

Bay Area Housing Finance Authority and Tenant Protections

In 2019, the California Legislature established the Bay Area Housing Finance Authority (BAHFA) through Assembly Bill 1487 (Chiu) to advance the “3Ps” — **produce** housing, **preserve** affordable housing and **protect** vulnerable tenants. BAHFA has the authority to place measures on the ballot across the nine Bay Area counties to raise revenue to address the Bay Area’s affordable housing crisis.



Photo: courtesy of Mid-Peninsula Housing

What are tenant protections?

Tenant protections are policies and programs that help renters avoid eviction, reduce rent burden and prevent displacement, including:

- **Rent stabilization** (annual rent increases are limited to a specific percentage)
- **Just cause eviction** (tenants cannot be evicted without a “just cause,” like failure to pay rent)
- **Emergency rental assistance**
- **Pre-eviction and eviction legal services**, counseling, advice and representation

Why are tenant protections important?

- **They help achieve housing stability for renters, similar to what many homeowners enjoy.** For homeowners, Proposition 13’s limits on property tax increases and the availability of a 30-year fixed-rate mortgage help keep home ownership costs predictable. Policies like rent stabilization and just cause eviction similarly help renters plan for their future.
- **They help prevent homelessness and displacement for low-income residents.** Many of the essential workers in our economy – like pre-school teachers, hospitality workers and retail workers – pay more than they can afford in rent because of the high cost of housing in the Bay Area. Without rent stabilization or emergency rental assistance, a catastrophic event such as a death, illness, job loss, or an unexpected rise in rent can cause eviction, displacement and homelessness.

How can cities and counties strengthen tenant protections?

In 2019, Assembly Bill 1482 (Chiu) established statewide tenant protections through 2030. In support of Plan Bay Area 2050 and the Affirmatively Furthering Fair Housing principles mandated by state and federal law, local jurisdictions may use the following strategies to build on the policies of AB 1482:

- **Strengthen and extend rent stabilization beyond existing law.** Most apartment buildings are subject to AB 1482’s annual rent increase cap: 5% plus the rate of inflation or 10%, whichever is lower. While helpful to tenants, this cap still can make rent increases difficult for low-income tenants to afford. The law also does not apply to units built in the last 15 years so new housing production is not discouraged. Cities, towns and counties can also pass laws that lower this cap (e.g., a total rental increase cap of 4%), but under state law, local governments must exempt units built after 1995.
- **Expand and coordinate tenant protection programs throughout the region.** Plan Bay Area 2050 recommends establishing a regional network of tenant protection services, such as legal assistance and emergency rental assistance. Since tenants often need more than one service, programs may need to coordinate across multiple services and programs.

For More Information:

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