

BAHFA Program Assessment Report

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Introduction

As a part of the Bay Area Housing Finance Authority's (BAHFA) strategic planning process, BAHFA staff are conducting an assessment of BAHFA's pilot programs to date to inform potential future programs. This memo is meant to complement the staff's assessment by summarizing the feedback provided by over 30 tenant protections and affordable housing preservation stakeholders from affordable housing developers, tenant advocates, and local government staff. We hope the findings in this memo will help inform BAHFA's potential future programs. They are particularly timely as BAHFA prepares for possible new funding streams and a broader regional role.

Overall, the feedback from stakeholders confirms that BAHFA's preservation programs have filled critical gaps in the regional housing ecosystem, often enabling projects that would not otherwise have moved forward. Stakeholder feedback on BAHFA's tenant protections activities was more mixed; while the eviction study was praised as a valuable source of information, many felt that BAHFA can and should do more to demonstrate regional leadership and advance work along its stated tenant protection goals.

This memo summarizes findings from the stakeholder focus groups for the Preservation and Protections work overall, as well as specific comments on individual programs, including the Welfare Tax Exemption Preservation Program (WTEPP), the Housing Preservation Loan Pilot, Preservation Technical Assistance, and Eviction Study. It concludes with stakeholder reflections on how BAHFA can scale its impact moving forward and solidify its role as a leader in affordable housing preservation and tenant protection across the Bay Area. The appendix provides a list of the stakeholders who participated in this assessment through either small group conversations or by providing written feedback.

Preservation Programs

Overall Themes

Stakeholder feedback overall was enthusiastic and encouraging of BAHFA's Preservation pilot programs, including the Welfare Tax Exemption Preservation Program, Housing Preservation Loan Pilot, and the technical assistance program. Participants stated that these programs were well-designed to meet important needs in the field. Even if they were not ultimately able to access a program, people from organizations that sought to utilize one of these programs said that BAHFA staff were easy to work with: responsive; flexible based on specific organizational and project needs; and particularly helpful to smaller and newer organizations.

The preservation programs were well-designed to be applicable to a broad range of local contexts. In places that had less familiarity with preservation and less local support available, these programs filled a critical need. But even in places of the region that have existing preservation programs, participants noted that BAHFA's programs filled gaps in the local landscape.

Overall, these pilot programs have positioned BAHFA well to scale up its preservation work. Participants did note, however, that there are some things that BAHFA will need to address if it does scale:

1. The strength of the preservation programs is currently reliant on staff who are "willing to go the extra mile" to be responsive to specific project needs. Many people praised the collaborative approach of BAHFA's preservation staff, which enabled projects to happen that otherwise would not have. They also spoke to how critical this flexibility is for a regional agency in a place with significant regional market variation. But they expressed concern that it would be hard for BAHFA programs to maintain this flexibility if there are staff changes. They recommended BAHFA should codify its flexibility and collaboration in the program design moving forward, so that it's not reliant on staff initiative.
2. There was some concern expressed that larger pools of money will expand interest in BAHFA programs to more institutional actors, make it harder for smaller projects and place-based organizations to compete. They recommended that it will be important for BAHFA to maintain program guardrails to ensure public benefits and to continue to support smaller sites and place-based organizations.

Additional feedback on individual programs is provided below.

Welfare Tax Exemption Preservation Program (WTEPP)

"[WTEPP has been] wildly successful – a senior property likely would have led to mass displacement without this program. Tenants were concerned about displacement, but this program eased their fears." – WTEPP program user

BAHFA's Welfare Tax Exemption Preservation Program (WTEPP) was launched in 2022 to provide public agency support required to qualify for the Welfare Tax Exemption through a recorded deed restriction and a small (\$5,000) grant agreement. This reduces project operating expenses and makes them more financially viable. The program requires rents to be restricted at 80% of Area Median Income, with a minimum of a 10% discount to market. It also includes annual rent increase restrictions and rent reduction for rent-burdened low-income tenants. The program has preserved nearly 800 units in seven projects across four counties with an investment by BAHFA of \$35,000.

Stakeholders shared that WTEPP met a critical need in the field and was efficient and easy to use. Several people shared that this program was better than other welfare tax exemption programs on offer, and that they have shared the term sheet for this program with other jurisdictions as a model.

In terms of the program design process, respondents shared that it seemed that BAHFA engaged smaller actors when designing the program, but that it has been mostly larger actors who have been using the program. They suggested that this is because the program complexity is easier for larger organizations with specialized staff to navigate, but might be overly burdensome for small, place-based organizations.

There was near-universal praise for the public benefit terms and guardrails that currently exist in the program, from both preservation buyers and tenant protection advocates, with some suggestions for the need to clarify some of the terms (see below list). Several users of the program said they thought the terms were fair, and noted that the requirements around anti-displacement and rents helped them to build trust with their tenants and strengthened their public benefit claim. Tenant protection advocates expressed that this program is a best practice that should become a standard adopted by other agencies.

Feedback on the speed of the program varied, with some early users of the program praising the speed at which BAHFA staff were able to complete their due diligence, and others expressing concerns that there was uncertainty and delays with their project that has led them to be wary of using the program again. One specific area of uncertainty was with the coordination with local jurisdictions. Respondents shared that BAHFA was not consistent with who it worked with at the local level and the level of input local staff would have on the project, which created uncertainty. It was suggested that BAHFA should establish who they work with locally ahead of time, and get pre-approval of the term sheets with local jurisdictions, in order to streamline the process.

Respondents offered several suggestions for how to strengthen the WTEPP:

1. Consider charging a fee to make the program financially self-sustaining.
2. Consider providing a template that is pre-approved by both BAHFA and the local jurisdiction, to streamline the process.
3. Consider offering matched funds to allow owners to restrict some units for deeper affordability, below 80% AMI.
4. Provide more clarity and specificity on some of the terms, namely: (1) Provide the lease rider language; (2) More clarity of when/how to do market study to show the 10% rent discount; and (3) More clarity about the timeline and criteria for compliance with rent reductions for rent-burdened tenants. There was additional feedback that the 1:3 debt coverage ratio for the rent reduction presents a challenge for underwriting. There was a suggestion to make this a fixed dollar amount per unit.

Several users of WTEPP noted that other welfare tax-exempt programs have emerged in recent years, and that it might be helpful to evaluate WTEPP's niche with respect to these other programs.

Respondents shared that there is a large potential market for the WTEPP, particularly from larger, corporate buyers. If BAHFA seeks to grow the program, respondents noted that BAHFA should maintain strong guardrails to prevent abuse and ensure public benefit.

Housing Preservation Loan Pilot

“BAHFA’s preservation loan program enabled several anti-displacement projects to move forward at a time when there has been extremely scarce public subsidy for preservation. It provided evidence that there is significant unmet demand for preservation funding in the Bay Area.”-- Loan fund program user

The Housing Preservation Loan Pilot was launched in 2024 using \$17.8 million in state Regional Early Action Planning (REAP 2) grant funding. It is BAHFA’s first in-house, over-the-counter loan fund, focused on acquisition and rehabilitation of unsubsidized affordable housing. It provides 55-year loans with 3% deferred interest at \$250,000 per unit. Similar to the WTEPP, it includes restrictions on annual rent increases. Two projects were funded in the first round of funding released in 2024; two additional projects have been preliminarily approved in the second round of funding, with two more under review as of August 2025.

Feedback on this program was overwhelmingly positive. BAHFA staff were praised for being easy to work with and flexible in responding to the unique needs of projects. The program met a critical need in the field, particularly for smaller organizations and community-driven models. Stakeholders shared that the documents were clear and transparent and the funds were made available quickly. The fund’s first-come, first-serve model lowered the application barrier for smaller-scale developers who were directly in touch with tenants and local property owners to apply and gain access to acquisition funds.

Several people shared that this funding program compared favorably to other public acquisition funds in terms of availability, speed, flexibility, and project criteria. In places where local funds for acquisition are not available, such as Sonoma County, the existence of these funds made it possible for a purchase to be completed. In places where local funds are available, this program complemented those funds and filled a gap. In San Jose, for example, the project had received a commitment for funding from the city, but BAHFA’s fast disbursement made it possible for the purchaser to close on the project while the city funds were still being processed. In San Francisco, the fund recipient noted that BAHFA’s funds allowed local rent control to stay in place on their project, and enabled for the potential of transferring building ownership to a resident-owned co-operative in the future. In both places, fund recipients noted that the funds’ terms and flexibility were instrumental to meeting the goals of their projects and strengthening goodwill and trust among residents in the building and broader community.

Respondents provided some feedback on areas of improvement, including:

1. Some requirements could be streamlined for smaller projects to avoid being overly onerous (e.g. insurance requirements).
2. Need for more clarity on loan structure after 55 years.
3. Consider allowing for more flexibility on site control in order to receive funds.
4. Consider structuring these funds as a bridge between initial funding and last money in.

5. Consider a larger per unit loan amount and higher developer fee in high-cost areas.
6. Expand the program to rural areas that were ineligible in this first round of funding.

Respondents shared that there is a huge need for these types of preservation funds, even in places with existing programs. They specifically noted the need for funding for smaller projects, community land trusts, and other unique situations. There was strong encouragement for BAHFA to continue this program, and to institutionalize the collaborative approach to ensure program consistency beyond individual staff members

Technical Assistance Program

“We can never have too many TA dollars.” – TA program user

The Technical Assistance (TA) program was launched in Spring 2025 to provide up to \$50,000 to assist emerging developers with the upfront costs of preservation projects. To date, six applications have been approved.

The feedback on this program was overwhelmingly positive, with respondents appreciating the straightforward application process, clear guidelines, and staff support. People noted that the webinars to explain the program were very helpful, and appreciated how BAHFA staff worked with them to develop program metrics specific to their project. Several people noted that the TA grant has helped to unlock other funds, specifically because there is confidence in BAHFA.

One applicant noted that it would have been helpful to have had more clarity about the insurance requirements earlier in the application process.

Tenant Protection Programs

Overall Themes

“The protection space is something that BAHFA could do more to... move into and support.” – Stakeholder

Stakeholders agreed with the goals BAHFA had created around tenant protections, but stated that BAHFA needs further development of its strategies to achieve progress towards these goals. Participants noted that it was unclear how BAHFA prioritized what to fund in the protections work, and how these programs connect back to the goals. Respondents were very positive about the value of the eviction study, but shared that now that the study is completed, they want to see BAHFA do more to develop programs around tenant protections.

Several people commented that BAHFA staff relationships with people who work on tenant protections is not as strong as the relationships with people doing production or preservation work. With the release of the eviction study, there is an opportunity for BAHFA staff to do more outreach and strengthen these relationships.

Participants in both the preservation and protections conversations noted that the regulatory agreements for the WTEPP is a positive example of how BAHFA is advancing tenant protections in its preservation efforts. BAHFA was praised for the intentionality and effectiveness of that program, and encouraged to look for more opportunities to advance tenant protections within its other areas of work.

Additional feedback on individual programs is provided below. Due to a lack of responses, this assessment does not include feedback on the Napa rent subsidy program, though information about it was included in the feedback sessions on tenant protections.

Eviction Study

“The study laid a foundation for what can be done later to support tenant education and advocacy.... The study was valuable but just scratched the surface of their goals.” – Study participant

In 2023, BAHFA commissioned an eviction study to better understand the regional eviction landscape. The research team was led by Centro Legal de la Raza. The first regional reports on evictions and tenant legal services in the nine county Bay Area were released in summer 2025, with several additional reports on informal eviction and county-specific data forthcoming.

Overall, respondents have found the study to be a valuable tool and resource, and many people shared specific examples where they have cited the data in their work. People appreciated that the researchers did outreach to understand the local context, and expressed hope that the data will continue to be updated in future years.

In the report itself, many acknowledged the difficulties in obtaining consistent data across counties. Some people shared that it would have been helpful to have seen more complete data in the places where that is available, and that other regions would have benefited from seeing these examples of what more complete datasets could provide. Some respondents also suggested that recommendations or examples of local programs would have also been helpful. Some people noted that there were places in the report where more contextualization of the data was needed in order to avoid false conclusions; for example, the data showing evictions for nonpayment needs contextualization as being from places where there are protections against evictions for other reasons, and therefore may not be applicable for places without those protections.

People strongly encouraged BAHFA to do more to communicate the findings of these studies to stakeholders more broadly, including local governments, community partners, and a broader audience in general. They would like to see BAHFA engage the organizations who participated in the study on how to do more outreach about the findings. There is strong interest in the forthcoming reports on county-specific data and informal evictions, and people noted that this could be an opportunity for BAHFA to do further outreach.

There was strong feedback that this study was a good first step, and recommendations for BAHFA to create programs informed by the data to make progress towards its tenant protection goals.

Conclusion: Implications for Future BAHFA Programs

“In the future, if there are resources [for tenant protections], don’t reinvent the wheel.. fund existing programs that already are working.” – Tenant protections advocate

BAHFA’s preservation work has laid a strong foundation for future preservation programs. Participants shared that as more funding becomes available, they feel confident in BAHFA’s ability to execute. They shared that BAHFA should consider how to institutionalize its collaborative approach and program flexibility as it scales. Participants also shared some ideas for BAHFA staff to consider to add to their preservation programming, including a predevelopment loan fund and offering to help smaller jurisdictions to administer their preservation programs.

Participants stressed the importance of regional leadership on tenant protections, and an opportunity for BAHFA to step into this leadership role. BAHFA has developed a strong set of goals around tenant protections, and is well-positioned now to develop stronger relationships in this field. Even without additional resources, stakeholders shared there are ways for BAHFA to make a meaningful contribution in this area and to support existing efforts. The tenant protections embedded in BAHFA’s preservation programs such as WTEPP is an example of this. Participants also shared additional ideas for BAHFA staff to consider to add to their tenant protections work, including: a regional rent registry; funding for proactive rental inspection programs; helping to expand access to legal counsel through an attorney retention fund or trainings; and expansion of their rental assistance program.

Appendix: List of Assessment Participants

Urban Habitat staff held eight small-group calls over a 3-week period in September 2025. We also received additional feedback from three people who were unable to attend one of the calls. In total, we received feedback from 33 people, 22 of whom spoke to the preservation programs, and 11 of whom spoke to the protections programs.

List of respondents, alphabetical by last name:

- Josefina Aguilar, South Bay Community Land Trust
- Felix AuYeung, MidPen Housing
- Margot Besnard, Jonathan Rose Companies
- Heather Bromfield, Enterprise Community Partners
- Cynthia Chagolla, Law Foundation of Silicon Valley
- Margaret DeMatteo, Movement Legal
- Carly Finkle, Canal Alliance
- Katie Fisher, San Francisco Housing Accelerator Fund
- Jose Garcia, Mission Economic Development Agency (MEDA)
- Catherine Guimond, El Centro Legal de la Raza
- Matt Gustafson, Bay Area Community Land Trust
- Meghan Horl, City of Oakland
- Teslim Ikharo, Supportive Housing Community Land Alliance
- Jennifer Keith, Ethos Real Estate
- Aubra Levine, The Unity Council
- Jeff Levin, East Bay Housing Organization (EBHO)
- Patrick McDonnell, Legal Aid of Sonoma
- Jared Murti, City of Pinole
- Aboubacar “Asn” Ndiaye, Northern California Land Trust
- Sunny Noh, Legal Aid of Sonoma
- Annie O’Connor, Bolinas Community Land Trust
- Sandy Perry, South Bay Community Land Trust
- Ora Prochovnick, Eviction Defense Collaborative (EDC)
- Emily Ramos, SV@Home
- Sara Shortt, Housing Rights Committee of San Francisco (HRCSF)
- Kyle Smeallie, San Francisco Community Land Trust
- Jonathan Stern, BRIDGE Housing
- Kristen Villalobos, San Francisco Community Land Trust
- Elizabeth Wampler, LISC
- Rich Wallach, Burbank Housing
- Emily Wheeler, Public Advocates
- Jack Woodruff, Oakland Fund for Public Innovation
- Maria Zamudio, Housing Rights Committee of San Francisco (HRCSF)