

BAHFA Strategic Plan Implementation

Welfare Tax Exemption Fee Schedule

BAHFA Advisory Committee

April 23, 2026



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

WTEP: Proposed Fee Schedule

Background: Strategic Plan Outcomes & Next Steps

Module 2: Key Takeaways

- Prioritize revenue-generating activities to fund some general operating support
- Wind down unsustainable pilots
- Additional investment needed to bridge towards a future in 4-5 years where anticipated revenue can reasonably be expected to approximate operating costs.

Module 3: Mixed Income Program Operating Budget

- Interest from subordinate debt program
- Closing and monitoring fees from WTEP, Conduit bond programs

WTEP: Proposed Fee Schedule

Research & Considerations

Market Survey:

- Survey of Similar Programs
- Typical Fee Structures

Review BAHFA Program Costs:

- Outline Tasks
- Identify Elements that Impact Time

WTEP: Proposed Fee Schedule

Research & Considerations: Market Survey

Market Survey

- Few Comparable Programs
- Typical Structure:
 - Upfront Fee & Monitoring Fee
 - Minimum Base Fee + Per Unit Variable Fee
- BAHFA Program Distinguishing Features:
 - Restricted Rents - 10% Discount to Market
 - Plan to Address Severely Rent Burdened Households on Site

WTEP: Proposed Fee Schedule

Research & Considerations: BAHFA Program Costs

Elements That Impact Time:

- Level of Local Jurisdiction and Community Interest and Interaction
- Project Size
- Quality of Application Submittals
- Determination of Market Rents and Negotiation of 10% Discount, as Applicable

Tasks:

- Responses to Early, Initial Application Inquiries
- Application Intake
- Review of Submitted Application & Documentation
- Project Underwriting
- Research Market Rate Rents & Negotiate Discounted Rents
- Outreach to/Interface with Local Jurisdiction & Interested Community Stakeholders
- Negotiate Grant Agreement and Regulatory Agreement
- Grant Funding and Close
- Regular Internal & Applicant Meetings Throughout Process
- Post-Close Debrief & Lessons Learned

WTEP: Proposed Fee Schedule

Proposed Fee Structure

PROJECT INITIATION FEE:

Fee Type	Amount	Payment Due
Application Fee	\$2,500*	At Time of Application
Base Fee	\$20,000	At Close
Per Unit Fee**	\$150	At Close

* Application Fee Credited Against Base Fee at Close

** Applies to All Units Intended To Be Restricted, Initially and Over Time

ANNUAL MONITORING FEE:

Fee Type	Amount
Up to 200 Units	\$100 Per Restricted Unit*
Over 200 Units	\$50 Per Restricted Unit*
Minimum Fee	\$5,000

* Applies to All Units Intended To Be Restricted, Initially and Over Time

WTEP: Proposed Fee Schedule

Proposed Fee Structure: *Example Fees*

# Restricted Units	Closing Fee (Includes Application Fee)	Annual Monitoring Fee
50 Units	\$27,500	\$5,000
100 Units	\$35,000	\$10,000
150 Units	\$42,500	\$15,000
300 Units	\$65,000	\$25,000

WTEP: Proposed Fee Schedule

Considerations

- Fees May Be Adjusted by CPI-U Over Time, To Reflect Rising Costs
- Fees May Be Reduced if all of the following criteria are satisfied:
 - Less than 30 Units
 - Are Intended to be 100% Affordable
 - Reduction Critical to Financial Feasibility
 - Advances at Least 2 Objectives from BAHFA's Equity Framework
 - Fee reduction cannot exceed amount requested by applicant
- Cost Monitoring



Next Steps

- Consider Advisory Committee Feedback
- Advance Recommendation to ABAG Housing, BAHFA Oversight Committees and BAHFA Board for Approval (May)
- Generate Implementation Documents, Protocols & Systems (April – June)
- Implementation of new Fee Schedule (by July)