

IP Rent Increase Proposal



Housing Authority
— of the —
City of Alameda

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Rent Increase Proposals Status

- At the BOC meeting in January 2023 an update on incomes at Independence Plaza and rent increase proposals for March 2023 was presented
- After feedback received from the BOC:
 - ADHOC Committee was created
 - Corrected the numbers that were presented
 - Reviewed rent increase proposal scenarios

Proposal #1

Baseline annual rent increase of 3.5% for all non-subsidized for next 3 years

Benefits:

1. Standardizes minimum rent increases across all units
2. Corresponds with TCAC Max Rent annual increases (2%-5%)
3. Does not drastically increase rents for those with 30%+ Rent Burden
4. Increases range from \$16 to \$64 a month for rent

Proposal #2

Additional annual rent increase for non-subsidized units according to rent burden for the next 3 years

| Rent Burden (total yearly rent/annual income) | Base Rent Increase | Additional Rent Increase | Total Rent Increase |
|-----------------------------------------------|--------------------|--------------------------|---------------------|
| 10%-15% | 3.5% | 4.5% | 8% |
| 16%-29% | 3.5% | 3.5% | 7% |
| >= 30% | 3.5% | 1.5% | 5% |

Benefits:

1. Total Increases range from \$16 to \$113 a month for rent
2. Takes into account rent burden

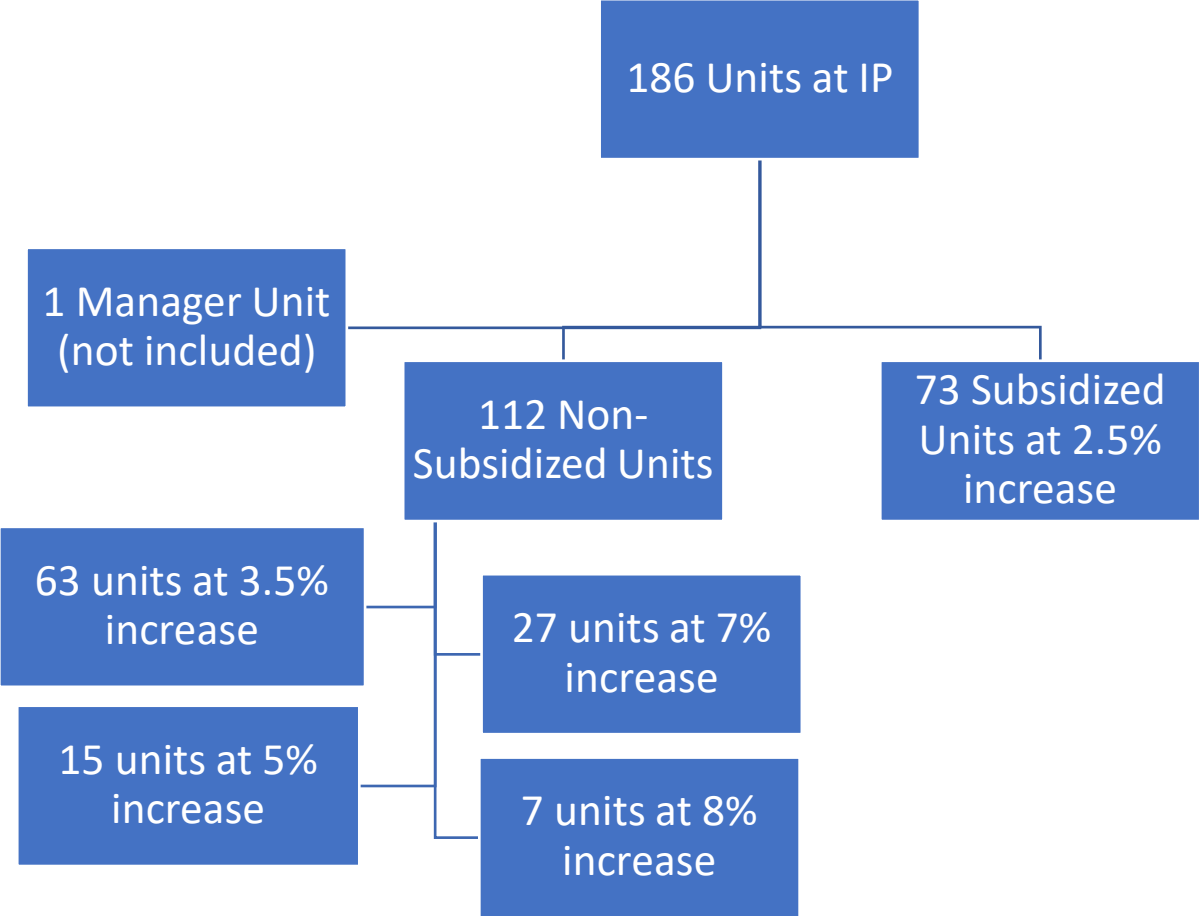
Proposal #3

Move Over-Income Residents (Income at or greater than 80% AMI) up to the 80% Rent Limit immediately

Benefits:

1. Increases the potential income of the property over time using the AHA affordability restrictions as a guideline.
2. This is in line with the TCAC rules on a mixed-income property and effectively uses the Next Available Unit Rule (NAUR)

Breakdown of IP Rent Increases



Benefits Recap

1. 3.5% Base increase for all Non-Subsidized Households increase monthly income by \$4,119.
2. Additional increases based on rent burden will increase monthly income by \$1,587.
3. Assumed a 2.5% increase for all subsidized units which are already at 70% TCAC Max Rent will increase monthly income \$2,847.
4. TOTAL Monthly Increase for:
 - FY 23/24 = \$8,449
 - FY 24/25 = \$8,889
 - FY 25/26 = \$9,290

***Accept Report on Incomes at Independence Regarding
Proposed Rent Increases for April 2023.***

