

Attachment B

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Summary of Rent Adjustment Options

	Affordable Housing Cost	Affordable Housing Cost as Share of Household Income	Rent Structure	Change to Monthly Housing Cost	Potential Annual Rent Collections	Pros	Cons
Current Structure	Rent + Utility Allowance for 60% AMI household, when scheme was originally developed.	Ranges from 9% to 85% of household income. Averages 33% of household income.	Affordable rent based on household earning 60% AMI & number of bedrooms.	None	\$223,632		Does not comply with H&S 50053(b) affordability requirements. Does not recognize changes to household income. No mechanism to adjust rents has been adopted by the Board of Supervisors.
AB1482 Rent Increase Limits	Not a factor.	Not a factor.	Rent as of 1/1/20 + statutorily limited annual increases	\$73 increase for 2-bedroom unit. \$84 increase for 3-bedroom unit.	\$240,852	Easy to implement. Manageable increase for most tenants.	Does not comply with H&S 50053(b) affordability requirements. Does not improve financial stability of property due to below market rents when rent increase limits were imposed.
H&S 50053(b) - Affordable Housing Cost	Rent + Utility Allowance	30% of income for households up to 110% AMI. 35% of income for households above 110% AMI.	Percentage of household income.	Ranges from \$490 decrease to \$3,915 increase. Averages out to a \$1,014 monthly increase.	\$331,330	Complies with H&S 50053(b) affordability definition. Equalizes housing costs for tenants across development. Lower-income tenants see monthly housing costs decrease. Exempt from AB 1482	Monthly housing cost increases of as much as 412% Rent changes may not be manageable for all tenants if implemented all at once.

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Inclusionary Program Affordable Housing	Rent + Utility Allowance	Ranges from 32% to 73% of income. Averages 44% of income.	State affordability guidelines for income levels and number of bedrooms.	Ranges from \$311 decrease to \$3,631 increase. Averages out to \$1,129 monthly increase	\$467,484	Program County expects owners of Inclusionary rental properties to use. Has potential to raise most rental income.	Does not comply with H&S 50053(b) affordability requirements. May not qualify for exemption from AB 1482 limits.

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