



# County of Monterey

**Item No.**

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

**Legistar File Number: 26-182**

**March 17, 2026**

**Introduced:** 2/24/2026

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** General Agenda Item

- a. Receive an update regarding the rent adjustment for Kents Court tenants.
- b. Recommend setting rents for tenants at Kents Court at 30% of income for households earning up to 110% of Area Median Income, adjusted for household size, or 35% income for households earning more than 110% of AMI, adjusted for household size, based on annual tenant certified incomes, less the utility allowance calculated using the Housing Authority of Monterey County's most current utility allowance tables.
- c. Authorize staff to amortize rent increases over the next four-year period (2026 through 2029) for tenants of Kents Court based on certified annual household income.
- d. Authorize staff to distribute to the tenants at Kents Court a 60-day notice of rent change.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive an update regarding the rent adjustment for Kents Court tenants.
- b. Recommend setting rents for tenants at Kents Court at 30% of income for households earning up to 110% of Area Median Income, adjusted for household size, or 35% income for households earning more than 110% of AMI, adjusted for household size, based on annual tenant certified incomes, less the utility allowance calculated using the Housing Authority of Monterey County's most current utility allowance tables.
- c. Authorize staff to amortize rent increases over the next four-year period (2026 through 2029) for tenants of Kents Court based on certified annual household income.
- d. Authorize staff to distribute to the tenants at Kents Court a 60-day notice of rent change.

### SUMMARY:

On December 9, 2025, staff presented this item to the Board of Supervisors for consideration. Staff presented that the current tenants all pay the same amount of rent for a 2-bedroom or a 3-bedroom unit and demonstrated how every household has different annual income. It was explained that the recommended change to the Kents Court rent structure will bring rents into alignment with the requirements of Section 50052(b) of the California Health and Safety Code. It was further explained that if approved by the Board of Supervisors, rents at Kents Court will increase by an average of 51%, spread out over four calendar years (2026 through 2029). It was also discussed that because there is an income deed-restriction recorded on the individual Kents Court units, changes to maximum rents are exempt from the limits imposed by AB1482.

The Board of Supervisors requested staff to meet individually with each household to explain their rent changes and obtain feedback from the tenants on the changes. Staff has met with individual tenants at Kents Court to review the rent adjustments. No objections to the rent adjustments were shared with staff during the meetings.

DISCUSSION:

Kents Court is a 19-unit manufactured home community owned by the County and located in Pajaro. One unit is occupied by an onsite manager.

Staff held individual meetings with each of the Kents Court tenants on January 23, 2026, January 26, 2026, and January 28, 2026 at the office of the current management company, Oliver Property Management, in Watsonville. All of the 18 households attended their meeting time, and the meeting was held in their native language since the majority of the tenants are Spanish speakers.

Generally speaking, staff reviewed the following information with each tenant, in Spanish, during the meeting.

1. The 2026 rent adjustment for their household is based on their 2025 income certifications.
2. Staff provided each household a copy of the deed-restriction Agreement recorded on the property and explained that Kents Court was established as a low-income project.
3. Staff requested each tenant sign the Exemption from AB1482 Addendum form. Management staff filed the original in their tenant file.
4. Each household received the 2026 recertification application package to begin this year's income recertification process. Staff will be working in conjunction with Oliver Property Management to complete this task.

Moreover, staff provided the following information to the tenants regarding the rent adjustment process.

\* County staff went to the Board of Supervisors to present the Kents Court rent adjustments on December 9, 2025.

\* The Board of Supervisors requested that our office staff meet individually with each tenant to explain their rent changes.

\* The Board of Supervisors need to formally approve that their rents get adjusted over a period of 4-years; 2026, 2027, 2028, and 2029. They were all very grateful for this.

\* Each tenant's future rent adjustment shall be based on their annual household income at that time. Each tenant was informed that staff cannot forecast their 2027, 2028, and 2029 rent changes presently because these will be driven by their annual household income for the coming years.

None of the tenants were surprised with the change in the amount of their rents, and some were even expecting it to be higher. They were all grateful that the Board of Supervisors supported the change in a four-year period. A few send their gratitude and appreciation to the whole Board of Supervisors and County staff for this gesture.

The tenants that are receiving a rent decrease were very happy and excited, and they mentioned that with the high inflation, this change comes in at a perfect time.

Staff explained to them the next steps as follow: County staff will present this update to Board of Supervisors meeting date and informs the tenants of the date the update will be on the Board's calendar. Staff informed the tenants that this meeting is not mandatory for them, but that they are welcome and encouraged to attend. After the Board of Supervisors acts on this item, our office staff will notify Oliver Property Management of the outcome. If the Board of Supervisors approve the action, our office staff will notify Oliver Property Management to

provide a formal 60-day written notice to each tenant with their rent change. Staff informed the tenants that it anticipated the rent changes to occur not sooner than 90 days from their meeting date.

OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:

The Health, Housing, Homelessness, and Human Services Committee received this report on October 20, 2025. The Housing Advisory Committee received this this report on October 22, 2025. Both bodies expressed concern that large rent increases would be challenging for the Kents Court tenants to absorb all at once and directed staff to look at phasing the increases over multiple years.

HOUSING IMPACTS:

- Reduces constraints on Housing Development
- Increases constraints on Housing Development
- Neutral
- Not applicable [N/A]

The proposed rent increase for Kents Court will provide additional operating income. This will provide additional financial stability for the property and build a reserve for scheduled and extraordinary maintenance of this County-owned residential complex. Other options for using any rental income not required for reasonably foreseeable maintenance requirements at Kents County may be used to capitalize the Monterey County Local Housing Trust Fund with approval by the Board of Supervisors.

Higher income residents of Kents Court may voluntarily relocate as their rents move closer to market rates. If this occurs, units will become available for income qualified households currently priced out of the market.

FINANCING:

There is no impact on the General Fund. Kents Court has been generally self-supporting since the County acquired it in 2010. The exception to this, was the extraordinary relocation expenses incurred by the County in 2023, that were the result of a planned renovation and the 2023 Pajaro River flood event. Revenue and expenses related to Kents Court are budgeted in Fund 175, Budget Unit 8547, Appropriations Code HCD006.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

Adoption of the staff recommendation will provide additional financial stability for the only County-owned affordable housing without requiring additional support from the General Fund. The recommendation will also make housing more affordable for the lowest income families at Kents Court by tying the amount of their rent to their household income.

- Well-Being and Quality of Life
- Sustainable Infrastructure for the Present and Future
- Safe and Resilient Communities
- Diverse and Thriving Economy
- Dynamic Organization and Employer of Choice

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