

• \$250 million for apartments and for-sale homes for agricultural workers via the Joe Serna Farmworker Housing Grant Program

• \$250 million to build housing and related infrastructure for Native American tribes via a new program (AB 736) or the Tribal Housing Grant Program (SB 417).

• \$200 million to the Energy Efficiency Low-Income Weatherization Program (AB 736) or for wildfire prevention and displacement assistance and to accelerate apartment construction in rental markets affected by wildfires (SB 417).

Historically, GO bonds have been the state's primary funding source for the production and preservation of deed-restricted apartments and single-family homes. Voters last approved a comprehensive state housing bond in 2018 (the \$4 billion Proposition 1). Those funds, however, have been fully allocated. Additionally, voters last year approved a \$6.4 billion mental health bond measure, of which \$2 billion is dedicated to supportive housing for veterans and other people living with disabilities. Lawmakers have also appropriated General Fund revenue for housing production in recent years. However, the state's projected deficit makes significant additional General Fund commitments to housing unlikely in the near future.

If passed by voters in June 2026, AB 736 or SB 417 would infuse as much as \$2 billion annually over five years into housing production and preservation. Bay Area developers and jurisdictions have performed well in past funding rounds for the programs included in the bond. The Bay Area Housing Finance Authority (BAHFA) may also be eligible to apply for funding to continue Housing Preservation Pilot program, which converts existing apartments into affordable homes with long-term deed restrictions and protects residents from rising rents and displacement. (Eligibility would be determined in a concurrent or follow-up bill establishing the new program.)

A state housing bond is also a potential source of funding for a new BAHFA lending program modeled on the New York City Housing Development Corporation (HDC) that would both reduce developers' borrowing costs and, within a couple of years, fully cover BAHFA's operating budget. HDC issues housing revenue bonds and loans the proceeds at competitive rates to affordable housing developers. The loans generate enough revenue – in the form of fees and interest rate spread – to fully fund HDC's operations and offer additional housing subsidies (\$3.4 billion since 2003). <u>BAHFA staff and consultants</u> *are analyzing how much collateral would be required for BAHFA to begin lending through this HDC model; the state bond could serve as the source of that collateral. Staff requests approval to begin discussions with Assemblymember Wicks and Senator Cabaldon about amending the bills to provide for this option.*

SAVE THE DATE: 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. All ABAG delegates and/or alternates, please save the date. More information will be distributed in the next few months.

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