

Bay Area Housing Finance Authority (BAHFA)

May 22, 2024

Agenda Item 4.d.

BAHFA Draft Fiscal Year (FY) 2024-25 Operating Budget

Subject:

Presentation of the Bay Area Housing Finance Authority (BAHFA) Draft Fiscal Year (FY) 2024-25 Operating Budget.

Background:

The Bay Area Housing Finance Authority (BAHFA) was established in October 2019 to provide a regional financing mechanism for affordable housing production, preservation, and tenant protections in the San Francisco Bay area region, including charter cities. In April 2022, the Metropolitan Transportation Commission (MTC) transferred a \$20 million grant from the State of California to BAHFA to fund ongoing operations.

On March 22, 2023, the BAHFA Board approved a fund transfer from the MTC for \$43 million in Regional Early Action Planning (REAP) 2.0 grant funding (MTC Resolution No. 4565), which included the approval of two new pilot projects: the Housing Preservation Pilot and the Priority Sites Pilot.

On May 24, 2023, MTC adopted Resolution No. 4578, approving a proposal to repurpose \$5 Million in Transit Oriented Affordable Housing funds (TOAH Exchange Fund) for a new Rental Assistance pilot project.

BAHFA's expenditure program remains unchanged, deploying its grant funds to implement BAHFA's mission: providing programs, resources, and technical assistance throughout the Bay Area that protect current residents from displacement; preserve existing affordable housing; and produce new affordable housing at a range of income levels.

FY 2024-25 Operating Budget:

The draft FY 2024-25 operating budget includes a total of \$60,278,752 in revenue, as described in the table below. Staff is monitoring discussions on California's state budget as this will affect funding availability for REAP 2.0. While the grant funding has been allocated to MTC, expenditure of a portion of these funds is subject to approval of California's FY 2024-25 State Budget.

| REVENUE SOURCE | DRAFT FY 2024-25 BUDGET |
|--|------------------------------------|
| State of California Housing Community Development | \$8,823,027 |
| Transit-Oriented Affordable Housing (TOAH) Exchange Fund | 5,000,000 |
| MTC Transfer: Regional Early Action Planning (REAP) 2.0 | 44,605,591 |
| Donations and other grants | 850,134 |
| Interest Income | 1,000,000 |
| Total Revenue | \$ 60,278,752 |

The draft FY 2024-25 budget includes \$60,278,752 in expenses. While BAHFA's budget programs the full \$44.6 million being transferred from MTC, actual expenditures may occur over several fiscal years as the different pilot programs are implemented. FY 2024-25 is a pivotal year for BAHFA as Bay Area residents could potentially vote on a multi-billion dollar regional bond measure to build and preserve affordable housing.

A summary of the FY 2024-25 budget is provided below:

| DRAFT FY 2024-25 EXPENSES | |
|---|----------------------|
| Staff Salaries and Benefits | \$2,033,317 |
| Overhead | 774,694 |
| Doorway and Other Pilot Operational Costs | 2,500,000 |
| Housing Preservation Pilot | 17,800,000 |
| Priority Sites Pilot | 26,805,591 |
| Rental Assistance Program | 5,000,000 |
| Polling | 216,000 |
| Ballot Measure Costs | 3,000,000 |
| Legal | 800,000 |
| Business Plan | 185,000 |
| Audit/Accounting/Other | 39,050 |
| Travel/Training | 14,600 |
| Board Stipends | 20,000 |
| Insurance & Other Expenses | 90,500 |
| Program Reserves | 1,000,000 |
| Total Expenses | \$ 60,278,752 |

Highlights of BAHFA's draft operating budget include:

- Continue development and customer relationship management of Doorway, including multi-jurisdictional coordination, planning, and program integration.
- Housing Preservation Pilot, providing financing to nonprofit developers and community land trusts for acquisition and rehabilitation of occupied properties to establish long-term affordability, with the goal of stabilizing at least 60 households.

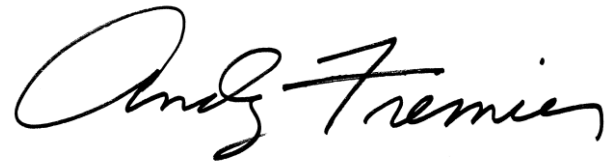
- Priority Sites Pilot, delivering predevelopment funding directly to projects that advance multiple regional goals (affordability, climate, equity, etc.) and demonstrate success factors such as local support, a clear path to entitlements, and a realistic financing plan. The program could also explore alignment with other state and regional funding sources to expedite project delivery and effectively leverage other sources of capital.
- Rental Assistance Pilot, providing longer term rental assistance to help decrease the current homeless population.
- Ballot Measure Costs, to cover the upfront costs of putting the regional housing bond on the November, 2024 ballot.

Recommendations:

This is an information item.

Attachments:

- Attachment A: Bay Area Housing Finance Authority (BAHFA) Draft FY 2024-25 Operating Budget
- Attachment B: Presentation



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