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

<table>
<thead>
<tr>
<th>Rent Burden (total yearly rent/annual income)</th>
<th>Base Rent Increase</th>
<th>Additional Rent Increase</th>
<th>Total Rent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%-15%</td>
<td>3.5%</td>
<td>4.5%</td>
<td>8%</td>
</tr>
<tr>
<td>16%-29%</td>
<td>3.5%</td>
<td>3.5%</td>
<td>7%</td>
</tr>
<tr>
<td>&gt;= 30%</td>
<td>3.5%</td>
<td>1.5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

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

186 Units at IP

1 Manager Unit (not included)

112 Non-Subsidized Units

73 Subsidized Units at 2.5% increase

63 units at 3.5% increase

27 units at 7% increase

15 units at 5% increase

7 units at 8% increase

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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