Date: December 18, 2024
W.I.: 1620
Referred By: BAHFA Oversight

ABSTRACT

Resolution No. 0037

This resolution approves the expenditure of $325,000 for Affordable Housing Preservation Technical Assistance Grants and authorizes the Executive Director to negotiate and enter into contracts with Eligible Applicants to fund Eligible Activities, as those terms are defined in Attachment A, so long as the contract amount does not exceed $50,000; and to take other actions necessary or incidental to the expenditure of the Funds for such contracts, including but not limited to, developing application forms.

Further discussion of this subject is contained in the Summary Sheet dated December 11, 2024, for the Joint Meeting of the ABAG Housing and BAHFA Oversight Committees.

Date: December 18, 2024
W.I.: 1620
Referred By: BAHFA Oversight

RE: Authorization of Expenditure for the Affordable Housing Preservation Technical Assistance Grants

BAY AREA HOUSING FINANCE AUTHORITY (BAHFA)
RESOLUTION NO. 0037

WHEREAS, the Bay Area Housing Finance Authority (BAHFA) was created pursuant to Government Code section 64500, et seq., to raise, administer, and allocate funding and provide technical assistance at a regional level for tenant protection, affordable housing preservation, and new affordable housing production

WHEREAS the purchase of existing residential buildings to preserve them as permanently affordable housing and prevent the displacement of low- and moderate-income residents requires the assessment of project feasibility and completion of substantial predevelopment work prior to acquisition, and funding sources, which are limited; and

WHEREAS, Affordable Housing Preservation Technical Assistance Grants, as set forth in Attachment A, (Program) will assist with the upfront costs of project-based consultant contracts necessary to acquire residential properties to rehabilitate them as needed, and to convert them to permanently affordable housing; and

WHEREAS, in its 2024/25 fiscal year budget, the BAHFA Board has budgeted a total of $2,500,000 for Pilot Operational Costs, and this resolution authorizes the expenditure of $325,000 for the Program ("Funds"); and

NOW, THEREFORE, BE IT RESOLVED, that the Bay Area Housing Finance Authority hereby finds that the foregoing recitals are true and correct; and be it further

RESOLVED, that the Bay Area Housing Finance Authority approves the expenditure of Funds for the Program; and be it further

RESOLVED, that the Executive Director is authorized to negotiate and enter into contracts with Eligible Applicants to fund Eligible Activities so long as the contract amount does not exceed $50,000; and to take other actions necessary or incidental to the expenditure of the Funds for such contracts, including but not limited to, developing application forms.

RESOLVED, that this resolution shall be effective upon adoption.

BAY AREA HOUSING FINANCE AUTHORITY

Alfredo Pedroza, Chair

The above resolution was entered into by the Bay Area Housing Finance Authority at a duly called and noticed meeting held in San Francisco, California and at other remote locations, on December 18, 2024.

ATTACHMENT A

Affordable Housing Preservation Technical Assistance Grant Program Guidelines

Program Description

The Affordable Housing Preservation Technical Assistance Grant Program (Program) provides grants to mission-driven organizations to fund the upfront costs necessary to take residential properties off the speculative market, rehabilitate them as needed, and convert them to permanently affordable housing for low- and moderate-income residents. The goal of the Program is to accelerate grantees' ability to advance prospective preservation projects from the predevelopment stage to acquisition and rehabilitation of properties located within the nine-county Bay Area, BAHFA's jurisdiction.

Eligible Applicants

Eligible Applicants are the following types of entities actively pursuing preservation projects in the near term and whose organizational missions and business plans align with the Program's affordability goals described under Eligible Activities.

- Community Development Corporations (CDCs)
- Community Land Trusts (CLTs)
- Cooperative Housing Entities with executed governance and operating agreements
- Non-profit Affordable Housing Developers
- Non-profit Community Based Organizations (CBOs)

Eligible Activities

The Program will fund pre-acquisition, project-based consultant contracts for one or more of the following Eligible Activities for the purpose of acquiring and rehabilitating residential properties in the nine-county Bay Area and converting them to permanently affordable housing with proposed rents that do not exceed 30% of 120% of the Area Median Income (AMI) and upon turnover, achieve an average rent across all units that does not to exceed 30% of 80% AMI. Additionally, no resident of an assisted property shall be displaced, regardless of income.

- Property identification
- Financial feasibility analysis
- Property inspections
- Due diligence reports
- Resident engagement
- Architecture and engineering
- Construction management
- Legal support
- Set-up of asset management systems

- Long-term project and organizational financial sustainability plans

Application Process

- BAHFA will release an online grant application and will accept applications for Eligible Activities from Eligible Applicants on a rolling basis.
- If two Eligible Applicants submit applications for Eligible Activities within five business days of each other and remaining Program funds are insufficient to fund both projects, applications will be ranked using on the Scoring Criteria described below and prioritized based on their score.

Scoring Criteria	**Considerations**	**Points**
Advancement of Equity	• Project has high occupancy and will support low-income residents, historically marginalized populations, households with dependents, and people with disabilities; evidence of eviction threat, landlord harassment, or large rent increases • Project is located in Plan Bay Area 2050 Equity Priority Communities; Areas identified by the Urban Displacement Project Map as being at risk of or experiencing displacement or gentrification; Areas defined by the CTCAC/HCD Opportunity Map as "High Segregation and Poverty", "Low Resource", or "Moderate Resource" • Project is located in geography that is under-served by existing preservation funding sources	20
Project Readiness	• Demonstration that Program funding will advance acquisition of a specific preservation project(s) through evidence such as an executed purchase and sale agreement • Steps towards acquisition of project have already been completed, such as completion of financial feasibility analysis or completed procurement of consulting services to immediately commence work	10
Consultant Experience	• While all applicants must demonstrate that the consultant selected to complete the Eligible Activity possesses the necessary experience to execute the proposed scope, those applications that include consultants with more years of relevant experience, more comparable projects, and high-quality work products will be prioritized	10
Higher Impact for Emerging Developers	• BAHFA seeks to assist emerging developers increase capacity and achieve organizational sustainability. More points will be awarded for developers that are in an earlier organizational stage for opportunity to grow	10
	Total:	**50**

Submission Requirements

Submission requirements will include but are not limited to the following:

- Eligible Activities Narrative (3-page maximum)
    - Description of the prospective preservation project or the specific geography targeted to acquire preservation properties.
        - For specific properties, include location; number of units; resident information (if available); development plan, timeline, and activities completed to date
        - If applicant seeks to identify new properties within a specific geography, include targeted acquisition price point, minimum unit count, acceptable building characteristics (e.g., building age and condition, as demonstrated through publicly available permit reports)
    - Description of Eligible Activities for which applicant is seeking Program grant
    - Scope of work and budget for each Eligible Activity
- Eligible Applicant Narrative (2-page maximum)
    - Description of organization's mission and history
    - Description of development projects completed and properties owned
- Consultant Experience Narrative (2-page maximum)
    - Description of the consultant selected by the applicant to complete the proposed Eligible Activities
    - Description of comparable projects completed by the consultant
- Consultant Work Sample
- Contract or letter of intent between Eligible Applicant and Consultant for the proposed Eligible Activities

<u>Grant Terms</u>

- The Executive Director will approve applications that demonstrate:
    - That the grantee is an Eligible Applicant.
    - That the proposed scope of work is comprised of Eligible Activities.
- The maximum grant per Eligible Applicant is $50,000 for one or more Eligible Activities. Applicants may apply for any grant amount less than $50,000 for smaller scopes of work.
- The grant term will be one year, with an option to extend by a six-month period if grantee demonstrates progress towards completing Eligible Activities.
- Funds will be disbursed to grantee upon submission of satisfactory invoices and deliverables.