

Bay Area Housing Finance Authority BAHFA

June 22, 2022

Agenda Item 7a

BAHFA Fiscal Year 2022-2023 Budget

Subject:

Adoption of BAHFA Resolution No. 12 approving Bay Area Housing Finance Authority Fiscal Year 2022-2023 Budget, including the \$20 million State Grant

Background:

On April 27, 2022, the BAHFA Board approved BAHFA's inaugural budget of \$20 million (Resolution No. 10), which included a \$20 million grant from the California Department of Housing and Community Development (HCD) awarded to MTC in 2021 for the purpose of developing programming for BAHFA, including hiring BAHFA staff.

BAHFA's expenditure program remains unchanged: it will deploy the grant funds to implement BAHFA's mission: providing "3P" programs, resources, and technical assistance throughout the Bay Area that protect current residents from displacement; preserve existing affordable housing; and produce new housing at all income levels, especially affordable housing.

Since the BAHFA Board's approval of the FY 21-22 budget, BAHFA has expended funding on staffing, overhead, and consultants. It has also reallocated funds to provide Board stipends. The total balance sheet change from FY 2021-2022 to FY 2022-2023 reflecting those costs is (\$171,290). A summary of the FY 22-23 budget is provided below:

BAHFA FY 22-23 OPERATING BUDGET	
Staff Salaries (6 positions x 4 years)	4,113,191
Staff Benefits	2,056,595
Overhead	3,106,264
Pilots	4,500,110
Ballot Costs	3,000,000
Legal	1,000,000
Business Plan	500,000
Audit/Accounting/Other	33,650
Board Stipends	18,900
Subtotal	18,328,710
Reserves	1,500,000
GRAND TOTAL	19,828,710

Because this operating budget utilizes the single grant of \$20 million from HCD, BAHFA's budget is represented annually at its full value for accounting reasons – BAHFA's draws upon

the grant are not subject to satisfaction of milestones or an annual disbursement schedule from HCD that would limit each year's expenditures. Actual annual expenditures may be estimated, however. Over the next twelve months, BAHFA's estimated operating costs are as follows:

BAHFA FY 22-23 SINGLE YEAR EXPENSES	
Staff Salaries (6 positions x 1 year)	1,056,000
Staff Benefits	516,000
Overhead	776,500
Doorway Pilot	500,000
Preservation Pilot	100,000
Pipeline Pilot	75,000
Legal	100,000
Business Plan	200,000
Audit/Accounting/Other	33,650
Board Stipends	18,900
TOTAL	3,376,050

On June 9, 2022, the BAHFA Oversight Committee recommended that the BAHFA Board approve the FY 22-23 budget and adopt BAHFA Resolution No. 12.

Next Steps:

Staff expects to have all budgeted 6 staff members on board by this summer and will continue to expend designated resources on its 5 Pilot Programs (please see further information on the Pilots below) as BAHFA, MTC and ABAG continue to consider the broader funding needs across the region for both housing and transportation.

BAHFA Pilot Programs: Full Grant Expenditure Estimates

- 1) **Doorway:** Total BAHFA staff time + additional grant resources: approximately \$4,650,000. This pilot program involves significant costs for development of the database and customer relationship management systems, as well as multi-jurisdictional coordination, planning and program integration.
- 2) **Preservation:** Total BAHFA staff time + additional grant resources: approximately \$3,910,000. Staff have also secured a Breakthrough Grant from the Partnership for the Bay's Future, which enables a two-year Preservation Fellow to assist the Preservation Principal. The approximate value of this fellowship is \$500,000, bringing total Preservation resources to approximately \$4.4 million.
- 3) **Pipeline:** Total BAHFA staff time + additional grant resources: approximately \$765,000. The Pipeline creation will provide a comprehensive summary of the Bay Area's pending and in-construction affordable developments to facilitate data-driven resource coordination.

- 4) Anti-Displacement: Total BAHFA staff time + additional grant resources: approximately \$2,225,000. Through this pilot, BAHFA staff seek to create an action plan for long-term anti-displacement work that is specifically focused on protecting households' existing residencies. It will be implemented in conjunction with the Preservation Pilot but will highlight tenant protections rather than acquisitions and rehabilitation work.
- 5) Homelessness Prevention Pilot: Total BAHFA staff time + additional grant resources: approximately \$2,225,000. In conjunction with the Anti-Displacement Pilot, this pilot will focus on long-term collaborative, region-wide actions BAHFA can lead with key stakeholders to better protect Bay Area residents from many of the events that lead to homelessness.

Issues:

None identified.

Recommendations:

The Bay Area Housing Finance Authority is requested to adopt Resolution No. 12.

Attachments:

- Attachment A: Resolution No. 12
- Attachment B: Presentation



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