



# BAHFA Business Plan

## Part III: Operations and Organizational Sustainability



ASSOCIATION OF BAY AREA GOVERNMENTS  
METROPOLITAN TRANSPORTATION COMMISSION

# Operations & Sustainability Chapter Overview

- Third and final component of BAHFA's Business Plan
- Demonstrates Business Plan viability by modeling revenue and expenses over 10-15 years
- Business Plan Goals:
  - Long-term financial self-sustainability
  - Successful delivery of 3P programs, short- and long-term

# Operating Goals: Early Years

- Bond administrative fees cover BAHFA's administrative costs
- Grow regional capacity to deploy strong 3Ps lending programs
- Revenue is reinvested to:
  - Support future funding goals
  - Provide subsidies for future projects
  - Fund reserves

# Operating Goals: By Year 10-15

- Revenue will:
  - Launch new financial products
  - Establish BAHFA as a public mortgage lender
  - Provide funding for project and program subsidies
  - Cover BAHFA's expenses
- Expert housing finance leadership to provide technical assistance and be a role model for systems change

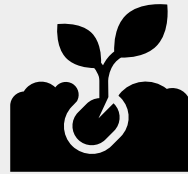
# BAHFA's Growth

## Early Years

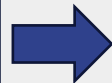
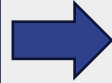
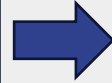
**FUNDING SOURCES:**  
\$2 Billion in GO Bonds



**REGIONAL CAPACITY:**  
Enhanced operational capacity, technical expertise, regional leadership



**PROGRAMS:**  
Mortgage loans, subsidies, local government grants, Doorway



## Years 10 and On

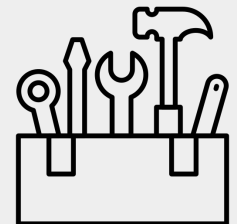
**FUNDING SOURCES:**  
Revenue & capital markets



**REGIONAL CAPACITY:**  
Public mortgage lender, established track record & credibility, financial strength



**PROGRAMS:**  
Broader range of financing products & programs, including technical assistance and protections



# Financial Projections

Results from the draft financial model in Year 10-15, assuming a \$10 billion bond:

- **Annual Net Revenue: \$10 – 17 million\***
- **Cumulative Net Revenue: \$150 – 165 million\***

The results were resilient to stress-testing for a range of expenditure scenarios, showing BAHFA can:

- **Achieve financial self-sufficiency**
- **Create strategic investments to secure new resources**
- **Provide new investments and subsidies for the region**

*\*Amounts are estimates only.*

# Projected New & Preserved Homes

**BAHFA's New & Preserved Homes Count: 3,700 – 4,000**

**Units Produced: 3,220 – 3,490**

ELI (<=30% AMI)	VLI (31-50% AMI)	LI (51-80% AMI)	Unregulated <i>(Manager's Units)</i>
32%	12%	55%	1%

**44% combined total  
approximates RHNA target**

**Units Preserved: 480 - 510**

ELI (<=30% AMI)	VLI (31-50% AMI)	LI (51-80% AMI)	Unregulated <i>(Manager's Units)</i>
10%	15%	75%	For 16+ unit bldgs

# Questions, comments?



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