

**Rent Burden in Affordable Housing Public Outreach Meeting Summary
October 22, 2020**

On October 15, an invite was set out to all affordable housing property owners and managers requesting attendance at a meeting to discuss rent burden in affordable housing. A total of 17 attended the Zoom meeting. A summary of the input received from this meeting is provided below.

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- Destination:Home – Has Seen a noticeable increase in number of households in affordable housing coming to D:Home for rent subsidies - primarily in Senior and Extremely Low-Income households (ELI). They are very concerned about households becoming homeless. Seniors and people with disabilities will eventually be forced out of affordable homes if rents keep going up more than subsidy increase.
 - Property Managers acknowledged the seriousness of the rent burden issue. Some mentioned existing policies that look at the rent burden on a household prior to determining rent increases.
 - Property Managers stated Senior and ELI units are most affected. However, they are concerned with how the City will address the issue. If City implements measures to restrict rent burden, they could impact operations:
 1. Operating Burden – Operating costs have also increased. Reduction in rent revenue will impact ability to effectively staff and operate properties.
 2. Replacement Reserves – Lower rents mean less income to reinvest in property upkeep.
 3. Staffing – Revenue loss could result in less staff. This impacts operating effectiveness.
 - One Property Manager said that he attended a conference with other Asset Managers, at which virtually all attendees stated they are doing no rent increases this year. This is due in part to existing burden and potential future impact of COVID-19 on renters. They are also not evicting due to inability to pay due to COVID.
 - The Housing Authority stated that compassion for our tenants should drive the response. Santa Clara County and Bay Area are “ground-zero” for this issue. It is, or will become, an issue for other parts of the Country. The issue should be addressed with using a collaborative effort that involves multiple strategies.
 - Different strategies include:
 1. Internal Rent Burden Policies – Each owner should have internal policy that requires Property Managers to assess rent burden prior to increasing rents.
 2. Increased rent subsidies from governments (Need to think of tax impact on residents).
 3. Increased operating reserves.

- Another Property Manager stated that besides existing population, need to think about new properties. If excess construction revenue, look at converting to operating reserves to address increased rent burden.
- One representative stated Property Managers also need to increase rents up to allowable max for households that are “over-income”. This creates more revenue for operating reserves to help fund households that are severely+ rent burdened. Unit swaps (in mixed income properties) are also potential solution but these are challenging and only part of the potential solution.
- A Property Manager stated that the City may need increased per unit subsidy from funders to property for ELI & ELI senior units. 50-60 % AMI units are less rent-burdened than ELI.
- Mixed-income units with PSH (1/3, 1/3, 1/3) in theory provide additional rent income cushion. However, these properties with mixed populations are very challenging to manage. Still new. Property Managers are not sure how they will work. Destination: Home stated that there are recent examples of such sites that seem to be working.