

# **ASSOCIATION OF BAY AREA GOVERNMENTS**

## **Meeting Transcript**

JULY 9, 2025

1 **ABAG HOUSING COMMITTEE**

2 **WEDNESDAY, JULY 9, 2025, 11:30 AM**

3

4 **CHAIR, BELIA RAMOS:** THIS MEETING IS BEING WEBCAST ON THE ABAG  
5 AND METROPOLITAN TRANSPORTATION COMMISSION WEB SITES.  
6 COMMITTEE MEMBERS AND MEMBERS OF THE PUBLIC WISHING TO SPEAK  
7 SHOULD USED RAISED HAND FEATURE IF YOU WISH THE PUBLIC  
8 PARTICIPATING BY ZOOM WISHING TO SPEAK SHOULD USE THE RAISED  
9 HAND FEATURE OR DIAL STAR NINE. MEMBER IN THE BOARDROOM FORM A  
10 LINE NEAR THE PODIUM AND THE CLERK WILL CALL UPON YOU TO  
11 SPEAK. ROLL CALL VOTE WILL NOT BE CONDUCTED FOR THE ABAG  
12 HOUSING COMMITTEE AS THERE IS NOT QUORUM. WE DO HAVE QUORUM  
13 PRESENT IN THE ROOM, AND NO REMOTE PARTICIPATION FOR THE BAHFA  
14 OVERSIGHT COMMITTEE. THIS REGULAR -- THIS WILL BE A REGULAR  
15 MEETING OF BAHFA OVERSIGHT COMMITTEE, NORMAL ONE A JOINT  
16 MEETING WITH ABAG HOUSING COMMITTEE, BUT GIVEN THEIR LACK OF  
17 QUORUM, I WILL TURN TO COUNSEL IN A LITTLE BIT TO INFORM US ON  
18 HOW WE CAN PROCEED. WILL THE CLERK OF THE BOARD PLEASE CONDUCT  
19 A ROLL CALL VOTE OF THE BAHFA OVERSIGHT COMMITTEE?

20

21 **BOARD CLERK:** ROLL CALL FOR QUORUM FOR THE BAHFA OVERSIGHT  
22 COMMITTEE. ABE-KOGA IS ABSENT. FLEMING IS ABSENT. SUPERVISOR  
23 MANFREE? SUPERVISOR MELGAR? SUPERVISOR MILER?

24

25 **NATHAN MILEY:** HERE.

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1

2 **BOARD CLERK:** PAPAN IS ABSENT. RAMOS RAMOS?

3

4 **CHAIR, BELIA RAMOS:** HERE.

5

6 **BOARD CLERK:** QUORUM IS PRESENT.

7

8 **CHAIR, BELIA RAMOS:** THANK YOU SO MUCH. AND GIVEN THE LACK OF

9 QUORUM FROM THE ABAG HOUSING COMMITTEE, I WOULD TURN TO

10 COUNSEL TO OH PINE AND GUIDE US ON HOW WE CAN ENGAGE OUR

11 COLLEAGUES FROM THE ABAG HOUSING SIDE IN THE BAHFA OVERSIGHT

12 COMMITTEE.

13

14 **SPEAKER:** GOOD AFTERNOON CRYSTAL MADISON SENIOR COUNSEL

15 OSCHITIS GENERAL COUNSEL SINCE WE DON'T HAVE QUORUM FOR THE

16 ABAG HOUSING COMMITTEE, OUR SUGGESTION IS THAT THE ABAG

17 HOUSING COMMITTEE MEMBERS REFRAIN FROM DISCUSSION OF THE ITEMS

18 AND, OF COURSE, ARE UNABLE TO TAKE ACTION UNTIL QUORUM IS

19 PRESENT. YOU CAN -- THERE IS LIMITED CONVERSATION THAT YOU CAN

20 ACTUALLY ENGAGE IN AT THIS POINT AND THEN WE'LL REVISIT ONCE

21 QUORUM IS PRESENT. THANK YOU.

22

23 **CHAIR, BELIA RAMOS:** THANK YOU SO MUCH. NEXT, I WILL MOVE ON TO

24 PUBLIC COMMENT. AND THIS IS PUBLIC COMMENT ON AN ITEM NOT

25 AGENDAIZED, BUT WITHIN THE JURISDICTION THIS COMMITTEE.

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1

2 **BOARD CLERK:** THANK YOU CHAIR RAMOS. BEFORE I DO THAT, CAN I DO  
3 THE COMPENSATION ANNOUNCEMENT FOR THE BAHFA FOLKS?

4

5 **CHAIR, BELIA RAMOS:** SURE.

6

7 **BOARD CLERK:**

8

9 **BOARD CLERK:**

10

11 **BOARD CLERK:** AGENCY. THIS AMOUNT IS A PROVIDED AS A RESULT OF  
12 CONVENING A MEETING FOR WHICH EACH MEMBER IS ENTITLED TO  
13 COLLECT SUCH AMOUNT. THANK YOU.

14

15 **CHAIR, BELIA RAMOS:** THANK YOU SO MUCH. AND NEXT WE'LL TURN TO  
16 PUBLIC COMMENT.

17

18 **BOARD CLERK:** ON THIS ITEM NO WRITTEN COMMENTS RECEIVED, NO  
19 PROBLEMS OF THE PUBLIC IN THE BOARD ROOM AND NONE IN THE  
20 ATTENDEE SPACE. THANK YOU.

21

22 **CHAIR, BELIA RAMOS:** THANK YOU SO MUCH. WE DO NOT HAVE ANY  
23 COMMITTEE ANNOUNCEMENTS. NEXT I'LL MOVE THROUGH THE CHAIR'S  
24 REPORT, AND I'LL EXERCISE A PRIVILEGE AND SPEAK FOR MY  
25 COLLEAGUE, VICE PRESIDENT ROMERO. AND THAT IS TO SAY THAT WE

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1 HAVE SOME REALLY GREAT NEWS ON THE BAHFA SIDE, AND I CERTAINLY  
2 INVITE DANIEL SAVER TO ADD ANYTHING IF I MISS IT. WE HAVE  
3 RETAINED -- YOU GAVE APPROVAL FOR US TO GO AHEAD AND RETAIN --  
4 HOUSING EXPERTS LYDIA TAN AND CAROL GAULANTY OF STRATEGIC  
5 ADVISORS TO HELP GUIDE US THROUGH THE NEXT PHASE TO LOOK AT  
6 HOW WE'RE GOING TO REGROUP AND REEMERGE IN THE POST RM FOUR  
7 SEASON THAT WE ARE IN. LYDIA WILL BE THE PRIMARY ROLE HELPING  
8 US IN VARIOUS FINANCING STRATEGIES FOR THE AGENCY ON A  
9 POTENTIAL NEW PROGRAM THAT WE'RE ABOUT TO HEAR ABOUT TODAY. IS  
10 THERE ANYTHING YOU WANT TO ADD TO THAT MR. SAVER? OKAY. THEN  
11 THAT'S GOOD. THAT'S MY REPORT. THAT'S GOOD ENOUGH.

12

13 **CHAIR, CARLOS ROMERO, ABAG HC:** MADS AM CHAIR MADAM CHAIR MAY I  
14 MAKE A COMMENT FROM THE PUBLIC. KEEP IT A MINUTE. I WANT TO  
15 WELCOME LYDIA TAN, A COLLEAGUE I HAVE KNOWN FOR I'M NOT GOING  
16 TO SAY HOW LONG [LAUGHTER] AU CERTAINLY A LONG TIME, AND I  
17 WANT TO THANK STAFF FOR WORKING TO GET THEM I WANT TO THANK  
18 LYDIA FOR COMING ON BOARD YEARS OF EXPERIENCE BOTH AS AN  
19 ARCHITECT DEVELOPER PROFESSOR TO REALLY BRING TO OUR BENCH A  
20 HIGH-LEVEL OF COMPETENCE REALLY LOOK FORWARD.

21

22 **CHAIR, BELIA RAMOS:** I'M GOING TO PAUSE WE HAVE ANOTHER MEMBER  
23 TWO MEMBERS OF THE ABAG HOUSING COMMITTEE THAT HAVE JOINED US  
24 I'M GOING TO PAUSE.

25

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1 **BOARD CLERK:** THAT IS COUNCIL MEMBER FIFE?

2

3 **CARROLL FIFE:** PRESENT.

4

5 **BOARD CLERK:** WE HAVE QUORUM OF THE ABAG HOUSING COMMITTEE.

6

7 **CHAIR, BELIA RAMOS:** I'M GOING TO ASK MY VICE CHAIR ROW MERTOW

8 TAKE IT OVER SO YOU CAN CALL YOUR MEETING TO ORDER GET YOUR

9 ROLL CALL IN AND THEN WE PROCEED TOGETHER.

10

11 **CHAIR, CARLOS ROMERO, ABAG HC:** THANK YOU, YES, COULD WE PLEASE

12 HAVE ROLL CALL FOR THE ABAG HOUSING COMMITTEE.

13

14 **BOARD CLERK:** CAMPOS IS ABSENT. ECKLUND?

15

16 **PAT ECKLUND:** PRESENT.

17

18 **BOARD CLERK:** COUNCIL MEMBER FIFE? COUNCIL MEMBER FIFE FOR

19 QUORUM?

20

21 **CARROLL FIFE:** PRESENT.

22

23 **BOARD CLERK:** THANK YOU. BAS IS ABSENT. MARTINEZ-BELTRAN IS

24 ABSENT. MOTOYAMA IS ABSENT. SUPERVISOR RABBITT?

25

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1    **DAVID RABBITT:** PRESENT AT 575 ADMINISTRATION DRIVE IN SANTA  
2    ROSA.

3

4    **BOARD CLERK:** THANK YOU. SUPERVISOR RAMOS?

5

6    **V. CHAIR, LIBBY SCHAAF:** .

7

8    **CHAIR, BELIA RAMOS:** HERE.

9

10   **BOARD CLERK:** ROMERO?

11

12   **CHAIR, CARLOS ROMERO, ABAG HC:** HERE.

13

14   **BOARD CLERK:** QUORUM IS PRESENT.

15

16   **CHAIR, CARLOS ROMERO, ABAG HC:** THANK YOU THIS MEETING IS  
17   CALLED TO ORDER AND CAN WE HAVE THE THAT THE PER DIEM IS  
18   PROVIDED AS A RESULT OF CONVENING A MEETING FOR WHICH EACH  
19   MEMBER IS ENTITLED TO COLLECT PER DIEM. THANK YOU.

20

21   **CHAIR, CARLOS ROMERO, ABAG HC:** THANK YOU VERY MUCH. I'M GOING  
22   TO CONTINUE WITH THIS AGENDA AND MOVE ON TO THE NEXT ITEM  
23   WHICH IS THE ITEM FIFE A APPROVAL OF THE ABAG HOUSING  
24   COMMITTEE'S MINUTES. THIS IS A CONSENT CALENDAR ITEM FOR MAY  
25   14TH, 2025. THIS IS AN ACTION ITEM FOR THE ABAG HOUSING



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1 COMMITTEE.

2

3 **PAT ECKLUND:** I'LL SECOND THE MOTION.

4

5 **CHAIR, CARLOS ROMERO, ABAG HC:** DO WE HAVE A MOTION? [LAUGHTER]

6 PAT I'LL MOVE. I THOUGHT THANK YOU WERE MOVING APPROVAL.

7

8 **CHAIR, CARLOS ROMERO, ABAG HC:** SECOND?

9

10 **CHAIR, BELIA RAMOS:** SECOND RAMOS.

11

12 **CHAIR, CARLOS ROMERO, ABAG HC:** MOTION AND SECOND. ANY

13 DISCUSSION FROM ANY OF THE MEMBERS? IN THE BOARDROOM OR ZOOM

14 WISHING TO SPEAK ON THIS ITEM.

15

16 **CHAIR, CARLOS ROMERO, ABAG HC:** ROLL CALL?

17

18 **BOARD CLERK:** MOTION BY ECKLUND SECOND RAMOS. CAMPOS IS ABSENT.

19 ECKLUND?

20

21 **PAT ECKLUND:** AYE.

22

23 **BOARD CLERK:** FIFE?

24

25 **CARROLL FIFE:** AYE.



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1

2 **CHAIR, CARLOS ROMERO, ABAG HC:** FORTUNATO BAS IS ABSENT.

3 MARTINEZ-BELTRAN IS ABSENT. MOTOYAMA IS ABSENT. RABBIT?

4

5 **DAVID RABBITT:** AYE.

6

7 **BOARD CLERK:** RAMOS?

8

9 **CHAIR, BELIA RAMOS:** YES.

10

11 **BOARD CLERK:** YES.

12

13 **BOARD CLERK:** MOTION PASSES UNANIMOUSLY BY ALL MEMBERS PRESENT.

14

15 **CHAIR, CARLOS ROMERO, ABAG HC:** BACK TO YOU.

16

17 **CHAIR, BELIA RAMOS:** ITEM NUMBER SIX IS APPROVAL OF OUR MINUTES

18 OF MAY 14TH, 2025. 6A, UNLESS THERE ARE ANY QUESTIONS I'LL

19 ENTERTAIN A MOTION. MOTION BY MILEY. SECOND MELGAR. SEEING NO

20 DISCUSSION. PUBLIC COMMENTS SUBMITTED THIS ITEM, AND THERE NO

21 MEMBERS IN THE BOARDROOM OR ZOOM WISHING TO SPEAK ON THIS

22 ITEM.

23

24 **CHAIR, BELIA RAMOS:** THANK YOU VERY MUCH. ALL IN FAVOR, SAY

25 AYE. [AYES] OPPOSED? MOTION PASSES UNANIMOUSLY BY ALL MEMBERS

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1 PRESENT.

2

3 **CHAIR, CARLOS ROMERO, ABAG HC:** THANK YOU. OUR NEXT ITEM AND  
4 FINAL ITEM OF THE DAY WHICH IS ACTUALLY THE MAJOR ITEM OF THE  
5 DAY IS ITEM SEVEN BAHFA STRATEGIC PLANNING. THIS IS I BELIEVE  
6 OUR THIRD DISCUSSION ON THIS ITEM? THIRD MODULE PROBABLY THIRD  
7 THE TIME WE HAVE DISCUSSED SOMETHING RELATED TO THE STRATEGIC  
8 PLANNING I'M GOING TO KICK IT OVER TO DANIEL SAVER TO GIFT  
9 REPORT. CLEARLY THIS IS TEEING UP OUR WORK FOR THE NEXT COUPLE  
10 OF YEARS, WE WOULD HOPE, TO MOVE FORWARD WITH FINANCING  
11 REGIONAL MEASURE. DANIEL?

12

13 **DANIEL SAVER:** THANK YOU VERY MUCH CHAIR. THIS IS DANIEL SAVER,  
14 OUR THE DEPUTY EXECUTIVE DIRECTOR FOR HOUSING AND ENERGY.  
15 THANK YOU TO THE TECH TEAM FOR PULLING UP THE PRESENTATION.  
16 I'M ALSO REALLY PLEASED TO BE HERE WITH LYDIA TAN OUR NEW  
17 STRATEGIC ADVISOR AS ANNOUNCED BY THE TWO CHAIRS. LYDIA AND I  
18 ARE GOING TO TAG TEAM THIS PRESENTATION I'M GOING TO TAKE THE  
19 50 HALF THEN PASS OFF TO LYDIA TO BRING US HOME TO THE FINAL  
20 STRETCH. NEXT SLIDE PLEASE. QUICKLY PLANNING TO START WITH THE  
21 OVERVIEW OF THE STRATEGIC PLANNING PROCESS, WRIT LARGE, THIS  
22 IS THE FOURTH OR 5TH TIME WE HAVE BEEN TALKING ABOUT STRATEGIC  
23 PLANNING KIND OF MAKING SURE WE SITUATED IN THAT CONTEXT THEN  
24 OVERVIEW OF THIS MODULE THEN REALLY THE PROGRAM CONCEPT IS THE  
25 HEART OF THE MATTER LYDIA WILL PRESENT AND WE END WITH

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1 CONSIDERATIONS AND NEXT STEPS. NEXT SLIDE. AS I MENTIONED  
2 BEFORE DIVING INTO THE DETAILS OF MODULE THREE I WANT TO MAKE  
3 SURE WE'RE SITUATING THIS PRESENTATION WITHIN THE BROADER  
4 STRATEGIC PLANNING PROS. THIS IS THE SLIDE THAT YOU HAVE SEEN  
5 BEFORE A SLIDE THAT WILL BE VERY FAMILIAR TO YOU BY THE END OF  
6 THE YEAR WE'RE PLANNING TO KEEP THIS AS OUR NORTH STAR WITHIN  
7 THE STRATEGIC PLANNING PROCESS AS WE CONTINUE COMING BACK TO  
8 YOU IN THE COMING MONTHS WITH A VARIETY OF THE INDIVIDUAL  
9 ITEMS. YOU SEE HERE THE NORTH STAR OF THE STRATEGIC PLANNING  
10 PROCESS ITSELF IS TO -- THAT BAHFA WILL CONTINUE TO FOCUS ON  
11 ITS ABILITY, ITS UNIQUE ABILITY TO RAISE TRANSFORMATIVE  
12 REVENUE TO MEET REGIONAL AFFORDABLE HOUSING NEEDS AT SCALE.  
13 THE IDEA IS, YOU KNOW, WE MADE AN ATTEMPT AT RM FOUR IT WASN'T  
14 SUCCESSFUL BUT DOESN'T MEAN WE HAVE GIVEN UP ON THE NOTION  
15 THAT WE NEED A REGIONAL APPROACH TO RAISE REVENUE FOR ASHEN  
16 THAT CONTINUES TO BE THE ABSOLUTE UNIQUE VALUE ADD WITHIN THE  
17 REGION, THE PURPOSES OF THE PROCESS IS TO ARTICULATE A VISION  
18 PLAN TO SUSTAIN THE AGENCY UNTIL WE'RE ABLE TO CAPITALIZE AT  
19 SCALE, PROCESS THAT BRINGS A LOT OF THE RIGHT STAKEHOLDERS TO  
20 THE TABLE TO BE PART OF ARTICULATING THAT VISION. FIRST FOCUS  
21 ON THINKING OF FUTURE REGIONAL REVENUE MEASURE SECOND FUNDING  
22 STRATEGY AND FINANCIAL SUSTAINABILITY AND FOCUS OF TODAY  
23 NUMBER THREE NEW REGIONAL FINANCING PRODUCTS APPROACHES THEN  
24 IN THE FALL DISCUSSING OTHER REGIONAL HOUSING PROGRAMS. NEXT  
25 SLIDE OVERVIEW OF THE PROCESS WRIT LARGE THE DOTTED LINE IS

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1 GOING TO TACK US AS WE MOVE FROM ONE SIDE OF THE SCREEN TO THE  
2 OTHER. I WANT TO USE THIS SLIDE AS OPPORTUNITY TO RECAP SOME  
3 OF THE WORK WE HAVE ACCOMPLISHED ALREADY. SO, AS A QUICK  
4 REMINDER WE KICKED OFF MODULE 1A DURING THE MAY MEETING OF THE  
5 JOINT COMMITTEES AND WE DISCUSSED LESSONS LEARNED FROM THE  
6 REGIONAL MEASURE FOUR AND PROPOSITION FIVE PROCESS. SO, YOU  
7 SEE MODULE 1A THERE IN THE SPRING. WE HAVE ALSO STARTED MODULE  
8 1B, STARTED WITH A BRIEFING OF AN AD-HOC COMMITTEE OF MEMBERS  
9 HERE TO HEAR FROM PEOPLE WHO ARE INVOLVED IN THE CAMPAIGN SIDE  
10 FOR RM FOUR AND PROPOSITION FIVE. YOU WILL RECALL THIS  
11 DISTINCTION IS MADE BECAUSE OF PUBLIC SECTOR STAFF WE ARE NOT  
12 AND CANNOT BE INVOLVED IN CAMPAIGN ACTIVITY PER SE SO THERE  
13 ARE LESSONS LEARNED THAT WE HAD ON THE PUBLIC SECTOR SIDE IN  
14 TERMS OF THE POLICY DEVELOPMENT PROCESS FOR REGIONAL MEASURE  
15 FOUR THEN THERE WERE DIFFERENT LESSONS LEARNED FROM THE  
16 CAMPAIGN SIDE, BUT IN ORDER TO GET THOSE LESSONS WE HAVE TO  
17 ACTUALLY GO TO THE FOLKS WHO ARE INVOLVED IN RUNNING THE  
18 CAMPAIGNS. MOVING TO MODULE TWO FOR FUND-RAISING OUR BIGGEST  
19 MOVE IN THIS SPHERE WAS REQUEST TO THE STATE AS PART OF THE  
20 ANNUAL BUDGET PROCESS UNFORTUNATELY BAHFA IS NOT THE STATE'S  
21 BUDGET THAT WAS ADOPTED THROUGH A DEAL REACHED AT THE EPTED OF  
22 JUNE THAT'S NOT TO SAY THAT THERE WASN'T SUPPORT THERE WAS A  
23 WIDE VARIETY OF SUPPORTERS FOR BAHFA INCLUDING 17 MEMBERS OF  
24 THE BAY AREA DELEGATION, BOTH IN THE ASSEMBLY, AS WELL AS THE  
25 SENATE WHO HAD ALL SIGNED A LETTER IN SUPPORT OF OUR ASK THERE

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1 WAS ALSO A LETTER THAT WAS SIGNED BY OVER 50 ORGANIZATIONS  
2 ACROSS THE BAY AREA WHO ARE SUPPORTIVE OF THE WORK THAT WE'RE  
3 TRYING TO DO AT BAHFA THERE WAS ALSO A LETTER SIGNED BY OVER  
4 80 LOCAL ELECTED OFFICIALS FROM ALL NINE COUNTIES ALSO  
5 SUPPORTING THE WORK THAT WE'RE TRYING TO DO HERE REGIONALLY.  
6 SO, I SAY ALL OF THAT TO UNDER SCORE THAT. I THINK THE REASON  
7 WHY WE CAME UP WITH NOTHING AT THE STATE WAS THAT THERE WAS A  
8 REALLY TOUGH YEAR TO ASK THE STATE FOR MONEY IT'S NOT TO BE  
9 TAKEN AS AN INDICTMENT OR LACK OF SUPPORT FOR BAHFA. I THINK  
10 CONTRARY WHAT WE SAW IS OUTPOURING OF SUPPORT, JUST A REALLY  
11 TOUGH BUDGET YEAR. SO ONE OF THE TASKS BEFORE SUS TO THINK  
12 ABOUT HOW WE CAN CONTINUE TO SHOW APPRECIATION FOR EVERYONE  
13 WHO OFFERED SUPPORT BUT LEVERAGE THAT SUPPORT TO CONTINUE TO  
14 DEEPEN AND DEVELOP THOSE RELATIONSHIPS AS WE MOVE FORWARD  
15 BECAUSE THAT'S NOT THE ONLY IRON WE HAVE IN THE FIRE WE HAVE A  
16 COUPLE OF PROSPECTS IN EARLY STAGES AND WE PLAN TO COME BACK  
17 TO YOU IN THE FALL WITH A FINAL REPORT ON OUR EARLY STAGE  
18 FUND-RAISING ACTIVITIES I WANT TO BE TRANSPARENT WITH AWFUL  
19 YOU NOT GETTING THE STATE FUNDING WAS A MAJOR SET BACK THAT IS  
20 NOT A DEATH NAIL FOR BAHFA BUT MAY PUT US ON A PATH TO  
21 PRIORITIZE WHAT WORK WE CAN CURRENTLY DO AND CAN'T AFFORD TO  
22 SUSTAIN AS DISCUSSED SOME OF THE PRIOR MTC MEETINGS THESE ARE  
23 TOUGH YEARS BUDGET WISE, IT'S NOT THE CASE THAT WE'RE CLOSING  
24 UP SHOP BUT I WANT TO FORECAST THAT WE MAY BE IN A BUDGET  
25 ENVIRONMENT WHERE WE NEED TO BE VERY FOCUSED ON WHERE WE CAN

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1 ADD THE MOST VALUE MOVING FORWARD. SO THAT'S CAN REMEMBER WHAT  
2 IT'S LOOKING LIKE. AND WE'LL COME BACK TO THIS BECAUSE MODULE  
3 THREE WHAT WE'RE ABOUT TO TALK ABOUT TODAY IS ONE OF THE  
4 INGREDIENT TO HOW WE CAN HAVE A SUSTAINABLE PATH MOVING  
5 FORWARD SO I'LL COME BACK TO THAT IN A MINUTE. ALL RIGHT I'M  
6 GOING MOVE US TO THE NEXT SLIDE HERE. IF THERE IS QUESTIONS  
7 ABOUT OTHER ITEMS I'M HAPPY TO TAKE IT AT THE END. MOVING MORE  
8 SPECIFICALLY TO MODULE THREE, THE GOAL OF THE MODULE IS TO  
9 IDENTIFY HOW BAHFA CAN ADD VALUE AND FURTHER DEMONSTRATE PROOF  
10 OF CONCEPT AS A REGIONAL LEADERSHIP AND REGIONAL FINANCE  
11 AGENCY AS THE NAME OF THE AGENCY SUGGESTS WE HAVE ASSEMBLED A  
12 STRONG TEAM TO HELP US ACCOMPLISH THIS AS MENTIONED LYDIA IS  
13 ONE OF THE MEMBERS WHO IS HELPING TO LEAD THIS TEAM WE ALSO  
14 HAVE CSG ADVISORS AS WELL AS A TECHNICALITY ADVISORY GROUP OF  
15 EXPERTS BOTH FROM WITHIN THE BAY AREA AND NATIONAL EXPERTS,  
16 THE LIST OF THE MEMBERS OF THAT TECHNICAL ADVISORY COMMITTEE  
17 IS INCLUDED IN YOUR PACKET IN ATTACHMENT B. THIS IS ANOTHER  
18 PLACE WHERE I WOULD REALLY LIFT UP ONGOING SUPPORT FOR BAHFA,  
19 THE CALIBER OF STAKEHOLDERS THAT HAVE AGREED TO HELP US THINK  
20 THROUGH THIS PARTICULAR MODULE IS A TESTAMENT TO THE ENDURING  
21 SUPPORT THAT WE HAVE AMIDST THE HOUSING SECTOR BOTH LOCALLY  
22 REGIONALLY AND NATIONALLY THERE IS A LOT OF INTEREST AND  
23 SUPPORT TO TRY TO HELP US GET TO WHERE WE NEED TO GO. NEXT  
24 SLIDE PLEASE. THERE ARE FOUR MAIN OBJECTIVES FOR THIS MODULE  
25 BUT I WANT TO PUT THEM INTO TWO BUCKETS FIRST TWO IN A CLASS

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1 TOGETHER AND SECOND TWO IN A CLASS TOGETHER. SO, THE FIRST  
2 TWO, TAKEN TOGETHER, ARE TO IMPROVE AFFORDABILITY, AND ALSO  
3 GENERATE REVENUE FOR BAHFA, SO THAT WE CAN GET ON TO A PATH  
4 TOWARDS FINANCIAL SELF-SUSTAINABILITY. THESE TWO PRIMARY GOALS  
5 EXIST IN A CERTAIN AMOUNT, TO A CERTAIN DEGREE WITH SOME  
6 TENSION BETWEEN THE TWO OF THEM. WE KNOW THAT ONE OF THE BEST  
7 WAYS TO ADD AFFORDABILITY IS THROUGH SUBSIDY. AND THAT TO  
8 SERVE FOLKS WITH THE GREATEST NEED, THERE IS FOLKS AT THE  
9 LOWEST END OF THE INCOME SPECTRUM THERE IS NEED FOR DEEP  
10 SUBSIDY THAT'S REALLY IMPORTANT ALSO NOT A PATH WHERE IT'S  
11 EASY TO GENERATE REVENUE BACK TO THE AGENCY SO THE POINT WE'RE  
12 TRYING TO MAKE HERE WITH THIS MODULE WE'RE LOOKING FOR A NICHE  
13 TO DO BOTH IT MAY NOT ALLOW US TO ACCOMPLISH EVERY GOAL WE  
14 HAVE WITHIN EACH OF THE TWO SPHERES WE'RE TRYING TO FIND THE  
15 DIAGRAM OVERLAP IF YOU WILL, BASED ON RESEARCH WE BELIEVE IT'S  
16 POSSIBLE TO EXIST IN THE OVERLAP OF THE DIAGRAM BETWEEN THE  
17 TWO GOALS BUT THE PROGRAM DESIGN IS GOING TO REFLECT THAT NEED  
18 TO THREAD THE NEEDLE. THIS KIND OF PICKS UP ON WHAT I  
19 MENTIONED ON THE LAST SLIDE WHICH IS THAT THE NEED FOR US TO  
20 BE ABLE TO GENERATE REVENUE THE SECT OBJECTIVE HERE IS MORE  
21 IMPORTANT GIVEN LACK OF FUNDING THAT WE'RE CURRENTLY SET TO  
22 RECEIVE FROM THE STATE, BAHFA AS AN AGENCY IS GOING TO NEED  
23 ONGOING REVENUE TO SUSTAIN A BEAR BONES SET OF OPERATIONS THAT  
24 WILL ENABLE US TO ADVANCE AND IMPLEMENT A POTENTIAL FUTURE  
25 REGIONAL BALLOT MEASURE WHETHER THAT'S IN 2028 OR SOME FUTURE



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1 YEAR SO AT THE HEART OF THIS PROGRAM IS BAHFA'S FUTURE  
2 FINANCIAL SUSTAINABILITY BE VIABILITY OF THE AGENCY WRIT LARGE  
3 I DON'T WANT TO PUT TOO MUCH PRESSURE ON THIS BUT WOO WE SEE  
4 THIS AS A CRITICAL LEG. SUCCESSFUL OF ACCOMPLISH FIRST TWO  
5 NUMBER THREE IS SERVING PROOF OF CONCEPT FOR BAHFA PUBLIC  
6 LENDING MODEL AS WELL AS NUMBER FOUR BUILDING LONG-TERM  
7 ORGANIZATIONAL CAPACITY, IF WE'RE ABLE THAT IS GOING TO HELP  
8 US RETAIN OUR LONG-TERM ORGANIZATIONAL CAPACITY AND PROVE THIS  
9 CAN BE DONE THIS ISN'T THE COMMON WAY THAT MOST LOCAL  
10 GOVERNMENTS WITHIN THE BAY AREA ARE APPROACHING HOUSING  
11 FINANCE AT THIS POINT. SO, IF WE CAN GO TO THE NEXT SLIDE,  
12 THAT ENDS MY PORTION OF THE PRESENTATION. I'M PLEASED TO  
13 HAPPENED IT OVER TO LYDIA TAN.

14

15 **SPEAKER:** THANK YOU AND THANK YOU TO THE VICE CHAIR AND CHAIR  
16 AND COMMITTEE MEMBERS. I'M REALLY EXCITED TO BE HERE AND  
17 EXCITED TO TRY AND HELP BAHFA GET TO FINANCIAL SUSTAINABILITY  
18 IN THE LONG-TERM. SO, JUST QUICKLY, ON THE PROGRAM CRITERIA,  
19 WHICH IS REALLY BUILT ON THE PROGRAM OBJECTIVES, WE WANT TO  
20 MAKE SURE THAT THE PROGRAM DOES PASS A COST BENEFIT TEST THAT  
21 THE BENEFITS, HOWEVER WE END UP MEASURING THEM OUTWEIGH THE  
22 COST OF THE PROMPT. WE, ALSO, AS MENTIONED, WANT TO MAKE SURE  
23 THERE IS REVENUE BEING GENERATED TO SUPPORT BAHFA IN THE LONG-  
24 TERM AND WE ALSO WANT TO MAKE SURE THAT WE ARE TAKING  
25 ADVANTAGE OF ALL THE BENEFITS THAT BAHFA CAN BRING TO THE

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1 TABLE ALREADY AND MAKE SURE WE ARE LEVERAGING THOSE AND  
2 HIGHLIGHTING THOSE AS WE MOVE FORWARD, AND, CERTAINLY,  
3 THINKING ABOUT SCALE INTO THE FUTURE, AS WELL. IF WE CAN GO TO  
4 THE NEXT SLIDE. SO, CONCEPTUALLY, CAN WE GO TO THE NEXT SLIDE?  
5 SO, CONCEPTUALLY, THE DIFFERENT ELEMENTS OF THE PROGRAM, AS  
6 WE'RE THINKING ABOUT IT, ONE IS THINKING ABOUT MIXED INCOME,  
7 IT'S SOMETHING THAT BAHFA HAS BEEN WORKING ON, BUT REALLY THIS  
8 TIME FOCUS ON THE WORKFORCE HOUSING. WE ALSO ARE THINKING  
9 ABOUT HOW DO WE MAKE SURE THAT WE CAN TRANSACT QUICKLY. SO  
10 THAT, IS TO TRY AND STAY AWAY FROM A LOT OF THE EXISTING  
11 PROGRAMS, THE TAX CREDIT PROGRAMS, ARE THE BOND PROGRAMS, THE  
12 CDLAC PROGRAMS TO MAKE SURE WE CAN EXECUTE QUICKLY WHEN A  
13 DEVELOPER OR APPLICANT COMES TO US WE HAVE THE ABILITY TO ACT  
14 QUICKLY WITHIN THE MARKETPLACE. RIGHT NOW, GIVEN THE RESOURCES  
15 WE HAVE AVAILABLE TO US, WHICH ARE LIMITED, WE ARE LOOKING AT  
16 STAYING FOCUSED MOSTLY ON THE ACQUISITION REHAB PRESERVATION  
17 PART OF THE SPECTRUM. BUT THE PROGRAM ELEMENTS WE'RE TALKING  
18 ABOUT IS DEFINITELY GOING TO BE SCALEABLE AS WE THINK ABOUT  
19 NEW CONSTRUCTION AND NEW PRODUCTION INTO THE FUTURE, AS WELL.  
20 THERE IS A REALLY INTERESTING MOMENT IN TIME, IF YOU HAVEN'T  
21 BEEN CONNECTED TO THE MARKET, WHERE YOU CAN ACTUALLY ACQUIRE  
22 EXISTING REALLY NICE APARTMENT BUILDINGS AND HOUSING AT A  
23 BELOW REPLACEMENT COST. SO IT'S A REALLY INTERESTING MOMENT TO  
24 BE ABLE TO TRY AND BRING MORE OF THOSE UNITS INTO THE  
25 AFFORDABLE HOUSING FOLD SO THAT THEY CAN BE AFFORDABLE INTO

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1 THE LONG-TERM. SO, WE'RE EXCITED ABOUT THAT. AS A BOND ISSUER,  
2 WE HAVE BEEN HEARING FROM OUR TECHNICAL ADVISORY GROUP AND  
3 SOME OF OUR OTHER STAKEHOLDERS THAT THERE IS A ROLE FOR BAHFA  
4 AS A BOND ISSUER, WHETHER IT'S THROUGH CONDUIT BONDS OR  
5 POTENTIALLY ISSUING GOVERNMENT PURPOSE BONDS IN WHICH BAHFA  
6 WOULD PLAY AN OWNERSHIP ROLE IN TERMS OF BEING ABLE TO PROVIDE  
7 EVEN MORE AFFORDABILITY SO IT'S SOMETHING WE'RE LOOKING AT.  
8 GOING TO BE LOOKING DEEPLY INTO THIS. AND ONE OF THE VALUE  
9 ADDS THAT WE THINK BAHFA CAN BRING, YOU OFTEN HAVE TO GO TO 2,  
10 3, 4, 5 DIFFERENT AGENCIES FOR THESE DIFFERENT COMPONENTS OF  
11 THE PROGRAM THAT WE'LL BE LAYING OUT FOR YOU, HERE AROUND  
12 BAHFA COULD BE KIND OF A ONE-STOP-SHOP WE'RE HOPING THAT'S  
13 MORE EFFICIENT FOR THE DEVELOPER COMMUNITY AND INVESTOR  
14 COMMUNITY AND THAT WE'RE PROVIDING REAL VALUE AT REDUCED COST  
15 OF TRANSACTION BY VIRTUE OF BEING A ONE-STOP-SHOP. IF YOU CAN  
16 GO TO THE NEXT. HERE ARE PROGRAM ELEMENTS, SOME WE'RE TAKING  
17 FROM THE BAHFA TOOLKIT ALREADY BUT THE IDEA IS WE HAVE A KIT  
18 APART, THAT WHEN A DEVELOPER INVESTOR COMES TO US THEY CAN  
19 PICK AND CHOOSE FROM THE TOOLKIT AND ABLE TO ASSEMBLE A  
20 BESPOKE PROGRAM FOR THEMSELVES THIS. TO BEGIN WITH A SENIOR  
21 LENDING ASSISTANCE, WE'RE THINKING ABOUT TWO DIFFERENT WAYS,  
22 ONE IS THE BOND PROGRAMS I WAS TALKING ABOUT, AND THE OTHER IS  
23 ALSO USE BAHFA LARGE US TO CREDIT ENHANCE TOP TIER FINANCING  
24 PROGRAM WITH SENIOR LENDER SO WE CAN TAKE DOWN THE SENIOR  
25 LEVEL SIDE SECOND IS WELFARE EXEMPTION FROM THAT IS ALREADY IN

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1 PLACE BUT TO TRY AND MAKE THAT EVEN MORE ROBUST, IT'S  
2 INTERESTING GETTING TO KNOW THAT PROGRAM I THINK THERE IS A  
3 LOT WE CAN DO TO MAKE IT MORE ATTRACTIVE TO FOLKS. SOME  
4 PROGRAMS WE ARE LIMITED IN FUNDS, ACQUISITION REHAB PROBABLY  
5 ON THE SMALLER SIDE OF TRANSACTIONS BUT IN CAPITAL LOWER COST  
6 THAN TYPICAL EQUITY OUT THERE IN THE PRIVATE MARKET AND WE AS  
7 DEVELOPER MATCH THAT WE DO THINK THAT ADDS VALUE AND LEADS US  
8 TO FURTHER SUSTAINABILITY AND FEASIBILITY AND FINALLY TAKING  
9 ADVANTAGE OF OUR DOORWAY SYSTEM, THE SYSTEM IS PROVEN AND  
10 PROJECTS WE'RE SUPPORTING ARE FILLED WITH INCOME QUALIFYING  
11 HOUSEHOLDS AS QUICKLY AS POSSIBLE. THOSE ARE THE PROGRAM  
12 ELEMENTS AND WE THINK -- AN APPLICANT THAT COMES IN MIGHT TAKE  
13 ADVANTAGE OF ALL OF THE TOOLS OR SOME OF THE TOOLS AND IT'S  
14 REALLY GOING TO BE VERY, VERY DEPENDENT ON THE TRANSACTION  
15 ITSELF. NEXT SLIDE. A LITTLE BIT DEEPER INTO THE KINDS OF  
16 PROGRAMS TERES ON THE PROGRAM. WE'RE HOPING THIS IS BOTH  
17 FEASIBLE FOR LOW-INCOME PROJECTS THAT ARE REACHING INTO THE 50  
18 AND 60% OF AMI RANGE BUT ALSO FOR MIDDLE INCOME PROJECTS THAT  
19 ARE MORE IN THE 80% OF AM PAVEMENT RANGE WE HAVE A NUMBER OF  
20 TEST CASES OF PROJECTS THAT HAVE COME THROUGH OR A NUMBER WE  
21 HAVE BEEN EXPOSED TO AND WE'RE TRYING TO TRUTH TEST TO MAKE  
22 SURE THIS IS TRUE. ANY UNIT NA IS RESTRICTED, WE ARE IN  
23 CONFORMANCE WITH A LOT OF THE OTHER BAHFA PROGRAMS THOSE  
24 RESTRICTED UNITS WE'RE ASKING TO BE AT LEAST 10% BELOW MARKET  
25 SO THERE IS REAL VALUE BEING PROVIDED TO THE DEED RESTRICTION

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1 AND THEN A 55 YEAR REGULATORY AGREEMENT. NEXT SLIDE. A LITTLE  
2 BIT MORE ON THE UNDERWRITING WE'LL WORK CLOSELY WITH SENIOR  
3 LENDERS, WE HAVE A NUMBER OF CONVERSATIONS SET UP ABOUT WHAT  
4 THAT SENIOR DEBT MIGHT LOOK LIKE PARTICULARLY FOR DOING CREDIT  
5 ENHANCEMENT SUBORDINATE DEBT WOULD BE PRICED SO IT'S STILL  
6 BELOW MARKET BUT THIS IS AN INCOME OPPORTUNITY FOR BAHFA. AND  
7 WE ARE WILLING TO LOOK AT ITS LOWER DEBT COVERAGE RATIO IN  
8 ORDER TO ACHIEVE SOME MORE FEASIBILITY. WE'RE ANTICIPATING  
9 NON-RECOURSE DURING PERM BUT DURING CONSTRUCTION WE'D HAVE  
10 SOME CONSTRUCTION GUARANTEES. NEXT SLIDE. SO, WHEN WE THINK  
11 ABOUT HOW TO MEASURE IMPACT, JUST GOING BACK TO THE PROGRAM  
12 OBJECTIVES, THERE ARE A LOT OF DIFFERENT WAYS THAT WE'RE  
13 THINKING ABOUT IT AND WE'RE GOING TO BE STARTING TO TEST THESE  
14 IDEAS AND ALSO GET FEEDBACK FROM FOLKS AS WELL, CERTAINLY A  
15 NUMBER OF UNITS IS AN OBVIOUS ONE. THE AMOUNT OF REDUCTION IN  
16 FINANCING GAP THAT WE'RE BRINGING TO THE TABLE IN OUR PROGRAMS  
17 AND COMBINATION OF PROGRAMS IS SOMETHING WE'RE LOOKING AT AS  
18 WELL, SOMETHING CSG IS DIVING DEEPLY INTO AND THEY'RE SHOWING  
19 WE CAN RIGHT NOW REDUCE INFEASIBILITY OR REDUCE THE GAP BY  
20 ABOUT 75% JUST BY VIRTUE OF ADDING THESE TOOLS TO A FINANCING  
21 STRUCTURE SO IT WILL BE INTERESTING TO SEE HOW THIS PLAYS OUT  
22 LEVERAGING OUR INVESTMENT IS ANOTHER WAY OF THINKING ABOUT IT  
23 THEN PUBLIC BENEFIT GENERATED OUT OF OUR PROGRAMS, AND AS  
24 DANIEL EMPHASIZES MAKING SURE WE HAVE A PROGRAM THAT'S GOING  
25 TO GENERATE REVENUE FOR BAHFA FOR THE LONG-TERM AS WELL. NEXT

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1 SLIDE PLEASE. SO, WE ARE IN THE MIDDLE OF PROGRAM DESIGN, SOME  
2 THINGS THAT WE ARE THINKING ABOUT AND ARE OPEN TO FEEDBACK  
3 ABOUT FROM THIS BODY, AND FROM OUR STAKEHOLDERS IS FUND-  
4 RAISING AS DANIEL MENTIONS WE HAD A TOUGH TIME WITH THE BUDGET  
5 AT THE STATE LEVEL THIS YEAR WE HAVE SOME DOLLARS IN THE POT  
6 AND WE HAVE SOME DOZEN THAT WE EXPECT TO COME BACK FROM PRIOR  
7 PROGRAMS THAT WE CAN PUT INTO THE SUBORDINATE, DEBT PROGRAM  
8 BUT THE AMOUNT OF MONEY WE HAVE IN THE SUBBENT DEBT PROGRAM IS  
9 GOING TO BE DIRECTLY SCALEABLE WE CAN BE IN NEAR-TERM INCOME  
10 TARGETING RIGHT NOW UP TO 80% OF AMI FOR WORKFORCE WE'RE  
11 FIGHTING PARTS OF THE BAY AREA WHERE WE CAN BE UP TO 100 OR  
12 120% OF AMI. NUMBER THREE I MENTIONED BEFORE THE IDEA OF  
13 GOVERNMENT PURPOSE BONDS, THERE MAY BE MOMENTS WHERE IT MAKES  
14 SENSE FOR BAHFA TO BE OWNER AND ISSUE OF GOVERNMENT PURPOSE  
15 BONDS BECAUSE THERE IS AN EVEN OUTSIZED PUBLIC BENEFIT OF  
16 THAT. ADMINISTRATION WITH A LOT OF DIFFERENT PIECES TO A  
17 PROGRAM WE WANT TO MAKE SURE THAT WE'RE BEING AS EFFICIENT AS  
18 WE POSSIBLY CAN AND THAT THE COST AND THE TIME ASSOCIATED WITH  
19 ADMINISTERING BASKET OF PROGRAMS IS STILL SOMETHING THAT WE  
20 CAN HANDLE WITHIN THE FEES THAT WE'RE CHARGING. SO, THOSE ARE  
21 THINGS THAT WE'RE THINKING ABOUT AS WE'RE TRYING TO TRUE TEST  
22 OF THE PROGRAM AND I'M GOING TO PUT IT BACK TO DANIEL TO TALK  
23 ABOUT NEXT STEPS.

24

25 **DANIEL SAVER:** ADDING TO WHAT LYDIA SAID THE SUBORDINATE DEBT

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1 LAIR LAYER IS GOING TO DRIVE REVENUE FIDUCIARY BAHFA AND  
2 SUPPORT AND IN TERMS OF THE ABILITY TO MOVE TOWARDS A SELF-  
3 SUSTAINING MODEL RELIES UPON THIS OTHER COMPONENT OF THE KIT  
4 OF PARTS IF YOU WILL, AND THAT'S NOT SOMETHING THAT WE  
5 CURRENTLY HAVE RESOURCES TO MOVE FORWARD. THIS IS PART OF WHY  
6 WE'RE HITTING THE PAVEMENT FORCEFULLY ALSO IS TO TRY TO  
7 ATTRACT RESOURCES AND PART OF WHY WE HAVE BECOME SO FOCUSED ON  
8 DEVELOPING THE CORE TERMS OF THIS PROGRAM, THE IDEA THAT FOLKS  
9 COULD INVEST IN A PROGRAM LIKE THIS WITH A RELATIVELY MODEST  
10 INVESTMENT THEN WITH THAT MODEST INVESTMENT SUPPORT THE LONG-  
11 TERM INSTITUTIONAL SUSTAINABILITY OF BAHFA, THAT'S A GO GOOD  
12 PITCH ESSENTIALLY IS THE FEEDBACK WE HAVE RECEIVED SO FAR. SO  
13 WE'RE STILL LOOKING FOR MONEY. YOU KNOW, WE'RE NOT THERE YET  
14 BUT I WANTED TO UNDER SCORE THAT I THINK TO REALLY UNDERSCORE  
15 I JUST WANT TO MAKE SURE THAT IS CLEAR TO EVERYONE. NEXT SLIDE  
16 LAST BIT ON NEXT STEPS. AS LYDIA SAID WE NEED TO CONTINUE TO  
17 DO PROGRAM TESTING BY SUBMARKET WE DON'T KNOW HOW MUCH MONEY  
18 WE'RE GOING TO HAVE BUT IT'S NOT GOING TO BE ENOUGH TO ROLL  
19 OUT A PROGRAM THAT'S GOING TO HAVE TONS OF PROJECTS ALL OVER  
20 THE BAY AREA SO WE NEED TO BE ABLE TO FOCUS ON PLACES WHERE WE  
21 THINK A PROGRAM LIKE THIS CAN REALLY WORK WE'RE ENGAGED DEEPLY  
22 NOW IN THAT SUBMARKET TESTING BECAUSE WE KNOW THERE IS NOT  
23 JUST ONE MARKET FOR THE BAY AREA. IT DIFFERS BY COUNTY IT MAY  
24 DIFFER BY CITY MAY DIFFER WITHIN CITIES NEIGHBORHOOD BY  
25 NEIGHBORHOOD SO WE NEED TO BE CLEAR WHERE THIS PROGRAM IS



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1 GOING TO WORK AND WHAT KIND OF PROJECTS WE SHOULD BE MARKETING  
2 TO WE CONTINUE TO ENGAGE IN TECHNICAL ADVISORY GROUP TO TEST  
3 ASSUMPTIONS AND BROADER GROUPS OF STAKEHOLDERS. BASED ON  
4 FEEDBACK ADJUST THE PROGRAM IN TERMS OF ASSUMPTIONS AND  
5 CONTINUE TO TRY TO ATTRACT DOLLARS TO THE IDEA ESPECIALLY AS  
6 WE START TO CLARIFY AND HONE IN ON WHAT THE PRODUCTS WILL LOOK  
7 LIKE, A COMPONENT THAT IS TO BUILD-OUT THE OPERATING MODEL, TO  
8 MAKE SURE THE PROGRAM IS GOING TO BREAK EVEN IF NOT CONTRIBUTE  
9 ADDITIONAL REVENUE THAT COULD GO TO SUPPORT OTHER BAHFA  
10 PROGRAMS AND THEN WE EXPECT TO COME BACK TO YOU ALL IN EARLY  
11 FALL WITH THE NEXT ITERATION OF THIS AS WE TIE UP EVERYTHING  
12 IN THOSE EARLIER BULLETS. SO, WITH THAT HAPPY TO TURN IT BACK  
13 OVER TO THE CHAIRS AND WE'RE HERE TO TAKE ANY QUESTIONS.

14

15 **CHAIR, CARLOS ROMERO, ABAG HC:** BOARD MEMBERS, DIRECTOR  
16 QUESTIONS? YES, DIRECTOR MELGAR?

17

18 **MYRNA MELGAR:** THANK YOU, CHAIR. SO, THANK YOU SO MUCH FOR THE  
19 PRESENTATION DO I HAVE A BUNCH OF QUESTIONS, BUT I'LL JUST PUT  
20 OUT A COUPLE. SO, I THINK THAT YOU HAVE DONE A LOT OF THINKING  
21 AND MODELING, WHAT WAS THE WORD YOU USED LYDIA? TRUE-UP?  
22 [LAUGHTER] YOU USED SOME TERM IN DESCRIBING HOW YOU'RE GOING  
23 TO VET --

24

25 **SPEAKER:** TRUTH TEST?

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1

2 **MYRNA MELGAR:** SO IN THE TRUTH TEST PORTION OF IT I'M WONDERING  
3 WHO OUR PARTNERS ARE. IN YOUR PRESENTATION, DANIEL, TALKED  
4 ABOUT THE, SORT OF, DIVERSITY OF THE GEOGRAPHY THAT WE'RE  
5 TRYING TO MEET, AND I THINK THAT THAT IS BOTH NEED, INCOME,  
6 AND HOUSING STOCK. THERE ARE PLACES WHERE THIS MODEL COULD  
7 WORK, BECAUSE THERE ARE ALL THREE OF THOSE THINGS IN PLACES  
8 WHERE IT WOULDN'T, AND I'M WONDERING WHAT THE ANALYSIS LOOKS  
9 LIKE. PART OF THAT TOO IS WHO OUR PARTNERS ARE ON THE GROUND.  
10 SO, I CAN SEE, YOU KNOW, A MODEL THAT'S ROUGHLY DESCRIBED AS  
11 YOU JUST D WORKING WELL WITH, LIKE, THE ACCELERATOR FUND OR A  
12 PARTNER THAT'S FLEXIBLE THAT HAS CONTROL OVER INTEREST RATES  
13 AND GUIDELINES AND STUFF. BUT YOU KNOW, NOT SO MUCH WITH THE  
14 CITY AND COUNTY SAN FRANCISCO HAS LEGISLATION THAT'S REALLY  
15 LAUGH FLEXIBLE ABOUT ACQUISITION AND PRESERVATION FOR EXAMPLE.  
16 SO I'M WONDERING WHAT YOU ARE THINKING ABOUT THAT AND JUST TO  
17 GET THE SECOND QUESTION OUT THERE, FOR SOME OF WHITE HOUSE  
18 HAVE WORKED IN THIS SPACE BEFORE, THERE HAS ALWAYS BEEN THIS  
19 STRUGGLE ABOUT THE COUNTER CYCLICAL NATURE OF THE FUNDING  
20 SOURCES THAT WE HAVE WHEN THE MARKET IS BOOMING WE HAVE A LOT  
21 OF FEES BEING PAID BUT THEN PROPERTY IS REALLY EXPENSIVE. SO,  
22 RIGHT NOW WE'RE IN THAT COUNTERS THE CYCLE AS YOU STATED  
23 LYDIA, THERE IS PROPERTY AVAILABLE. BUT I'M WONDERING WHAT YOU  
24 SEE GOING FORWARD. IF WE'RE GOING TO HAVE THIS AS A POTENTIAL  
25 SOURCE OF INCOME FOR BAHFA, WHAT OUR PROJECTIONS ARE WHEN, YOU

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1 KNOW, HOPEFULLY THE MARKET, YOU KNOW, CORRECTS, AND WE ARE,  
2 AGAIN, IN BETTER TIMES. IF YOU COULD SPEAK TO THAT TOO? THANK  
3 YOU.

4

5 **SPEAKER:** YEAH. I CAN START, IF DANIEL WANTS TO ADD ANYTHING I  
6 HAVE MISSED. THANK YOU VERY MUCH. THOSE ARE AMAZING QUESTIONS.  
7 IN TERMS OF OUR PARTNER PARTNERS, THE TECHNICAL ADVISORY  
8 GROUP, DEVELOPERS GOVERNMENT OFFICIALS LENDERS INVESTORS BOND  
9 COUNCILS THEY HAVE ALL SEEN AND GIVEN SOME GREAT FEEDBACK, WE  
10 ALSO HAVE ACTUAL PERFORMANCE FROM DIFFERENT PROJECTS, EITHER  
11 PROJECTS THAT DID NOT WORK OR PROJECTS THAT WORKED WELL, WE  
12 HAVE NEW CONSTRUCTION PROJECT THAT LOOKS LIKE WE COULD  
13 ACTUALLY ADD VALUE EVEN IN A NEW CONSTRUCTION SITUATION UP IN  
14 SANTA ROSA, WE'RE TRYING TO FIND DIVERSE CASE STUDIES, TO BE  
15 ABLE TO LOOK AT TODAY WHAT'S HAPPENING IN MANY GEOGRAPHIES AS  
16 POSSIBLE, WE'RE ALSO IN CONVERSATION WITH THE CITY OF OAK,  
17 CITY AND COUNTY OF SAN FRANCISCO AND MY TO DO LIST IS TO MAKE  
18 THE ROUNDS WITH ALL BAHFA MEMBERS AS WELL TO TALK ABOUT HOW  
19 THIS PROGRAM MAY OR MAY NOT WORK IN CONJUNCTION WITH THE CITY  
20 PROGRAMS AS WELL. WE'RE TRYING TO DO AS BROAD FEEDBACK GROUP  
21 AS POSSIBLE IN TERMS OF WHAT MIGHT HAPPEN TODAY. THERE IS A  
22 HOPE THAT THIS WILL ADD VALUE TO NEW CONSTRUCTION AS WELL WHEN  
23 NEW CONSTRUCTION STARTS TO BECOME A BIT MORE VIABLE. AND YOU  
24 KNOW, FINGERS CROSSED, BAHFA WILL HAVE MORE OF THAT SUBSIDY  
25 DOLLARS AVAILABLE TO ACTUALLY MAKE NEW CONSTRUCTION EVEN MORE

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1 VIABLE AS WE'RE LOOKING AT SCALE, AS WELL. SO, HOPEFULLY THAT  
2 RESPOND TO YOUR QUESTIONS. IF YOU UPON WANT TO ADD ANYTHING?  
3

4 **DANIEL SAVER:** I THINK THE ONE THING I WOULD ADD THAT WAS VERY  
5 WELL STATED IS THAT THIS PROGRAM IS DESIGNED TO MEET THE  
6 MOMENT THAT BAHFA IS IN RIGHT NOW. SO, THIS DOESN'T HAVE TO BE  
7 THE KIND OF LIMIT, IT SHOULDN'T BE. WE SHOULD NOT TREAT THIS  
8 AS THE LIMIT OF THE KIND OF WORK THAT BAHFA CAN DO OTHER  
9 DIFFERENT CIRCUMSTANCES WHETHER THAT'S DIFFERENT MARKET  
10 CIRCUMSTANCES OR IF BAHFA HAS A REVENUE MEASURE AND SO WE HAVE  
11 DIFFERENT RESOURCE ENVIRONMENT, SO ONCE WE'RE IN DIFFERENT  
12 TIMES THEN WE SHOULD BE THINKING MORE BROADLY. WE'RE TRYING TO  
13 IDENTIFY KIND OF IN THIS NEAR-TERM THINKING ABOUT OUR  
14 STRATEGIC PIVOT AS CHAIR RAMOS PUT T YOU KNOW, LIKE, HOW ARE  
15 WE ADDING VALUE AND GENERATING REVENUE BASED ON THE LIMITED  
16 RESOURCES THAT WE THINK WE MAY BE ABLE TO CONTROL NOW THIS IS  
17 THE BEST OPPORTUNITY WE HAVE IDENTIFIED NOW AND IT WILL  
18 CERTAINLY EVOLVE.

19

20 **CHAIR, CARLOS ROMERO, ABAG HC:** I'M GOING TO CHAIR NOACK.

21

22 **SUE NOACK:** YES, THANK YOU. AND THANK YOU FOR THE PRESENTATION.  
23 I GUESS MY PIECE OF THIS IS WHERE DO OUR FUNDS COME IN. I SAW  
24 THIS TOOLBOX, BUT I'M NOT SURE WHERE OUR FUNDS ARE AT RISK  
25 VERSUS OTHER INVESTORS WHO ARE AT RISK AND THEN THE FOCUS ON

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1 PUBLIC BENEFIT VERSUS THE RETURN TO US. SO, BEING A FINANCE  
2 PERSON AND HAVING SPENT TOO MUCH TIME DOING LENDING IN THESE  
3 ARENAS, AND BANKRUPTCIES, SADLY, IN THESE ARENAS IS JUST  
4 CONCERNING. I NEED TO BETTER UNDERSTAND WHERE OUR DOLLARS ARE  
5 GOING TO BE AT RISK, WHETHER IT'S THE SUBORDINATE LEVEL OR TOP  
6 LOSS OR CREDIT ENHANCEMENT PIECE I THINK IT'S IMPORTANT THE  
7 NEXT TIME YOU MAKE A PRESENTATION SO THAT WE UNDERSTAND WHERE  
8 THE MONEY IS GOING, WHERE ARE THE BENEFIT SUPERVISOR HOW  
9 THAT'S GOING TO ACTUALLY PROVIDE US WITH SOME ONGOING FUND TO  
10 BE ABLE TO CONTINUE THE OPERATION. SO, I JUST REALLY LIKE THAT  
11 BETTER CLARIFIED WHERE MTC AND OUR FUNDS STAND IF THAT  
12 PROCESS. THANKS.

13

14 **CHAIR, CARLOS ROMERO, ABAG HC:** DOES ANYONE WANT TO TRY ON  
15 ANSWER THIS RIGHT NOW? I THINK WE HAVE A REQUEST SAYING WHEN  
16 WE COME BACK WE WANT TO UNDERSTAND, IN PARTICULAR, I KNOW  
17 CHAIR NOACK, YOU HAVE BROUGHT THIS QUESTION UP, WHAT IS THE  
18 RISK. LET'S -- LET'S CLEARLY GO INTO THIS EYES WIDE OPEN. I  
19 DON'T KNOW IF ANYONE WANTS TO REPLY RIGHT NOW?

20

21 **SPEAKER:** I THINK I CAN RESPOND QUALITATIVELY BUT I'M ALSO  
22 HEARING YOU WOULD LIKE TO SEE SOME NUMBERS AS WELL. I THINK  
23 THE RISK IS IN TWO PLACES, FINANCIALLY, ONE IS THE TOP TIER  
24 LOSS, THE IDEA IS IF WE GUARANTEE THE TOP FIVE OR 10% OF A  
25 SENIOR LOAN, YOU KNOW, WE ARE GOING TO HAVE TO MAKE SURE WE'RE

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1 UNDERWRITING WELL TO FEEL COMFORTABLE ABOUT THAT. AND THAT IS,  
2 YOU KNOW, THAT IS GOING TO BE, YOU KNOW, MAYBE AT THE -- YOU  
3 KNOW, INSTEAD OF A -- YOU KNOW, IT'S AN 80% LOAN OR 70% LOAN  
4 AND WE'RE TAKING THE FIRST 10% OF THAT OR SOMETHING SO THAT'S  
5 SOMETHING WE'RE GOING TO HAVE TO THINK ABOUT HOW DO WE UNDER  
6 WRITE THAT AND THE SECOND PIECE OF IT IS A SUBORDINATE TRANCHE  
7 KNOW IF THERE IS SENIOR DEBT OUT THERE, AT 70% OR 80% OF THE  
8 STACK AND WE'RE SIDE BY SIDE WITH THE DEVELOPER OR MAYBE  
9 SLIGHTLY ABOVE THE DEVELOPER IT'S STILL A SUBORDINATE PIECE  
10 AND THE DECORATE YO PROPOSING DOWN AT 1.05 THERE IS DEFINITELY  
11 MORE RISK AT REPAYMENT SO WE'LL DEFINITELY HAVE TO DO A LOT OF  
12 SENSITIVITY ANALYSIS AROUND THAT IN TERMS OF EXIT STRATEGY,  
13 PAYMENT, WHAT HAPPENS IF OPERATING COSTS GO UP FASTER THAN  
14 INCOMES GO UP A LOT OF SENSITIVITY WILL NEED TO TAKE A LOOK AT  
15 ON THE COST BENEFIT WE'RE STILL WORKING ON THAT RIGHT NOW THE  
16 COST EASY DISCOUNT TO MARKET RELATIVE TO LOSS LET'S SAY  
17 PROPERTY TAX REVENUE TO LOCALITIES THAT'S FAIRLY EASY MATH  
18 CALCULATION. WE'RE TRYING TO THINK HARD ABOUT WHAT OTHER  
19 THINGS, THERE IS HOUSEHOLDS HAVING MORE INCOME TO BE ABLE TO  
20 SPEND ON HEALTH CARE AND CHILD CARE AND FOOD AND THAT, SORT  
21 OF, THING IS THERE ECONOMIC IMPACT THAT WE SHOULD BE THINKING  
22 ABOUT WHICH IS HARDER TO CALCULATE BUT ALSO JUST AS IMPORTANT  
23 IN TERMS OF THE ECONOMY AND IMPACT AND QUALITY OF LIFE. IF YOU  
24 HAVE THOUGHTS ABOUT THAT WE WOULD LOVE TO HEAR IT.

25

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1   **SUE NOACK:** JUST, CLEARLY, THERE IS A PUBLIC BENEFIT PIECE  
2   THAT'S REALLY HARD TO QUANTIFY BUT IF WE WANT THIS PROGRAM TO  
3   BE ALSO AN ONGOING PROGRAM, THERE HAS GOT TO BE SOME RETURNS  
4   AND USUALLY THOSE SLICES OF RISK ARE HIGHER PRICE BECAUSE OF  
5   THE RISK FACTOR AND DO WE PRICE FOR THAT? OR ARE WE  
6   DISCOUNTING IT BECAUSE OF THE PUBLIC BENEFIT. AND THOSE ARE  
7   JUST SOME OF THE, YOU KNOW, SADLY, BANKER THOUGHTS THAT COME  
8   INTO PLAY HERE. SO, THANK YOU.

9

10   **CHAIR, CARLOS ROMERO, ABAG HC:** LET'S SEE. DIRECTOR RABBIT,  
11   PLEASE.

12

13   **DAVID RABBITT:** THANK YOU VERY MUCH. AND THANK YOU FOR ALL THE  
14   WORK. I APPRECIATE IT. AND HAVING SERVED UP HERE IN SANTA ROSA  
15   ON THE RE NEWLY ENTERPRISE DISTRICT, I CAN'T HELP BUT ALSO  
16   THINKING ABOUT RISK AND THINKING ABOUT SUBORDINATE LOANS AND  
17   THE UNDERWRITINGS AND WITH THE OVERALL GOAL OF JUST MAXIMIZING  
18   HOUSING IN GENERAL. WHAT WE HAVE ALWAYS DONE, I THINK WE SPENT  
19   20 MILLION AND ALL TOLD WERE RESPONSIBLE FOR MAYBE GETTING  
20   ONLINE 650 UNITS, WHICH IS A GREAT RATIO, IN MY OPINION, OF  
21   REALLY PUTTING THOSE UNITS OVER THE TOP, AND I JUST MENTION  
22   THIS, I KNOW THAT WE'RE ALL PUSHING IN THAT SAME DIRECTION,  
23   HAVING IT'S ALSO IMPORTANT FOR US TO MAKE SURE WE'VE HAVE  
24   ENOUGH CASH FLOW SOME OF THOSE LOANS ARE THROUGH CONSTRUCTION  
25   PHASE WILL BE PAID OFF PRETTY QUICKLY THAT MEANS WE CAN



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1 REINVEST THOSE DOLLARS GOING FORWARD FINANCING COMPONENTS  
2 THERE IS GREAT NEED FOR IT AND I'M SURE WITHIN THE BUSINESS  
3 PLAN WE CAN PUT TOGETHER FOR BAHFA WE CAN REALLY CAPITALIZE ON  
4 THAT TO MAKE SURE THAT IT ALSO KEEPS THE FUND ONGOING INTO THE  
5 FUTURE. SO, I JUST WANTED TO KEEP TOUTING THE RED SUCCESS UP  
6 HERE AND JUST WANTING TO GROW THAT ON A MUCH BIGGER LEVEL AND  
7 I KNOW THERE ARE OTHER CANYONS THAT HAVE SUCCESSFUL PROGRAMS  
8 AS WELL.

9

10 **CHAIR, CARLOS ROMERO, ABAG HC:** THANK YOU. DO WE HAVE OTHER  
11 COMMENTS? WHY DON'T WE GO TO THE PUBLIC. I HAVE A COUPLE OF  
12 QUESTIONS BUT TO THE PUBLIC FIRST.

13

14 **BOARD CLERK:** ON THIS ITEM NO WRITTEN COMMENTS RECEIVED NO ONE  
15 IN THE BOARDROOM AND NO PUBLIC COMMENT IN THE ATTENDEE SPACE.  
16 THANK YOU.

17

18 **CHAIR, CARLOS ROMERO, ABAG HC:** THANK YOU FOR THE PRESENTATION  
19 I'M ACTUALLY GLAD TO HEAR THE QUESTIONS FROM FELLOW MEMBERS OF  
20 BOTH COMMITTEES. GIVEN THERE IS A TECHNICAL NATURE TO THIS AND  
21 IT DOES SEEM THAT WE HAVE MEMBERS ON THE BODY WHO UNDERSTAND  
22 SOME OF THE FINANCE PIECE, AND CAN VOLLEY BACK AND FORTH WITH  
23 STAFF. I THINK THAT'S GOING TO BE CRITICALLY IMPORTANT THAT WE  
24 ALL UNDERSTAND WHAT WE'RE GETTING INTO, ARE THE RISKS, ARE THE  
25 BENEFITS, ET CETERA, ET CETERA. SO, THANK YOU. AND THANK YOU

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1 FOR -- TO STAFF FOR TRYING TO FEEL THESE QUESTIONS. TO  
2 REITERATE SUGGESTED HERE WE WOULD BE TRYING TO MEET THE MARKET  
3 OF TODAY, WE WOULD BE ENTERING KIND OF THIS WORLD OF  
4 FINANCING, BASICALLY IN THE ACQUISITION REHAB AREA SPACE. IS  
5 THAT CORRECT? OKAY. AND, AGAIN, THE REASON FOR THAT IS, AT  
6 THIS POINT, JUST THE WAY THE MARKET HAS PRICED THINGS, IT'S  
7 CHEAPER TO BUY AN EXISTING BUILDING THAN BUILD SOMETHING AT A  
8 THOUSAND DOLLARS A SQUARE FOOT OR WHATEVER THIS IS THESE DAYS.  
9 IT'S PAINFUL. [LAUGHTER] REMEMBER THOSE DAYS WHEN IT WAS \$160  
10 A SQUARE FOOT NOW [LAUGHTER] I'M REALLY DATING MYSELF. I'M  
11 JUST TRYING TO UNDERSTAND THAT IS WHAT WE'RE LOOKING AT FOR  
12 NOW, THAT DOES NOT MEAN THOUGH NOT EITHER WHEN WE HAVE  
13 ADDITIONAL FUNDS, WHETHER WE RAISE THEM IN A REGIONAL MEASURE,  
14 OR IF WE FINE FOLKS WILLING TO CONTRIBUTE TO THIS POOL, WE  
15 MIGHT EXPAND BEYOND THAT. OKAY. GREAT. AND I THINK THIS IS A  
16 SAFEWAY -- SAFEWAY OF PROCEEDING TO KIND OF THE TRUTH TESTING.  
17 WE MIGHT TAKE INITIALLY DURING THIS PHASE, A TRANCHE, A PIECE  
18 OF THE SENIOR DEBT, IS THAT CORRECT? SO, WE'RE GOING TO --  
19  
20 **SPEAKER:** ESSENTIALLY YOU WOULD GUARANTEE TOP TIER PART OF THE  
21 DEBT.

22

23 **CHAIR, CARLOS ROMERO, ABAG HC:** OKAY SO IT'S --

24

25 **SPEAKER:** WE WOULDN'T BE THE LENDER, [INDISCERNIBLE] OUR CASH,

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1 GUARANTEE THAT SITS ON TOP.

2

3 **CHAIR, CARLOS ROMERO, ABAG HC:** GOT IT. IT'S A PUBLIC LETTER OF  
4 CREDIT. THANK YOU. ON CORNIER TERMS, NOT A TERM OF OURS. OKAY.  
5 BUT, REALLY, IT'S THE SUBORDINATE DEBT RIGHT NOW THAT WE ARE -  
6 - AND IT'S ACTUALLY PERFORMING SUBORDINATE DEBT RIGHT, THERE  
7 IS INTEREST RATE THAT WILL BE REPAID, TRANSACTION COST ET  
8 CETERA. DO WE HAVE ANY SENSE OF WHAT THE TERM OF THAT  
9 SUBORDINATE DEBT WOULD BE? ARE WE IN AND OUT IN FIVE YEARS OR  
10 20 YEARS. IT'S REALLY UNDERSTAND, I UNDERSTAND, LYDIA.

11

12 **SPEAKER:** TBD. I -- YOU KNOW, I -- JUST TAKEN OFF THE BAHFA I  
13 HAVE FOR A SECOND AND PUTTING ON THE DEVELOPER HAT, I HAVE  
14 BEEN ACTUALLY LOOKING AT A LOT OF PRESERVATION PROJECTS OVER  
15 THE LAST COUPLE OF YEARS, AND I DO THINK THE -- I THINK THE  
16 SUBORDINATE DEBT IDEALLY WOULD BE OUT FOR AT LEAST TEN YEARS.  
17 WITH THE IDEA THAT THERE IS A REFINANCE OPPORTUNITY NAPT AT  
18 THAT POINT IN TIME BUT I THINK WE NEED TO MODEL, DO  
19 SENSITIVITY ANALYSIS TO UNDERSTAND HOW ACHIEVABLE A REFINANCE  
20 AT THAT TIME IS OR DOES IT NEED TO BE OUT LONGER.

21

22 **CHAIR, CARLOS ROMERO, ABAG HC:** RIGHT. SO, WE -- AT LEAST DOWN  
23 SOUTH, AT LEAST IN OUR NECK OF THE WOODS, WHICH INCLUDES PALO  
24 ALTO, ACTUALLY, THERE IS THAT FUND THAT LISTS OPERATES RIGHT  
25 NOW THAT CAME OUT OF AN AGREEMENT WITH FACEBOOK, WHEN THEY

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1 WERE FIRST DEVELOPING THAT WAS KIND OF BROUGHT ON BY THE  
2 COMMUNITY GROUPS KIND OF PUTTING FACEBOOK'S FEET TO THE FIRE,  
3 SOME OF THAT MONEY IS SHORT-TERM I THINK IT'S MUCH SHORTER  
4 TERM THAN THIS MONEY ACTUALLY, IT WOULD BE INTERESTING TO LOOK  
5 AT WHAT THEY HAVE DONE WITH THAT MONEY, HOW IT'S PERFORMED.  
6 THERE WAS A TRANCHE OF THAT MONEY THAT WAS JUST GRANT MONEY  
7 BUT THEN THERE IS THE LOAN MONEY THAT, YOU KNOW, WE SHOULD BE  
8 LOOKING AT, AND I GUESS THAT FUND -- HOW OLD IS THAT FUND NOW?  
9 DANIEL? FIVE YEARS, SIX YEARS MAYBE? MAYBE SEVEN YEARS. I  
10 DON'T KNOW. IT'S BEEN AROUND FOR A WHILE. SO WE CAN -- YEAH.

11

12 **DANIEL SAVER:** THROUGH THE CHAIR IF I MAY, IN QUICK RESPONSE TO  
13 THAT I THINK IT PULSE IN A LITTLE OF WHAT DIRECTOR RABBITT WAS  
14 SAYING TOO, WHEN WE'RE DOING THE MODEL, WE'RE GOING TO NEED TO  
15 THINK ABOUT IS HAVING LONGER TERM PERFORMING SUBORDINATE DEBT  
16 MAY BE USEFUL TO BAHFA BY PROVIDING A VERY STABLE REVENUE  
17 STREAM THAT WE COULD ACTUALLY USE TO SUPPORT THE OPERATIONS OF  
18 THE AGENCY SO WE MAY NOT HAVE THE STRATEGIES TO TRY TO PULL  
19 THE MONEY OUT OF DEALS TO THEN REINVEST IT. JUST FOR THE SAME  
20 INTEREST RATE, FOR EXAMPLE. LIKE, IT MAY BE THE CASE THAT THE  
21 CONDITIONS ARE SUCH THAT WE WOULD ACTUALLY RATHER THE MONEY  
22 STAY TIED UP IN THE DEALS AND JUST CONTINUE TO PERFORM BECAUSE  
23 IF BAHFA DOESN'T HAVE MANY OTHER STABLE REVENUE STREAMS THAT  
24 COULD BE KIND OF THE BACKBONE OF THE OPERATIONAL  
25 SUSTAINABILITY FOR A PERIOD OF TIME BUILDING THATTED -- THAT

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1 COULD BE EXTREMELY USEFUL, THEN COULD READ DEPLOY THE FUNDS  
2 DEPENDING ON WHAT THE MARKET IS LIKE, I WANT TO POINT OUT  
3 THERE MAY BE TENSION BETWEEN THOSE GOALS OF TRYING TO RECYCLE  
4 FUNDS FREQUENTLY THAT COULD INCREASE THE UNIT COUNT BUT COULD  
5 INCREASE VOLATILITY, AND LEAVING MONEY IN THOSE DEALS AS HARD  
6 DEBT WHERE WE'RE GETTING RELIABLE INCOME OVER A PERIOD OF TIME  
7 THAT MAY BECOME A POLICY QUESTION FOR THE BOARD TO THINK ABOUT  
8 AS WE MOVE FORWARD DEPENDING ON THE MODELING.

9

10 **CHAIR, CARLOS ROMERO, ABAG HC:** TRUE CONFESSIONS HERE I NEVER  
11 TOOK MONEY IN BANKING AT STANFORD WHEN I STUDIED ECONOMICS I  
12 WAS MORE ON THE THEORETICAL SIDE THAN THE APPLIED SIDE BUT  
13 UNDERSTANDING HOW MUCH THE SUBORDINATE DEBT COULD ACTUALLY  
14 THROW OFF IN TERMS OF INTEREST AND SERVICE FEES WOULD BE  
15 HELPFUL FOR ME TO UNDERSTAND. BECAUSE FOR ME SOME OF THIS IS  
16 MAGNITUDE LIKE HOW LARGE OF A BASE DO YOU HAVE OUT THERE  
17 THAT'S GENERATING MONEY. SO WE'LL SEE HOW THAT WORKS. AND THEN  
18 THE LAST QUESTION I HAVE IS DID I HEAR EITHER OF YOU SAY --  
19 MAYBE IT WAS YOU DANIEL, THAT WE ARE HOPING TO SHOP AROUND  
20 THIS PROGRAM TO POTENTIAL DONORS. IS THAT CORRECT? SO THAT WE  
21 COULD INCREASE THE SIZE OF THE LENDING, AT LEAST INITIALLY?  
22 WE'RE NOT TALKING ABOUT RIGHT NOW A REGIONAL BOND, BUT JUST IN  
23 THE INTERIM THAT'S HOW WE WOULD POTENTIALLY INCREASE THE  
24 LENDING -- [INDISCERNIBLE] IS THAT RIGHT?

25

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1   **DANIEL SAVER:** YES. THAT'S CORRECT.

2

3   **CHAIR, CARLOS ROMERO, ABAG HC:** ALL RIGHT. I THINK THOSE WERE  
4   MY QUESTIONS. THANK YOU. LET'S SEE, ANYONE ELSE? I DON'T SEE  
5   ANYBODY. I'M GOING TO ASK, ACTUALLY, DIRECTOR ECKLUND, DO YOU  
6   HAVE ANY QUESTIONS ON THIS? GREAT. OKAY. THANK YOU. GREAT.  
7   ANYONE ELSE? OKAY GREAT. WITH THAT, GREAT FIRST MEETING WITH  
8   YOU, LYDIA. [LAUGHTER] DANIEL, THANK YOU. AND, ALSO, THANK YOU  
9   FOR YOUR FRANKNESS, AND IT'S ON ALL OF US, ON OUR INABILITY AT  
10   THIS POINT, BECAUSE OF THE STATE'S BUDGET POSITION TO GET THIS  
11   ADDITIONAL MONEY I THINK IT'S IMPORTANT TO ADMIT WHERE WE WERE  
12   NOT SUCCESSFUL INTO THEN COME UP WITH WAYS OF HOW WE COULD  
13   CONTINUE TO BE SUCCESSFUL EVEN WITHOUT THAT RESOURCE AND  
14   APPRECIATE THE FRANKNESS AND WORK DONE ON STAFF'S SIDE TO TRY  
15   TO GET OUR LEGISLATORS TO PUT US IN THE BUDGET EVEN FOR A  
16   SMALL SLICE. SO WITH THAT, THAT WAS OUR LAST ITEM. AND I'M  
17   GOING TO ADJOURN THIS MEETING, BUT LETTING FOLKS KNOW THAT OUR  
18   NEXT MEETING IS SEPTEMBER 10TH. SO WE'RE OFF THE MONTH OF  
19   AUGUST. THE NEXT MEETING IS SEPTEMBER 10TH, 2025. THANK YOU  
20   ALL FOR COMING AND WE WILL SEE YOU THEN. BYE NOW.