

Bring Millions to Fund Housing

FREQUENTLY ASKED QUESTIONS

Through the Bay Area Housing Finance Authority (“BAHFA”), regional voters have the unique opportunity to pass a nine-county general obligation bond measure on the November 2024 ballot and unlock \$10–\$20 billion for affordable housing and homelessness solutions.

This is game-changing money for Sonoma County and we need to do our part to make sure it passes, which means helping to create early momentum through support. As part of our North Bay NEXT Action Steps, Generation Housing is calling on all Sonoma County jurisdictions to pass a resolution endorsing the BAHFA regional bond measure to bring at least \$403 million to Sonoma County, and \$179 million to Napa County, for housing production and preservation.

Below, we answer major questions about the bond, its potential value for Sonoma County, and how it will serve as a long-term investment for the region.

The Basics

What is the Bay Area Housing Finance Authority (“BAHFA”)?

The Bay Area Housing Finance Authority was established by the state Legislature in 2019 to support the construction of new affordable housing and preservation of existing housing across the nine-county region.

What is the Bay Area Housing For All (“BAHA”) initiative?

BAHA is a fast-growing, large coalition in support of the proposed housing bond measure. With over 45 member organizations, the BAHA coalition includes non-profit, philanthropic, business, and public sector partners working at the intersection of housing, racial equity, climate, transportation, and quality of life.

Why is this necessary?

Sonoma County faces a critical affordable housing shortage, causing nearly half of its households to spend over 30% of their income on housing and a quarter to spend over 50% of their income. This financial strain leads to tough choices like neglecting healthcare or foregoing childcare, moving far away from school and jobs, or leaving the county entirely. Collectively, Sonoma County and its nine cities must approve more than 14,500 new homes in the next eight years, about 6,300 of them affordable to very low and low-income residents.

Expanding local general obligation bonds is one of the most powerful solutions for financing more affordable housing. By increasing our housing supply, we move closer to our vision of an equitable, healthy, and resilient North Bay where everyone has a place to call home.

How it Will Work

What is a General Obligation Bond?

A local government sells bonds to get money for things like affordable housing, schools, and roads. Bonds are like promises that the government will pay back the money it borrows. To make sure they can pay back the money, the local government might raise property taxes. When it comes to affordable housing, the money from these bonds can be used to give low-cost loans or even grants to people who build affordable homes. This helps with everything from planning and buying land to actually building and keeping up the homes.

How will the funds from the regional housing bond be allocated?

Under state law, 80% of the funds raised through the bond will return to their county of origin (based on the jurisdiction’s share of assessed property value), and in some cases specific cities, and 20% will be administered by the Bay Area Housing Finance Authority (“BAHFA”) to fund critical affordable housing and services across all nine Bay Area counties.

How will this bond be funded?

General obligation bonds are funded through ad valorem property taxes and vary depending on the size of the bond. A \$10 billion bond would require a tax of \$10.26 per \$100,000 in assessed value—or about \$100 per year for a million dollar home.

What is the repayment period for this bond?

This bond will be repaid over a 50-year term.

How the Bond Will Be Used to Support Housing

How much does Sonoma County stand to gain from this bond if passed by the voters?

Sonoma County (excluding Santa Rosa) would be allocated an estimated \$282 million or \$564 million for a \$10 billion or \$20 billion bond, respectively. Santa Rosa would be allocated either \$121 million or \$242 million depending on the bond size. According to a recent CDC report given to the Sonoma County Board of Supervisors, local funds can be leveraged on average \$10 for every \$1 invested.

How will the funds be used?

Funding distribution within a community must be divided into four distinct buckets: Production, Preservation, Protection, and Flexible Funding for housing and housing-related uses.

- 52% of the funding is allocated for new housing construction, focusing on creating homes for extremely low to low-income households. These funds can support both rental and for-sale projects that are affordable up to 120% of the area's median income.
- 15% of the funding is reserved for maintaining current affordable housing or converting market-rate units into affordable homes.
- 5% is designated for tenant support, including rental and eviction assistance.
- 28% of the funding is designated as flexible funding.

For example, with a \$10 billion bond, Santa Rosa would be required to allocate ~63 million to Production (52%), ~18 million to Preservation (15%), ~\$6 million to Protections (5%), and an estimated \$34 million earmarked in Flexible Funding (28%) that can be used for housing and housing-related expenses.

What are the advantages to a regional affordable housing bond, rather than a county-by-county or city-by-city approach?

Our housing affordability and homelessness crisis is a regional issue. It can not be solved by one county alone. We'll have a much greater impact if every county in the region has the funding and resources needed to produce and preserve affordable housing, and to protect households from entering homelessness. This regional approach has been vetted by dozens of leaders throughout the region. We can raise more funding beyond single-county measures. Furthermore, local funding across the region has been patchy, and this is an opportunity for all counties to have dedicated funding for housing and even the playing field.

Why are we pursuing a General Obligation Bond as opposed to a "mansions tax", etc.?

The Bay Area Housing for All ("BAHA") Leadership Campaign Team analyzed each revenue mechanism allowed under state law and determined that the general obligation bond would be the most feasible and would generate the scale of funding needed to address our region's housing and homelessness crisis.

How long do local jurisdictions have to spend the funding generated by this bond before it must be returned to BAHFA?

A project that has county funding has three years to expend the funds once they are committed by the county. A county may authorize expenditures beyond three years pursuant to guidelines adopted by the ABAG Executive BAHFA Boards, with BAHFA Advisory Committee consultation. Funds allocated to a city for direct allocation must be committed to a specific

project within five years of receipt and are available for expenditure for an additional five years (10-year time frame). The county may authorize an extension for up to two years if the city has shown adequate progress.

How You Can Make it Possible

How can I get involved in the campaign?

Join the Bay Area Housing for All (BAHA) coalition—the coalition leading the pursuit of a \$10-20 billion regional housing bond in 2024. And endorse the state and regional campaigns at bayareahousingforall.org.

Will the regional measure have to gain a majority of votes in every county to pass?

No, we do not need to gain a majority of votes in every county to win. We will only need to reach the voter threshold (two-thirds, or 55% if the state measure ACA 1 passes as well) of all voters in the counties that placed the measure on the ballot.

How can I follow along to make sure funds are spent on our region's most pressing needs?

Under state law, jurisdictions must submit an expenditure plan that meets the minimum allocation requirements and prioritizes housing developments that help achieve the regional housing need allocation ("RHNA") targets for homes affordable to extremely low incomes, very low income, and lower income households in order to receive funding. All bond funds will be subject to independent audits and financial reporting is required to be public-facing and accessible.

How can I get involved in determining how my county/city uses our allocation?

Every county and city that gets money directly needs to make a plan for how they'll spend it. The first plan must be given to BAHFA within 90 days after the bond measure passes. After the first year, counties need to give an updated plan to BAHFA by July 1st every year. These plans can cover more than one year and need to follow rules set by AB 1487. These rules tell how much money should go to creating new housing, keeping current housing affordable, and protecting tenants. If a county doesn't give a complete plan, BAHFA can stop giving them money until they do. This entire process will be conducted in an open and transparent public process.

Your voice has POWER.



Scan the QR code to sign the petition joining this urgent call to action.

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