

## Bay Area Housing Finance Authority Board

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June 26, 2024

Agenda Item 5.c.

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

Fiscal Year (FY) 2024-25 Operating Budget

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### Subject:

A request for approval of BAHFA Resolution No. 033, authorizing the BAHFA FY 2024-25 Operating Budget. The proposed BAHFA operating budget is balanced and includes total operating revenue and expenses of \$60.4 million.

### Summary of Changes from May Draft:

On May 22, 2024, staff presented the draft FY 2024-25 Operating Budget to the Authority. The proposed budget includes updated cost-of-living adjustment, benefits rate and indirect cost rate. These updates resulted in a \$100 thousand increase in operating expenses.

### 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 region, including charter cities. 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 the 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.

On May 24, 2023, MTC adopted Resolution No. 4578, approving a proposal to repurpose \$5 Million in Transit Oriented Affordable Housing funds (TOAH Exchange Fund) for a new Rental Assistance pilot project.

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:

The draft FY 2024-25 operating budget includes a total of \$60,379,632 in revenue, as described in the table below. Staff is monitoring discussions on California's state budget as this will affect funding availability for REAP 2.0. While the grant funding has been allocated to MTC, expenditure of a portion of these funds is subject to approval of California's FY 2024-25 State Budget.

REVENUE SOURCE	DRAFT FY 2024-25 BUDGET
State of California Housing Community Development	\$8,902,346
Transit-Oriented Affordable Housing (TOAH) Exchange Fund	5,000,000
MTC Transfer: Regional Early Action Planning (REAP) 2.0	44,605,591
Donations and other grants	871,694
Interest Income	1,000,000
<b>Total Revenue</b>	<b>\$ 60,379,632</b>

The draft FY 2024-25 budget includes \$60,379,632 in expenses. While BAHFA's budget programs the full \$44.6 million being transferred from MTC, actual expenditures may occur over several fiscal years as the different pilot programs are implemented. FY 2024-25 is a pivotal year for BAHFA as Bay Area residents could potentially vote on a multi-billion dollar regional bond measure to build and preserve affordable housing.

A summary of the FY 2024-25 budget is provided below:

DRAFT FY 2024-25 EXPENSES	
Staff Salaries and Benefits	\$2,070,680
Overhead	838,211
Doorway and Other Pilot Operational Costs	2,500,000
Housing Preservation Pilot	17,800,000
Priority Sites Pilot	26,805,591
Rental Assistance Program	5,000,000
Polling	216,000
Ballot Measure Costs	3,000,000
Legal	800,000
Business Plan	185,000
Audit/Accounting/Other	39,050
Travel/Training	14,600
Board Stipends	20,000

Insurance & Other Expenses	90,500
Program Reserves	1,000,000
<b>Total Expenses</b>	<b>\$ 60,379,632</b>

Highlights of BAHFA's draft operating budget include:

- Continue development and customer relationship management of Doorway, including multi-jurisdictional coordination, planning, and program integration.
- Housing Preservation Pilot, providing financing to nonprofit developers and community land trusts for acquisition and rehabilitation of occupied properties to establish long-term affordability, with the goal of stabilizing at least 60 households.
- Priority Sites Pilot, delivering predevelopment funding directly to projects that advance multiple regional goals (affordability, climate, equity, etc.) and demonstrate success factors such as local support, a clear path to entitlements, and a realistic financing plan. The program could also explore alignment with other state and regional funding sources to expedite project delivery and effectively leverage other sources of capital.
- Rental Assistance Pilot, providing longer term rental assistance to help decrease the current homeless population.
- Ballot Measure Costs, to cover the upfront costs of putting the regional housing bond on the November 2024 ballot.

#### Recommendations:

Staff recommends approval of Resolution No. 033 authorizing the BAHFA FY 2024-25 Operating Budget.

#### Attachments:

- Attachment A: BAHFA Resolution No. 033 FY 2024-25 Operating Budget



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Alix A. Bockelman