

# SUMMARY REPORT

Agenda Date: 12/5/2023

**To:** Board of Supervisors of Sonoma County and the Board of Commissioners of the Community Development Commission

**Department or Agency Name(s):** Community Development Commission, Department of Health Services **Staff Name and Phone Number:** Michelle Whitman, (707) 565-7504; Tina Rivera, (707) 565-4774 **Vote Requirement:** Majority **Supervisorial District(s):** Countywide

#### Title:

Support for the Bay Area Housing Finance Authority (BAHFA) November 2024 General Obligation Bond for Affordable Housing; the California State Association of Counties (CSAC) AT HOME program; the All Home Regional Action Plan (RAP), and authorization to enter into a Collaboration Agreement with All Home for pro bono technical assistance.

## **Recommended Action:**

- 1. Approve a Resolution expressing the County of Sonoma's support for the Bay Area Housing Finance Agency's (BAHFA) proposal to place a general obligation bond on the November 2024 ballot to finance the production, protection and preservation of affordable housing in Sonoma County and throughout the Bay Area.
- 2. Approve a Resolution expressing support for AT HOME, the California State Association of Counties' roadmap to reducing and mitigating homelessness.
- 3. Approve a Resolution supporting the Regional Impact Council/All Home's Regional Action Plan (RAP), which provides a roadmap for reducing unsheltered homelessness by 75 percent across the Bay Area region.
- 4. Authorize the Board Chair to enter into a Collaboration Agreement with All Home for the receipt of technical assistance (to the DHS/HS Team) for systems analysis, housing gaps, measurement of impact, regional collaboration, and similar assistance relating to the homeless system of care.

#### **Executive Summary:**

The Board of Supervisors has prioritized the need to end homelessness in Sonoma County and expand opportunities for affordable housing. Additionally, stakeholders most commonly cite homelessness and housing affordability as among the Bay Area's most pressing problems, and over two-thirds of voters think more money is needed to address the housing crisis.

In 2019, the California Legislature established the Bay Area Housing Finance Authority (BAHFA) via Assembly Bill 1487 (Chiu) to help meet the Bay Area's need to produce more housing, preserve more affordable housing and protect vulnerable tenants - the "3Ps" that define BAHFA's mission.

BAHFA has the power to place ballot measures before Bay Area voters to raise revenue to build and preserve

more housing and to protect tenants. BAHFA and its partner coalition, Bay Area Housing for All, have initiated a campaign to place a \$10-20 billion regional affordable housing general obligation bond before Bay Area voters in November 2024. If a \$10 billion bond wins approval, at least \$282 million would be raised for unincorporated Sonoma County and its cities/town (excluding Santa Rosa, which would receive a direct allocation of at least \$121 million). Assuming \$282 million raised, 52% of revenues (\$139 million) are targeted for production, 15% of revenues (\$40 million) towards preservation, 5% of revenues (\$13 million) towards protection, and 28% (\$75 million) towards flexible uses based on locally identified affordable housing priorities. BAHFA retains 20% of funds raised for distribution anywhere in the region, with a commitment to support at least one project in each county or city receiving a direct allocation.

Also, a part of this Board item are two more advocacy positions that, if supported by the Sonoma County Board of Supervisors, would identify the County as supporters in the groups' materials. County staff is comfortable recommending the "support" positions to the Board for these items, which are:

- The California Association of Counties' (CSAC's) AT HOME policy approach, which relates to funding, accountability, and state-county-city alignment on homelessness policy; and
- The Regional Impact Council's (and All Home California's) Regional Action Plan (RAP), which outlines specific strategies to address homelessness and housing shortfalls in the 9-county Bay Area.

This Board item also authorizes the County to enter into a Collaboration Agreement for pro bono technical assistance, primarily for the Department of Health Services' (DHS) Homelessness Services team that works on the homeless system of care.

## Discussion:

## The Need for a Regional Housing Bond

The Board of Supervisors has prioritized the need to end homelessness in Sonoma County and expand opportunities for affordable housing. Additionally, stakeholders most commonly cite homelessness and housing affordability among the Bay Area's most pressing problems and over two-thirds of voters think more money is needed to address the housing crisis. Despite the priority given and sense of urgency to build and preserve affordable housing inventory, lacking resources, the County fell short of its Housing Element housing production goals for affordable housing in the 2014 - 2022 cycle in each of the affordable housing categories, producing 92% of its extremely low-income affordable housing goal and only 46% of its very low-income affordable housing goal.

The 2023-2031 Regional Housing Needs Allocation (RHNA) to the County increased 300% overall from the previous 2015- 2023 RHNA cycle, increasing the production mandate from 347 affordable housing units to 1,608 affordable housing units, adopted as part of the 2023 Housing Element <a href="https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6318630&GUID=F5D1AA7F-A015-4A1B-BB05-697866F7AE02&Options=&Search=>.">https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6318630&GUID=F5D1AA7F-A015-4A1B-BB05-697866F7AE02&Options=&Search=>.</a>

The Bay Area region needs significant new resources and an accelerated time frame in order to achieve the 2023-2031 RHNA mandates to produce and preserve affordable homes, as well as to prevent residents from displacement and homelessness, and bring the planning work that culminated in approval of the County's 2023 Housing Element.

In 2019, the California Legislature established the Bay Area Housing Finance Authority, or "BAHFA," via Assembly Bill 1487 (Chiu) to help meet the Bay Area's need to produce more housing, preserve more

affordable housing and protect vulnerable tenants - the "3Ps" that define BAHFA's mission.

BAHFA has the power to place ballot measures before Bay Area voters to raise revenue to build and preserve more housing and to protect tenants. BAHFA and its partner coalition, Bay Area Housing for All, have initiated a campaign to place a \$10-20 billion regional affordable housing general obligation bond before Bay Area voters in November 2024. As part of this regional effort, a ballot initiative will be introduced to lower the voter threshold for local housing bond measures from the current two-thirds to a simple majority vote and expanding bond uses to support housing services for vulnerable residents, as well as building capacity to strengthen the local ecosystem of community-based developers. If a \$10 billion bond wins voter approval, at least \$282 million would be raised for unincorporated Sonoma County along with its cities and town (excluding Santa Rosa, which would receive a direct allocation of at least \$121 million).

Assuming \$282 million raised, 52% of revenues (\$139 million) are targeted for production, 15% of revenues (\$40 million) towards preservation, 5% of revenues (\$13 million) towards protection, and 28% (\$75 million) towards flexible uses based on locally identified affordable housing priorities. BAHFA retains 20% of funds raised for distribution anywhere in the region, with a commitment to fund at least one project in each county or city receiving a direct allocation. According to BAHFA, a General Obligation Bond raising \$10-\$20 billion could provide between 35,000 and 80,000 new homes across the nine-county region. BAHFA's answers to frequently asked questions is included as Attachment A.

The proposed regional affordable housing bond would be critical to enabling the County of Sonoma to make meaningful progress towards its state mandated production, preservation, and protection goals, as well as implement a host of innovative strategies outlined in the 2023 Housing Element, ranging from creating housing affordable to very low and extremely low income residents; to acquiring existing tenant-occupied properties to be able to create permanently affordable housing; to building capacity to strengthen the local ecosystem of community based developers; to financing new development prototypes that enable midrise multifamily infill development projects that are largely unserved by current state and local funding programs. Staff recommends the Board support BAHFA via Resolution (Attachment B).

## Other Items of Support:

This Board item includes two other support positions for a statewide and a regional effort to better address homelessness in California and in the Bay Area.

**The "AT HOME" Effort**. In recent months, the California State Association of Counties (CSAC) has put forth its AT HOME advocacy position to better align State housing and homelessness approaches with the roles that counties, cities, and Continuums of Care have. The AT HOME plan, which can be viewed <u>here</u> <<u>https://www.counties.org/home-plan></u>, includes:

- Being **accountable** to the public, with clear delineation between what each part of government (and partner agencies) does in the homelessness system of care. This includes a request for sustained (versus one-year rounds of) funding, such as the State's Homeless Housing and Assistance Program (HHAP).
- Being more **transparent** by prioritizing data-driven decision making.
- Adding more **housing** units, with sustained funding and the removal of barriers to housing and related infrastructure.
- Enhancing and encouraging more of the workforce to become qualified **outreach** workers, including persons with lived experience in homelessness.

- **Mitigation**, where programs run by counties that serve as the safety net can strengthen programs that help prevent homelessness.
- Additional focus on **economic opportunity** for those most at risk of becoming homeless, including former foster youth, justice-involved individuals, veterans, and older Californians.

Generally, each concept from the AT HOME Plan is consistent with approaches that the County and partnering cities have taken as a system of care, including at the Continuum of Care. Some of the principles are closely aligned with the 2023-2027 Homelessness Strategic Plan, such as the importance of strong supportive services, a sustainable funding plan, better use of data to inform funding and policy decisions, and the ability to operate as a relatively seamless system of care, regardless of jurisdiction. The Board's adoption of a resolution (Attachment C) in support of CSAC's AT HOME effort would be transmitted to CSAC with the County of Sonoma then being listed as an AT HOME supporter.

## The second item is the Regional Impact Council's Regional Action Plan (RAP).

## <a href="https://www.allhomeca.org/wp-">https://www.allhomeca.org/wp-</a>

<u>content/themes/allhome/library/images/plan/210413 Regional Action Plan Final.pdf></u> Per the All Home California web page, "the Regional Impact Council (RIC) is a roundtable of stakeholders from all nine Bay Area counties, convened in April 2020 to address poverty and housing insecurity in our region. The Council fosters regional collaboration to identify and advance solutions for people with extremely low incomes, including our unhoused neighbors. The Council is composed of policymakers; affordable housing, social equity and economic mobility stakeholders; housing and homelessness service providers; and business and philanthropic partners. Supervisor Gorin served as a member of the RIC's steering committee.

The RIC and All Home California, a non-profit advocacy and research group funded by philanthropy (and other sources) that supports housing and homelessness efforts, developed a Regional Action Plan (RAP) that pulled various housing and homelessness strategies together, including:

- The 1-2-4 System Flow Model (for every one new shelter bed added, a system needs two more permanent supportive housing beds and four homelessness prevention interventions).
- Leading with Racial Equity, where all partners would adjust their systems to increase equity and addressing racial disparities in housing and care.
- Improve prevention, via:
  - Extended eviction moratoria (note this reflects in part the Spring 2021 and mid-COVID pandemic time of the RAP's development. The County of Sonoma by supporting the RAP as a whole is not necessarily supporting a new eviction moratorium)
  - Accelerating targeted and data informed regional homelessness prevention models (local note the Continuum of Care, DHS, the City of Santa Rosa, and other partners are working on this now).
- More State investment, including in Project Homekey. The RAP also suggests simplifying funding (such as the Homeless Housing Assistance Program and related)
- More county by county investment in interim housing options, especially when they are noncongregate.
- Use of "impact" metrics to track progress.

The RAP is largely consistent with Sonoma County's approaches, including the 2023-27 Homelessness Strategic

Plan. The Strategic Plan itself uses the 1-2-4 model to project needs across the region in terms of housing and prevention. Further, the County, DHS, and the Continuum of Care have all embarked wholeheartedly on equity plans and equity modifications to the current system to improve outcomes for our unhoused residents who are also Black, Indigenous, and Persons of Color (BIPOC). As such, staff recommends the Board support the Regional Action Plan (Attachment F) via resolution (Attachment D).

Lastly, All Home has offered pro bono **technical assistance** to DHS's Homelessness Services Division. This assistance would be focused on system analytics, using data better for performance, housing gaps, and more. The DHS team is happy to have this assistance as we try to build upon the goals in our Strategic Plan. A Collaboration Agreement between the County and All Home is shown as Attachment E.

#### Strategic Plan:

This item directly supports the County's Five-year Strategic Plan and is aligned with the following pillar, goal, and objective.

Pillar: Healthy and Safe Communities
Goal: Goal 4: Reduce the County's overall homeless population by 10% each year by enhancing services through improved coordination and collaboration.
Objective: Objective 3: Increase investment in programs that treat underlying causes of homelessness,

including substance abuse, mental illness, poverty, and lack of affordable housing.

#### Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit? No

#### Prior Board Actions:

None

#### FISCAL SUMMARY

Expenditures	FY23-24 Adopted	FY24-25 Projected	FY25-26 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
General Fund Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

#### Not applicable

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

## Narrative Explanation of Staffing Impacts (If Required):

Not applicable

## Attachments:

- A. BAHFA FAQs
- B. Resolution, BAHFA
- C. Resolution, CSAC's AT HOME approach
- D. Resolution Regional Impact Council/All Home Regional Action Plan (RAP)
- E. Collaboration Agreement between All Home and the County of Sonoma
- F. Regional Action Plan
- G. April 18, 2023 Presentation to the Board regarding BAHFA
- H. Presentation

## Related Items "On File" with the Clerk of the Board:

N/A