
April 9, 2025

Agenda Item 7.b.

Bay Area Housing Finance Authority (BAHFA) Resolution No. 033

Fiscal Year (FY) 2024-25 Operating Budget Amendment No. 1

Subject:

Adoption of Bay Area Housing Finance Authority (BAHFA) Resolution No. 033, Revised, Fiscal Year (FY) 2024-25 Operating Budget Amendment No. 1.

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. 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 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.

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 Amendment:

On June 26, 2024, BAHFA adopted Resolution No. 0033, which authorized the Fiscal Year (FY) 2024-25 Operating Budget, encompassing total revenues and expenditures of \$60,379,632. Following the approval of this budget, staff engaged in further discussions with the State regarding available funding through the Regional Early Action Planning (REAP) 2.0 Grant Program. As a result, the BAHFA Housing Preservation Loans Pilot and the Priority Sites Predevelopment Loans Pilot projects were selected to receive REAP 2.0 advance funding.

This budget amendment is essentially a clean-up task to ensure concordance between the BAHFA budget and corresponding MTC budget and programming actions. The amendment proposes an increase in expenses of \$1.2 million for BAHFA's Priority Sites Predevelopment Loans project, raising its total budget from \$26.8 million to \$28 million. The budget for the Housing Preservation Loans Pilot remains unchanged at \$17.8 million. This adjustment is supported by a revenue increase in the total REAP 2.0 advance funding to be transferred to BAHFA from MTC, increasing to a total of \$45.8 million. This amendment increases the total FY 2024-25 BAHFA expense and revenue budget from \$60.4 million to \$61.6 million.

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The proposed amendment is in alignment with BAHFA's adopted Resolution No. 035, which authorizes the negotiation and execution of Priority Sites Predevelopment Loan agreements for up to \$28 million in REAP 2.0 funding, contingent upon the receipt of funds from the California Department of Housing and Community Development. The budget amendment is an administrative step to ensure all previously approved Priority Sites loans can be fully executed now that REAP 2.0 funding has been received; it does not add capacity to award any additional loans.

Recommendation:

The BAHFA Oversight Committee is requested to refer BAHFA Resolution No. 033, Revised, BAHFA FY 2024-25 Operating Budget, Amendment No. 1, to the Bay Area Housing Finance Authority for approval.

Attachments:

- A. BAHFA Resolution No. 033 FY 2024-25 Operating Budget Amendment No. 1

Reviewed:



Andrew B. Fremier