



# BAHFA Business Plan Approval ABAG Executive Board – April 18, 2024



ASSOCIATION OF BAY AREA GOVERNMENTS  
METROPOLITAN TRANSPORTATION COMMISSION

# Business Plan Creation & Structure

- Planning process launched in 2021, led by Forsyth Street Advisors and team, including UCB Othering & Belonging Institute, UCB Turner Center for Housing Innovation, Sperry Capital
- Extensive outreach to public, stakeholders & BAHFA Boards
- 4 substantive chapters:
  - **Legislative and Business Planning Overview**
  - **Equity Framework Summary**
  - **Funding Programs**
  - **Operations and Organizational Sustainability**

# Business Plan Component Approvals

- In 2023, the Advisory Committee, BAHFA Board and ABAG Executive Board unanimously approved Equity Framework and Funding Programs chapters
- In early 2024, the Advisory Committee, ABAG Housing Committee, and BAHFA Oversight Committee unanimously recommended approval of the final Business Plan

# Chapter 1: Legislative & Business Plan Overview

## Describes BAHFA's legal requirements and governing structure, including:

- San Francisco Bay Area Regional Housing Act (Gov. Code Sec. 64500 *et seq.*) mandates
- Revenue options available to BAHFA
- California Constitutional Requirements
- How the Advisory Committee, BAHFA Board, and ABAG Executive Board, as Executive Board to BAHFA, must work together

# Chapter 2: Equity Framework Summary

- Summarizes BAHFA's full **Equity Framework**, which is attached as an appendix
- Describes the need for social and racial equity in Bay Area affordable housing development and preservation
- Provides a regional framework to affirmatively further fair housing
- Sets forth objectives and metrics to guide and measure BAHFA's work

# Chapter 3: Funding Programs

- Provides investment strategies to:
  - **Implement Equity Framework goals**
  - **Create strong, lasting “3Ps” housing programs**
  - **Establish BAHFA as a self-sufficient regional financing agency able to reinvest income back into Bay Area communities**
- Describes BAHFA’s **Regional Housing Revenue Expenditure Plan** (20% of funds generated), which implements Board-approved spending and program recommendations

# Chapter 4: Operations & Organizational Sustainability

**Describes the management and program operations necessary to establish BAHFA as a permanent, self-supporting agency able to provide financing essential to meeting the Bay Area's affordable housing needs over the long term:**

- Construction, permanent, and subsidy loans
- Loan and fee income re-invested as new subsidy loans and program grants
- New sources of lending capital, with BAHFA acting as a “public mortgage lender”

# BAHFA's Goals & Growth

## Early Years

### FUNDING SOURCES:

\$2-\$4 billion in GO bonds



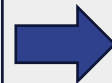
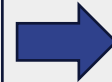
### REGIONAL CAPACITY:

Enhanced administrative capacity, technical expertise, regional leadership



### PROGRAMS:

Mortgage loans, subsidies, local government grants, Doorway



## Years 10 and On

### FUNDING SOURCES:

Diversified revenue streams



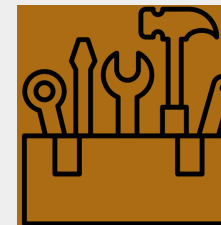
### REGIONAL CAPACITY:

Public mortgage lender, established track record & credibility, financial strength



### PROGRAMS:

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





# Recommended Action

**Adoption of a Resolution on the Approval of the Bay Area Housing Finance Authority's Business Plan by the ABAG Executive Board as the Executive Board to the Bay Area Housing Finance Authority (Executive Board); CEQA Determination: Exempt Pursuant to Public Resources Code § 21065; Government Code § 64523**

# Thank you.



ASSOCIATION OF BAY AREA GOVERNMENTS  
METROPOLITAN TRANSPORTATION COMMISSION