

Memo to Cities Association of Santa Clara County

ABAG Ex Bd Meeting May 2020

From: Liz Gibbons

Executive Summary

- **General Obligation Bond Ballot measure did not go forward due to lack of voter support**
- **BAHFA next steps to be determined**
- **MTC is severely hampered by loss of revenue**
- **Request was sent to Legislature regarding flexibility in RHNA and Housing Element schedules**
- **Bay Area Regional Collaborative (BARC) continues as a collaboration of Bay Area member organization to address climate change**
- **General Assembly June 11, 2020**

General Obligation Bond (GO Bond): On May 21, 2020, the ABAG Board voted to postpone placing a General Obligation Bond measure on the November 2020 ballot for housing.

Potential Future Bay Area Housing Finance Authority Activities and Expanded Regional Housing Portfolio:

Last year, AB 1487 (Chiu) created the Bay Area Housing Financing Authority (BAHFA) which is composed of the MTC Commissioners and ABAG Ex Bd. This entity was created to allow the region to generate funding for housing by placing funding measures on the ballot in the Region, establishing a head tax or other options. AB 1487 also affords BAHFA the power to advance the “3 Ps” across the Bay Area. BAHFA is a financing authority assigned to MTC because they had the staff expertise and credit rating to best leverage the revenues.

While not legally required to activate BAHFA on any specific timeline absent a ballot measure, the Board voted to have staff bring back an expanded regional housing ‘portfolio’ or plan for discussion in June that would include when to ‘activate’ BAHFA as one of a *number of tools* and what ABAG could do to address the region’s housing challenges. Staff listed some additional housing efforts that could be considered then including: 1) Supporting a Regional COVID-19 Housing Response; 2) Pivoting to a Counter-Cyclical Investment Approach; 3) Developing a comprehensive business plan; 4) Developing housing finance capacity (BAHFA, ACFA); 5) Facilitating regional funding coordination; 6) Providing technical assistance to local jurisdictions; 7) Developing a regional affordable housing platform; and, 8) Conducting enhanced data gathering.

Of significant consideration in the discussion is the establishment of BAHFA as a new bureaucracy and leading role in the planning for funding and housing alternatives. As noted below, ABAG is to serve as the lead agency. “Change the governance structure from a new regional entity with membership comprised of members of the Association of Bay Area Governments (ABAG) Executive Board and the

Metropolitan Transportation Commission (MTC) to shared governance by both the ABAG Executive Board and MTC, with ABAG serving as the lead agency.” (an excerpt from the Assembly legislative analysis. http://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=201920200AB1487#)

The complexity of the merger of ABAG and MTC alters the discussion. There is a significant push by non-profits and housing agencies to minimize the role of ABAG, perhaps in part due to the perception that cities (as represented by ABAG) have been the cause of the housing shortfall and need to step aside. The bureaucracy discussion comes under further scrutiny because there is ‘oversight’ provided by an advisory board with expertise in affordable housing. The initial advisory board is, as discussed earlier, non-electeds and there is no fiduciary oversight of this board. Roles are unclear at this point. See attached presentation of the convening of this board.

Finally, it was specifically called to the Ex. Bd.’s attention that, in the current budget environment, additional funding and resources would be needed to support any new housing activities. There is no funding for BAHFA staff and MTC is short-staffed and financially constrained due to revenue shortfall during COVID-19.

Bay Area Regional Collaborative (BARC)*: BARC, through its member agencies the Metropolitan Transportation Commission, the Association of Bay Area Governments, the San Francisco Bay Conservation and Development Commission (BCDC) and the Bay Area Air Quality Management District, has worked collaboratively to establish the Bay Area as a leader in preparing for the impacts of climate change, including hazards such as increased flooding, sea level rise, wildfires and extreme heat.

A statewide climate adaptation and resiliency approach is challenging in a large, diverse state comprised of regions facing different types of climate hazards from wildfires, sea level rise, drought and extreme heat. Regions across California are comprised of small towns, cities and counties with varying levels of capacity to plan for and implement climate adaptation measures. The state’s role needs to be flexible enough to recognize where and how limited resources can be optimally deployed to achieve the best results.

The state can create greater efficiencies by granting resources directly to the large, urbanized regions where regional planning agencies already have high capacity to conduct regional planning, work closely with local governments and deploy grants strategically to meet shared goals. Hands-on state-level guidance and technical support would be best utilized in more rural and dispersed areas where staffing capacity is limited, and climate adaptation efforts are nascent or just getting started.

Figure 1: Examples of Government Roles in Climate Resilience at Different Scales



Over the next year, resiliency-related legislation at the state level should be oriented towards creating a coherent approach that reinforces these roles. The following are recommendations for how BARC and its member agencies believe climate adaptation legislation, including a potential resilience bond, can best be structured to support successful climate adaptation in the Bay Area while deploying scarce resources most efficiently to build upon progress that has already been made:

- **Recommendation 1:** Designate Metropolitan Planning Organizations (MPOs) as the Regional Agencies to Support Climate Adaptation and Resilience Efforts at the Regional Scale.
In the four major metropolitan areas of the state, MPOs can deliver planning, funding, and guidance most efficiently and equitably to local governments.
- **Recommendation 2:** Establish a Regional Grant Program to Fund Regional Planning Guidance, Local Advanced Adaptation Planning and Prioritization of a Pipeline of Resilience Projects.
To ensure the state's major metropolitan areas are prepared to deliver critically needed climate adaptation projects once significant funding for capital improvements becomes available, we recommend the Legislature first appropriate \$40 million in funds to support regional and local agency advanced adaptation planning, with the majority of funds being distributed to local stakeholders.
- **Recommendation 3:** Leverage any forthcoming funds whether in the form of a state resilience bond, state/federal infrastructure stimulus or some other mechanism to respond to both the impacts of COVID-19 while also advancing climate adaptation and resilience objectives.
Bond or stimulus funds can support the development of infrastructure projects that help rebuild our economy and create jobs, while also meeting climate adaptation objectives
- **Recommendation 4:** Strengthen the Bond's Support of the Bay Area's Most Socio-Economically Vulnerable. *We recommend that state-designated low-income communities be designated as eligible recipients of funds targeted to both disadvantaged communities and vulnerable populations. (not the narrow definition of disadvantaged communities used to distribute Cap-and-Trade funds).*

After considerable discussion, BARC voted to support Recommendations 2-4 and continue the discussion on which entity should be the Regional lead since some felt the BCDC should take the lead rather than the MPO.

Summary provided by Mayor Pro Tem Pat Eklund, City of Novato.