

## Impartial Analysis – Bay Area Housing Finance Authority Regional Measure 4 – General Obligation Bond Measure

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The Bay Area Housing Finance Authority (BAHFA) has placed on the ballot Regional Measure 4 to authorize the borrowing of \$20 billion by issuing general obligation bonds. Bond proceeds would be used to acquire or improve real property for affordable housing for workers, seniors, veterans, and other Bay Area residents. Proceeds must be used to build new affordable housing, preserve existing affordable housing, and fund tenant protection programs as allowed by state law, and may be used for other “Housing Related Uses,” as defined in the measure, such as programs to enable low- or moderate-income households to become or remain homeowners, public infrastructure associated with increased housing production, improvements necessary or incidental to affordable housing, and programs to address homelessness. BAHFA has certified that it has evaluated alternative funding sources and determined they are insufficient to address the Bay Area’s affordable housing needs.

The bonds will be payable from ad valorem taxes levied on real property throughout the nine Bay Area counties. The estimated average annual tax rate required to be levied to fund the bonds is \$18.98 per \$100,000 of the assessed value of taxable property on the Bay Area counties’ official tax rolls. This estimate assumes a projection of assessed valuation based on experience within these jurisdictions. The measure’s Tax Rate Statement provides further information about the levy. As set forth in California Government Code section 64650, after BAHFA’s administrative costs, at least 80% of remaining bond proceeds will be returned to the county of origin for expenditure in that county, including program administrative costs for local jurisdictions that receive a direct allocation of the bond proceeds. Administrative costs are capped by state law; operating expenses are not allowed. BAHFA will spend the remainder of the proceeds throughout the nine Bay Area counties. The Estimated Distribution Map included in the measure shows a rounded estimate of each county’s proceeds.

To provide public accountability and oversight for use of bond proceeds, BAHFA will appoint a citizen’s oversight committee. The committee will annually review the expenditure of bond proceeds for the prior year and shall report whether the proceeds were spent in accordance with the purposes set forth in the measure. State law requires that BAHFA annually adopt and each local jurisdiction that directly receives an allocation of the bond proceeds annually transmit to BAHFA an expenditure plan for the proceeds. The measure requires public outreach and participation. An independent performance audit of bond-funded programs and projects and an independent financial audit of bond proceeds will be performed annually and made publicly available.

Under current law, if two-thirds of those voting on Regional Measure 4 vote in favor, it will pass. Per the measure, if Proposition 5, which is being considered by California voters at the November 5, 2024 election, passes, then the voter threshold to pass Regional Measure 4 will be lowered to 55%.

A “yes” vote would authorize the issuance and sale of \$20 billion of general obligation bonds to fund affordable housing and related programs, as explained in the measure.

A "no" vote would not authorize the issuance and sale of the bonds.



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