



# PANDEMIC INCOME LOSSES AREN'T OVER YET!

GET TIPS ON PLANNING FOR THEIR  
IMPACT IN 2022



November 16, 2021

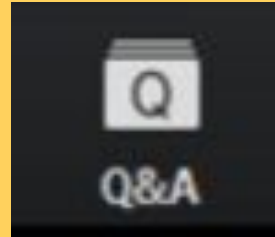
2:00-3:15 PM ET

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# Logistics

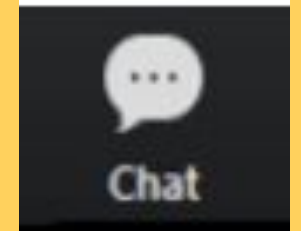
## Questions

- Write into the Q&A section



## Chat

- Share your ideas



## Feedback

- Survey will pop up on your screen when you leave the webinar

## Slides and Recording

- Slides are there now
- Recording by Friday
- [www.chamonline.org/webinars](http://www.chamonline.org/webinars)

# Speakers



**Kayne Doumani**

Consultant, DAM Asset Management for  
Affordable Housing



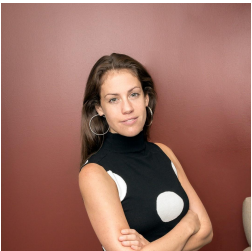
**Judy Weber - Moderator**

Principal, VIVA Consulting, LLC



**Molly Eytcheson**

Director of Asset Management,  
CommonBond Communities



**Julianna Stuart**

Vice President, Community Impact,  
Preservation of Affordable Housing



# Agenda

- Welcome, Introduction & Overview (5 minutes)
- Presentations (55 minutes)
  - Julianna Stuart - Owner role in maximizing opportunities in state and local emergency rental assistance programs to stabilize occupancy and property revenues
  - Kayne Doumani - Analyzing resident rent burdens in preparation for the re-institution of rent increases post eviction moratoriums and rental assistance programs
  - Molly Eytcheson - Best practices in leasing and resident retention during and coming out of the pandemic
- Q & A (15 minutes)

# **Maximizing Opportunities in Emergency Rent Assistance – an Owner’s Perspective**

Julianna Stuart

Preservation of Affordable Housing (POAH)

[jistuart@poah.org](mailto:jistuart@poah.org)

# About POAH



**POAH** is a nonprofit organization whose mission is to preserve, create, and sustain affordable, healthy homes that support economic security, racial equity and access to opportunity for all.

# Overview



- Pre-COVID Context
- COVID-19 Impact on Rent and Operations
- Opportunities to Change
- Leveraging State Rent Assistance Programs
- What does this mean for 2022?



# Pre-COVID Context

- Deepened our investment in Community Impact (Resident Services)
  - People
  - Data
  - Technology
- Intentional integration with PM
- Results
  - Increased on-time rent payment – 4%
  - Decreased negative moves (3 year) – 10%





# COVID-19 Impact on Rent + Operations

- Collections Trends
- Trends by Property
  - Chronic challenges
  - Non-responsive residents
  - Direct/In-direct impact of COVID
- Rent Assistance
  - Varies by jurisdiction
  - Time consuming
  - Limitations on eligibility
  - Labor intensive on staff & residents
  - Requires PM/RS collaboration
  - You've mastered one program – you've mastered one program



# Opportunities to Change

- Needed to increase data sharing across teams
- Site staff stretched to the limit - could we really add one more thing?
- Desire for greater efficiency in rental assistance (among residents, staff and program administrators)
- Organic and intentional cross-department collaboration – leaning more on Resident Services
- Virtual work meant we were pushed to leverage technology in new ways
- Technology presented new opportunities to centralize functions
- All are connected!

# Opportunities - Examples

## INTERNAL

- Monthly collections analysis
- Database Referrals from RS to PM
- Sharepoint Shared Files
  - Site + Regional + Central
  - Pending Applications, Approvals, Adjustments
  - Supporting Documentation
- Yardi Affordable Rent Café
- Teams, Zoom – better engagement across sites

## EXTERNAL

- Relationships with other owners
- Sharing best practices throughout
- Built policy and advocacy muscles
- Flexed those muscles in proactive outreach to state/local stakeholders
- Design/suggest what you want to see
  - Policies
  - Contracts
  - Resident Facing Forms
  - Owner obligations

# Massachusetts SHERA Program

- **Subsidized Housing Emergency Rental Assistance (SHERA)** is a federally-funded emergency housing assistance program in Massachusetts.
- Launched April 2021 to a pilot group of owners
- Owners put forward suggested policies, agreements and templates for submitting data
- Key Features:
  - **Single application** for multiple eligible residents in an eligible property
  - **Landlord can submit** application directly
  - Relies on **existing income certification** for households who certified in 2020-2021
  - **Section 8 households *are* eligible**
  - Covered April 1, 2020, through March 31, 2021 at launch, expanded twice, now through 2022 with 18-month limit

# What does this mean for 2022?

1. Collaboration – continue to leverage the entire team
2. Leverage technology – online recertification, Yardi training for RS, leveraging One Drive to support centralization
3. New ways to centralize functions – creation of roles designed to relieve PMs
4. The tools are consistent, but how they are leveraged can change from site to site
5. Leveraging relationships with state/local entities to advocate to stakeholders – continuous feedback, testing, communication
6. Maintaining a network of peers to share ideas/challenges, collaborate on advocacy



# Increasing Rents “post” Pandemic

Kayne Doumani  
[kayne@dam-ah.com](mailto:kayne@dam-ah.com)

# Chinatown CDC



- ▶ Forty-four-year-old organization
  - Started by buying Chinatown properties to protect tenants from gentrification.
  - Expanded to new construction, high rises, and other neighborhoods
- ▶ Current portfolio: 3,000+ units in 37 buildings
  - Ranging from 7 to 236 units
- ▶ Community organizing, planning, and policy

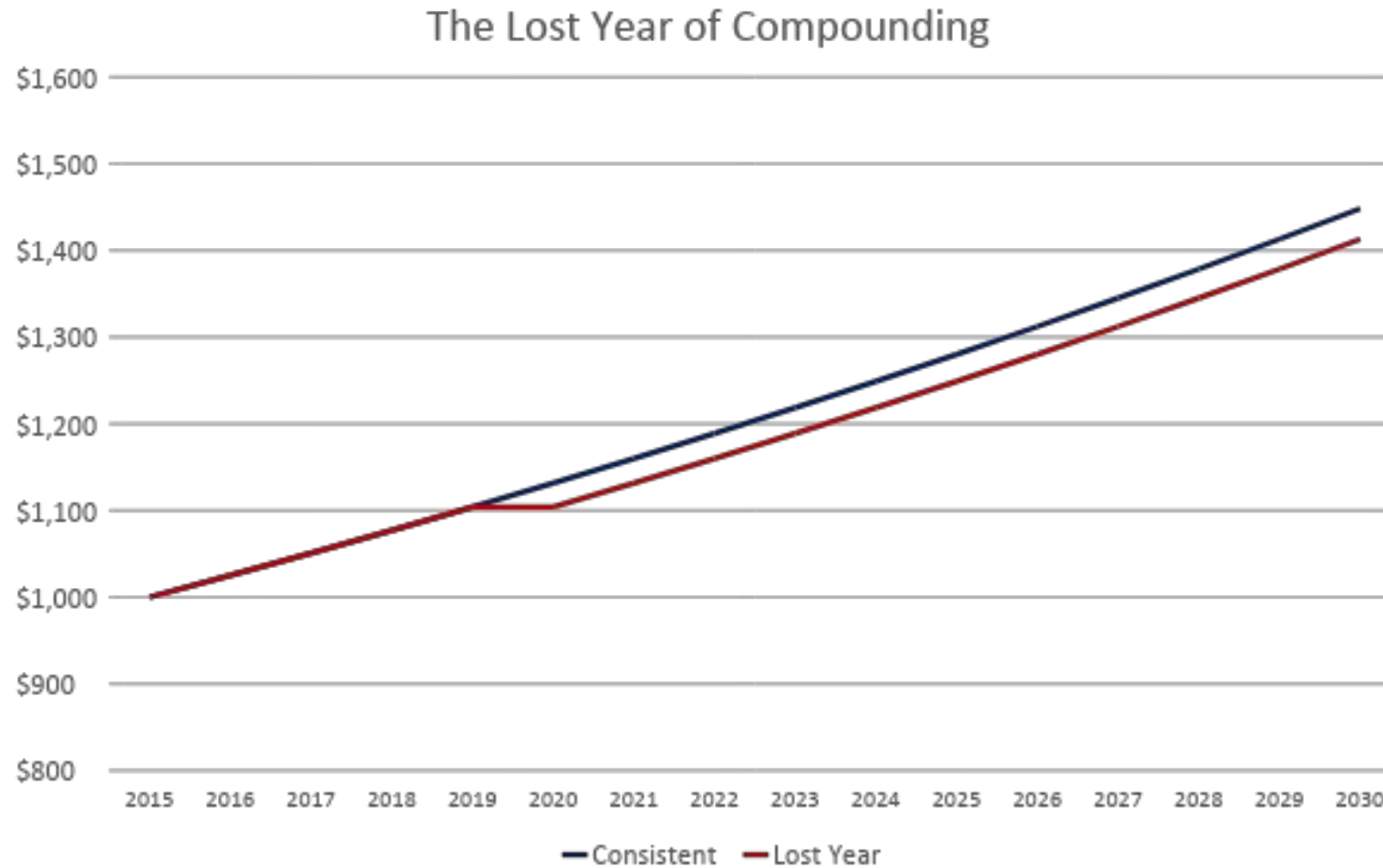




# 2020: The Lost Year

- ▶ Rent increases were halted
- ▶ Most people paid rent. Some didn't.
  - Some could afford it but held out for rent forgiveness
- ▶ We've lost a year of increases
  - Compounding that we can never get back

# 2020: The Lost Year



100-unit building  
=  
\$413,000

# 2020: The Lost Year

- ▶ How can we make up the lost ground without hurting vulnerable tenants?
- ▶ Focus recovery on those who can afford it
  - Not all our tenants lost income or jobs
  - Some were over-income and still are



# Tiered Rent Increases

- ▶ Apply different percentage increases based on a household's burden



# Tiered Rent Increases

- ▶ Arrive at the same increase in rent revenue, but spread it around
- ▶ Three tiers for different burden levels
  - A. <30% = Under-Burdened
  - B. 30% to 50% = Affordable
  - C. >50% = Over-Burdened
- ▶ Example: If rent is \$1,200, the incomes for each group are:
  - A. Income over \$48,000
  - B. Income between \$28,800 and \$48,000
  - C. Income below \$28,800

# The effect of tiered rent increases

- ▶ **Example:** 122-unit building
- ▶ An across-the-board 3.5% increase nets \$53,712 per year
- ▶ By tiering the increase by 5%, 3.5%, and 1%, we raise almost the same amount of revenue

	Group A	Group B	Group C	Total Increase
HHLDS	44	48	30	
Increase	3.5%	3.5%	3.5%	\$53,712
Tiered Increase	5.0%	3.5%	1.0%	\$53,496

# The Effect on Households

- ▶ Tiered rent increases create small but important changes. Significant impact takes a few years. In the previous example:
  - On average, overburdened households save \$25 per month, or \$300 per year.
  - Under burdened households are charged an average of \$17 per month more, or \$204 per year.
- ▶ Under burdened households would not see their rents increased by the higher percentage forever. The rent restrictions in place would keep the rent from exceeding an affordable amount.



# The Tool

- Lays out:
  - Household and unit characteristics
  - The effect of two different flat increases
  - Three possible tiers of increases
  - The results of those increases
- Summary table makes comparison easy

possible tiers of increases  
 ults of those increases  
 y table makes comparison easy

UNIT NUMBER	BR	TENANT	PROGRAM	AMI LEVEL	TENANT PAID RENT	UA	RENT BURDEN	BURDEN LEVEL	GROSS RENT	MOVE-IN DATE	MOVE-IN ANNUAL INCOME	CURRENT ANNUAL INCOME	RESULTS														
													2.50% Baseline			3.50% Baseline			enter TIERS here				New Rent	Resulting Burden Level	Max Rent	Max Rent Test	Amount Under Max
													Rent Increase	Rent Burden	Burden Level	Rent Increase	Rent Burden	Burden Level	7% Rent Increase %	Rent Increase \$	Rent Burden %						
203	3		TCAC	60%	\$1,447	\$130	40%	B	\$1,577	07/29/04	\$30,908	\$43,821	\$36	41%	B	\$50	41%	B	4.0%	\$57	41%	\$1,504	B	\$2,157	Okay	\$553	
207	1		TCAC	60%	\$1,085	\$99	28%	A	\$1,154	12/00/10	\$33,775	\$46,104	\$27	29%	A	\$37	29%	A	7.0%	\$75	30%	\$1,160	A	\$1,557	Okay	\$397	
217	2		TCAC	60%	\$1,310	\$130	19%	A	\$1,403	12/06/06	\$27,514	\$84,344	\$32	8%	A	\$45	8%	A	7.0%	\$91	20%	\$1,401	A	\$1,867	Okay	\$486	
219	3		TCAC	60%	\$830	\$93	8%	A	\$1,403	03/01/09	\$52,660	\$128,750	\$32	19%	A	\$45	19%	A	7.0%	\$91	20%	\$1,401	A	\$1,867	Okay	\$1,269	
225	2		TCAC	60%	\$1,447	\$130	18%	C	\$1,577	08/01/04	\$24,540	\$96,723	\$32	42%	B	\$37	42%	B	7.0%	\$101	19%	\$1,548	A	\$2,157	Okay	\$456	
305	2		TCAC	50%	\$1,085	\$93	109%	B	\$1,154	11/27/83	\$26,786	\$31,215	\$27	11%	A	\$37	11%	A	7.0%	\$91	20%	\$1,401	A	\$1,867	Okay	\$609	
308	1		TCAC	60%	\$1,310	\$130	41%	B	\$1,577	10/16/17	\$39,229	\$14,400	\$32	34%	A	\$45	34%	A	7.0%	\$91	19%	\$1,316	B	\$1,557	Okay	\$74	
309	0.5		TCAC	60%	\$1,085	\$99	11%	A	\$1,154	06/29/10	\$14,845	\$39,229	\$32	13%	A	\$45	13%	A	7.0%	\$91	20%	\$1,401	A	\$1,867	Okay	\$846	
310	2		TCAC	60%	\$1,447	\$130	33%	A	\$1,577	10/16/17	\$43,499	\$124,413	\$32	31%	A	\$45	31%	A	7.0%	\$91	20%	\$1,401	A	\$1,867	Okay	\$466	
317	2		TCAC	60%	\$1,085	\$99	13%	A	\$1,154	04/14/08	\$62,893	\$88,299	\$32	18%	A	\$45	18%	A	7.0%	\$91	20%	\$1,401	A	\$1,867	Okay	\$137	
325	1		TCAC	60%	\$1,447	\$130	30%	A	\$1,577	01/05/12	\$30,841	\$116,793	\$32	62%	A	\$45	62%	A	7.0%	\$91	20%	\$1,401	A	\$1,867	Okay	\$609	
409	3		TCAC	60%	\$1,085	\$99	17%	A	\$1,154	12/28/03	\$40,800	\$48,084	\$32	23%	A	\$45	23%	A	7.0%	\$91	20%	\$1,401	A	\$1,867	Okay	\$364	
416	3		TCAC	60%	\$1,447	\$130	33%	A	\$1,577	12/28/03	\$21,602	\$69,057	\$32	46%	A	\$45	46%	A	7.0%	\$91	20%	\$1,401	A	\$1,867	Okay	\$505	
419	2		TCAC	60%	\$1,085	\$99	31%	A	\$1,154	12/01/14	\$27,328	\$28,847	\$32	11%	A	\$45	11%	A	7.0%	\$91	20%	\$1,401	A	\$1,867	Okay	\$207	
425	1		TCAC	60%	\$1,447	\$130	23%	A	\$1,577	06/28/11	\$32,076	\$42,545	\$32	68%	B	\$42	68%	B	7.0%	\$91	20%	\$1,401	A	\$1,867	Okay	\$466	
			TCAC	60%	\$1,085	\$99	45%	A	\$1,154	03/21/11	\$32,004	\$13,300	\$32	27%	A	\$45	27%	A	7.0%	\$91	20%	\$1,401	A	\$1,867	Okay	\$245	
			TCAC	60%	\$1,447	\$130	23%	A	\$1,577	12/12/14	\$32,004	\$13,300	\$32	27%	A	\$45	27%	A	7.0%	\$91	20%	\$1,401	A	\$1,867	Okay	\$245	
			TCAC	60%	\$1,085	\$99	11%	B	\$1,154	10/14/11	\$61,406	\$19,680	\$32	83%	C	\$37	83%	C	7.0%	\$91	20%	\$1,401	A	\$1,867	Okay	\$84	
			TCAC	60%	\$1,447	\$130	35%	C	\$1,577	02/25/11	\$23,361	\$28,646	\$32	70%	B	\$45	70%	B	7.0%	\$91	20%	\$1,401	A	\$1,867	Okay	\$466	
			TCAC	60%	\$1,085	\$99	51%	C	\$1,154	08/20/11	\$17,312	\$28,646	\$32	30%	B	\$45	30%	B	7.0%	\$91	20%	\$1,401	A	\$1,867	Okay	\$505	
			TCAC	60%	\$1,447	\$130	35%	B	\$1,577	06/02/08	\$42,607	\$19,400	\$32	32%	A	\$45	32%	A	7.0%	\$91	20%	\$1,401	A	\$1,867	Okay	\$466	
			TCAC	60%	\$1,085	\$99	53%	C	\$1,154	01/27/04	\$31,306	\$21,465	\$32	12%	A	\$45	12%	A	7.0%	\$91	20%	\$1,401	A	\$1,867	Okay	\$466	
			TCAC	60%	\$1,447	\$130	31%	A	\$1,577	01/27/04	\$31,306	\$35,244	\$32	27%	C	\$42	27%	C	7.0%	\$91	20%	\$1,401	A	\$1,867	Okay	\$245	

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# Summary with higher revenue

Overview				
	Rent Burden			Additional Annual Revenue
	A ≤30%	B >30% and ≤50%	C >50%	
Current	42	30	19	\$0
w/ 2.5% Increase	40	32	19	\$31,344
w/ 3.5% Increase	40	32	19	\$43,644
w/ Tiered Increase	39	33	19	\$58,104
Increase Per Tier	7%	4%	0.5%	

The \$26,760 or \$14,460 more per year compensates for lost compounding



# Conclusion / Considerations

- ▶ Even if you haven't been doing annual re-certs, you need to *now*. There's been a huge economic shake-up.
- ▶ Are households on payment plans that increase their total burden? Factor that in.
- ▶ How high an increase can your organization stomach? 5%? 7? 10?
- ▶ Max rents may go down. But if your rents weren't at max, you may still have room to increase the rents of those who can afford it.

# Conclusion / Considerations

- ▶ Will your regulatory agreements allow tiered rent increases?
  - (Don't ask.)
- ▶ Fair housing is not an issue because the difference in treatment is not based on a protected class.



# Leasing & Resident Retention During COVID-19

Molly Eytcheson  
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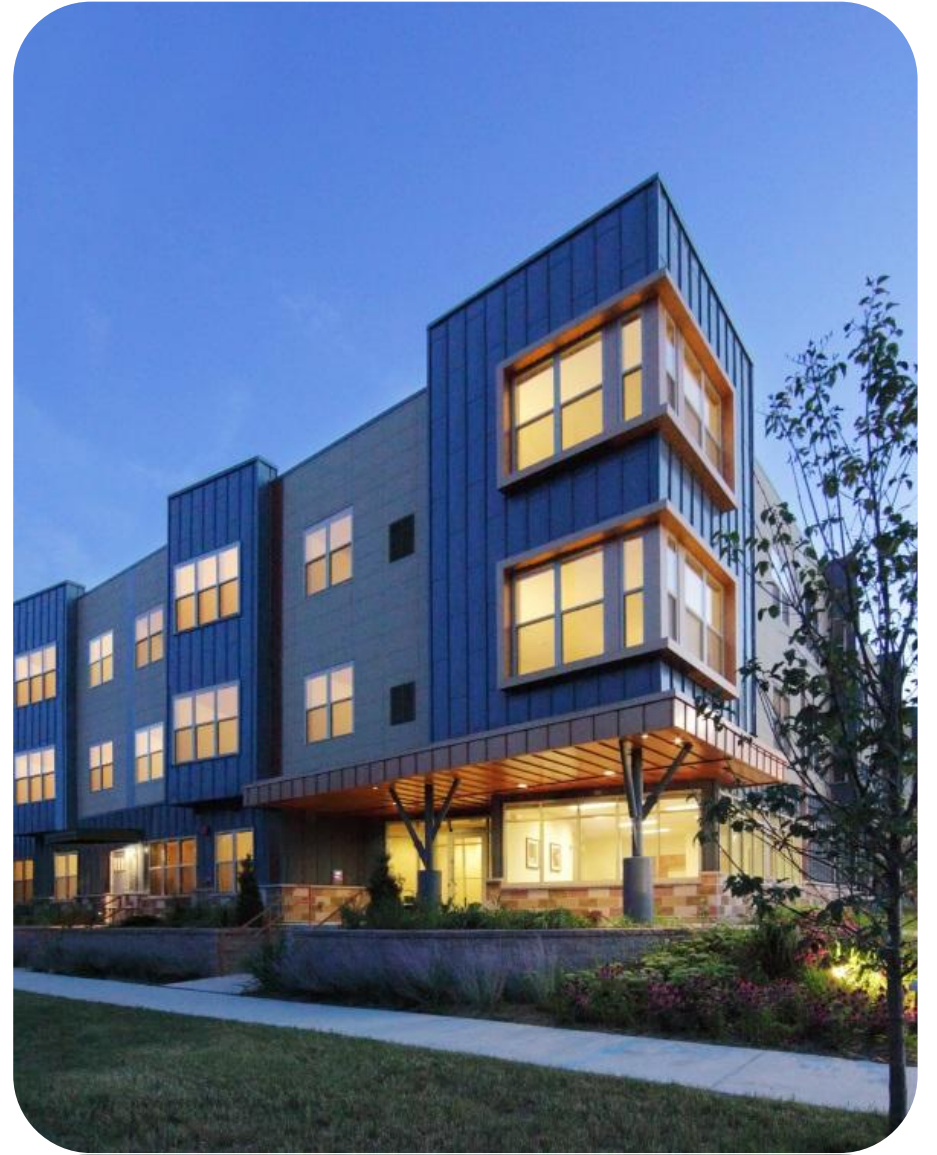
Director of Asset Management  
CommonBond Communities



# CommonBond Communities

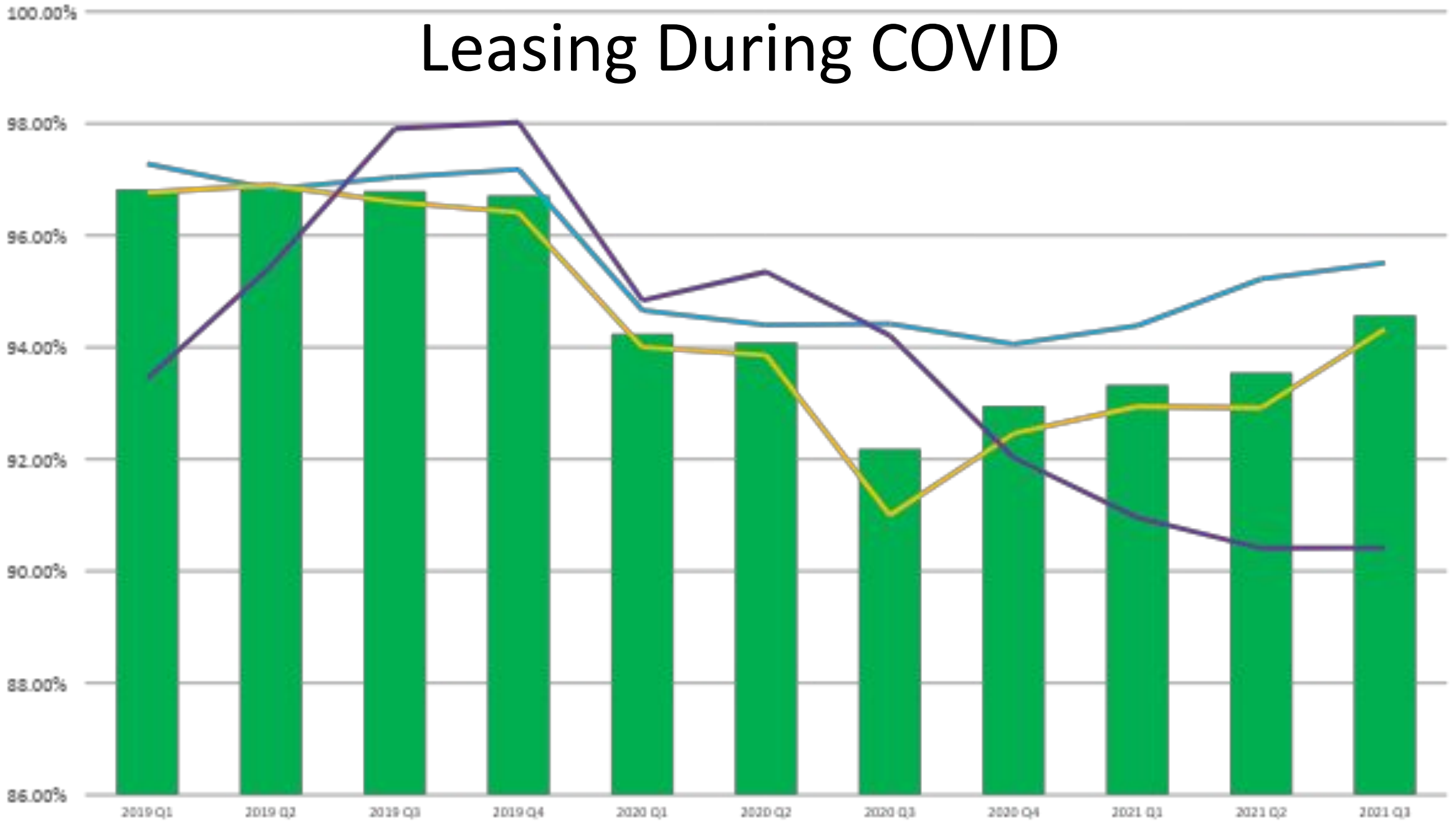
- Established 1971
- Non-profit affordable housing developer based in Midwest
- MN, WI, IA, SD\*
- 112 communities, 6868 units
- In-house management company and service provision

*CommonBond builds stable homes, strong futures, and vibrant communities.*

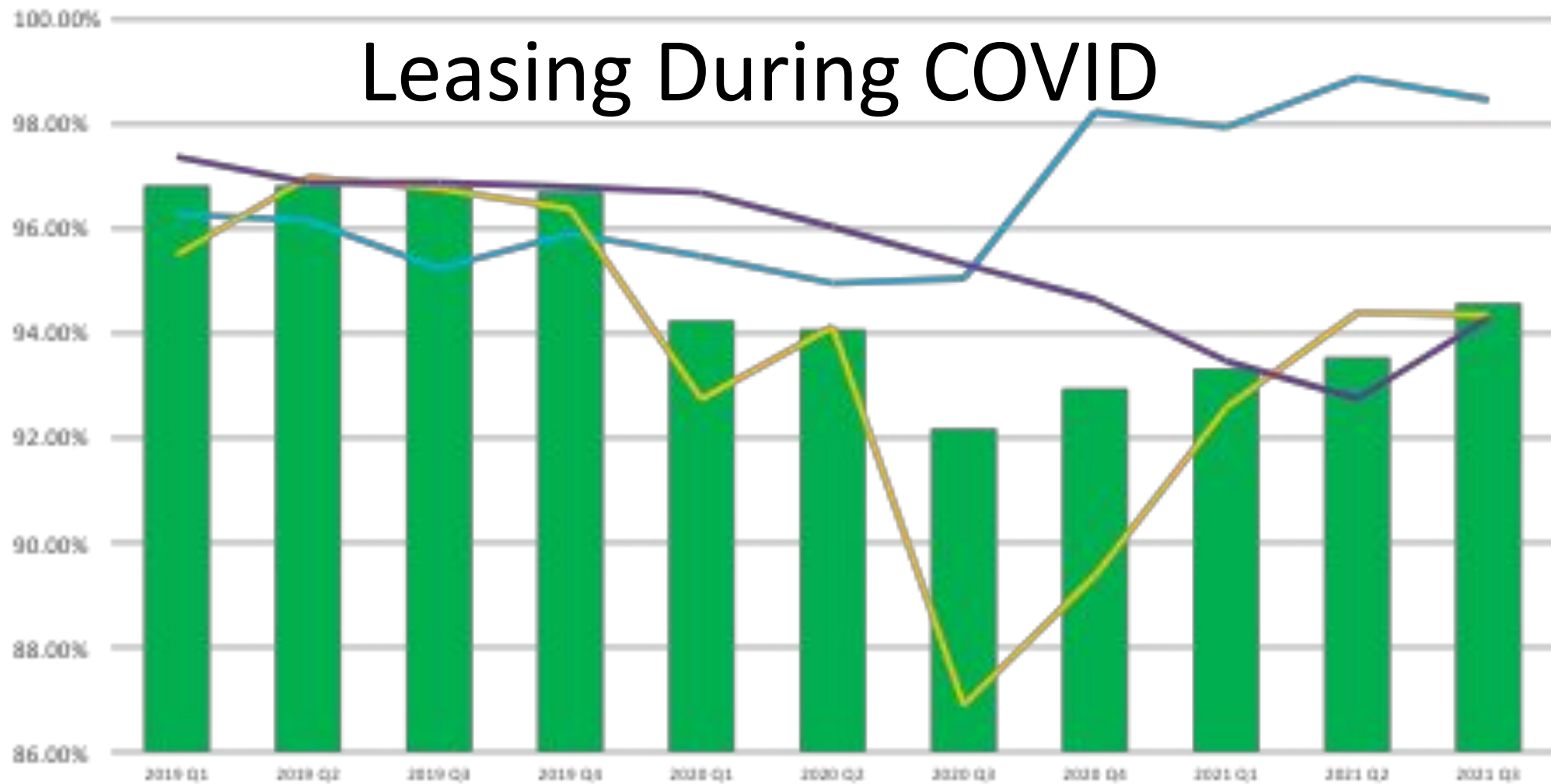




# Leasing During COVID



# Leasing During COVID



# Resident Retention

Occupancy declined from 97% to 92%, not due to more residents moving out but because it took us longer to move new residents in.



- Pre-COVID operational issues exacerbated
- Rent increases held for in-place tenants, continued for turning units
- Offered variable renewal terms
- Assisted with rent relief applications
- Communication & Safety – Emergency Operations Committee

# Point Place, Senior LIHTC, Madison, WI



- Opened **5/2020**, 51 units  
\$ 25k became 50k  
(\$ 490 - 980/unit)  
🕒 6 mos. became 13 mos.
- **Know your market!**
- **Price according to location**
- **Know how to market!**
  - COVID-safe protocols in ads
  - Paid moving expenses w/ COVID-safe vendors
  - no contact/virtual tours
  - “old school” marketing plus increased online presence

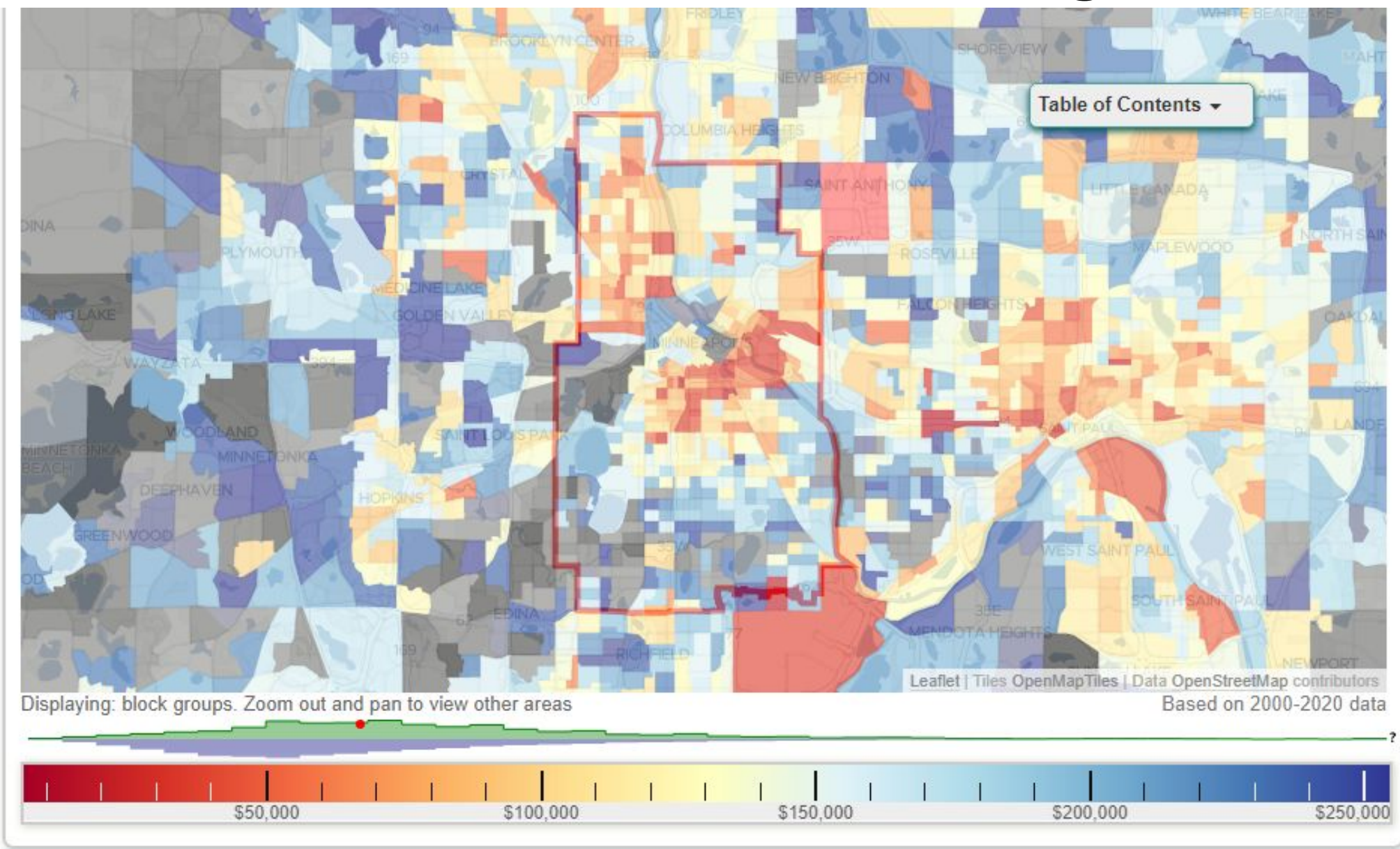


# Gateway NE, Mixed Income, Minneapolis

- Opened 2/2021, 128 units  
\$ 175k (\$1367/unit)  
🕒 *On schedule for 6 mos.*
- **Know your market!**
- **Price according to location**
- **Know how to market!**
  - YouTube, Skype, Facetime, Zoom, TikTok
  - “live” v. virtual tours
  - Variable unit price points
  - Lease-up specials



# Know Your Market – Price According to Location!



# Fundamentals

- Start early (6 months)
- Meet more often (as in weekly)
- Lease like a market rate operator with different price points
- Know your projections
- Have milestones and plan B



# Fundamentals – know your projections

Year	Tax Credit Units Leased (Income)	Cumulative TC Units Leased	Tax Credit Units Leased (Credits)	Non TC Units Leased	Cumulative Non TC Units Leased	Commercial Sq Ft Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-21		0			0		0	0	0	0	0	0	0
Feb-21	12	12	12	8	8		12,898	0	11,682	24,581	107,687	0	107,687
Mar-21	13	25	13	8	16		26,871	0	23,365	50,236	106,056	0	106,056
Apr-21	13	38	13	8	24		40,845	0	35,047	75,892	95,450	0	95,450
May-21	13	51	13	9	33		54,818	0	48,190	103,007	84,845	0	84,845
Jun-21	13	64	13	9	42		68,791	0	61,332	130,123	74,239	0	74,239
Jul-21	13	77	13	9	51	8,214	82,764	13,006	74,475	170,245	63,633	0	63,633
Aug-21		77	0		51		82,764	13,006	74,475	170,245	0	0	0
Sep-21		77			51		82,764	13,006	74,475	170,245	0	0	0
Oct-21		77			51		82,764	13,006	74,475	170,245	0	0	0
Nov-21		77			51		82,764	13,006	74,475	170,245	0	0	0
Dec-21		77			51		82,764	13,006	74,475	170,245	0	0	0
TOTAL	77	77	77	51	51		700,807	78,033	626,466	1,405,306	531,910	0	531,910

# Fundamentals – have milestones

Year	Tax Credit Units Leased (Income)	Cumulative TC Units Leased	Tax Credit Units Leased (Credits)	Non TC Units Leased
Jan-21		0		
Feb-21	12	12	12	
Mar-21	13	25	13	
Apr-21	13	38	13	
May-21	13	51	13	
Jun-21	13	64	13	
Jul-21	13	77	13	
Aug-21		77	0	
Sep-21		77		
Oct-21		77		
Nov-21		77		
Dec-21		77		
TOTAL	77	77	77	5

	Approved TC Units (50% & 60% AMI)				Approved Market Units			Total Approved Units		
	Actual	Target	Milestone	%	Actual	Target	Milestone	Actual	Target	% Total
8-Jan	0	0			0	0		0	0	0%
15-Jan	0	0			0	0		0	0	0%
22-Jan	0	0			0	0		0	0	0%
29-Jan	0	0			1	0		1	0	0%
5-Feb	2	3			1	2		3	5	4%
12-Feb	3	6		4%	1	4		4	10	8%
19-Feb	4	9		5%	1	6		5	15	12%
26-Feb	7	12	12	9%	2	8	8	9	20	16%
5-Mar	13	15		17%	4	10		17	25	20%
12-Mar	14	18		18%	4	12		18	30	23%
19-Mar	14	21		18%	5	14		19	35	27%
26-Mar	12	25	25	16%	7	16	16	19	41	32%
2-Apr	14	28		18%	9	18		23	46	36%
9-Apr	21	31		27%	9	20		30	51	40%
16-Apr	23	34		30%	12	22		35	56	44%
23-Apr	25	37		32%	16	24		41	61	48%
30-Apr	35	38	38	45%	23	24	24	58	62	48%
7-May	35	41		45%	25	26		60	67	52%
14-May	39	44		51%	31	28		70	72	56%
21-May	41	47		53%	40	31		81	78	61%
28-May	43	51	51	56%	45	33	33	88	84	66%
4-Jun	50	54		65%	41	35		91	89	70%
11-Jun	50	57		65%	44	37		94	94	73%

# Have a Plan B – and a way to measure it!

**What will it cost me if lease up is delayed for 17 units?**

- Understand your timing adjuster
  - \$816 credit PUPM
  - \$0.38 downward adjuster
    - 1 month = \$5271
    - 3 months = \$15,814
    - 6 months = \$31,628
- Lost rent
  - \$1255/month
    - 1 month = \$21,335
    - 3 months = \$64,005
    - 6 months = \$128,010

**Will a rent adjustment or a concession cost more or less?**

	Underwritten	Rent Adjustment	1 mo. Concession	2 mos. Concession
Mar	\$21,335	\$17,935	\$0	\$0
Apr	\$21,335	\$17,935	\$21,335	\$0
May	\$21,335	\$17,935	\$21,335	\$21,335
Jun	\$21,335	\$17,935	\$21,335	\$21,335
Jul	\$21,335	\$17,935	\$21,335	\$21,335
Aug	\$21,335	\$17,935	\$21,335	\$21,335
<b>Total</b>	<b>\$128,010</b>	<b>\$107,610</b>	<b>\$106,675</b>	<b>\$85,340</b>

- ☐ Rent adjustments may have a bigger impact on stabilization than concessions!
- ☐ Caution – rent adjustments may compound if not managed!



# The Consortium For Housing And Asset Management

Advancing Mission and Performance in Affordable Housing

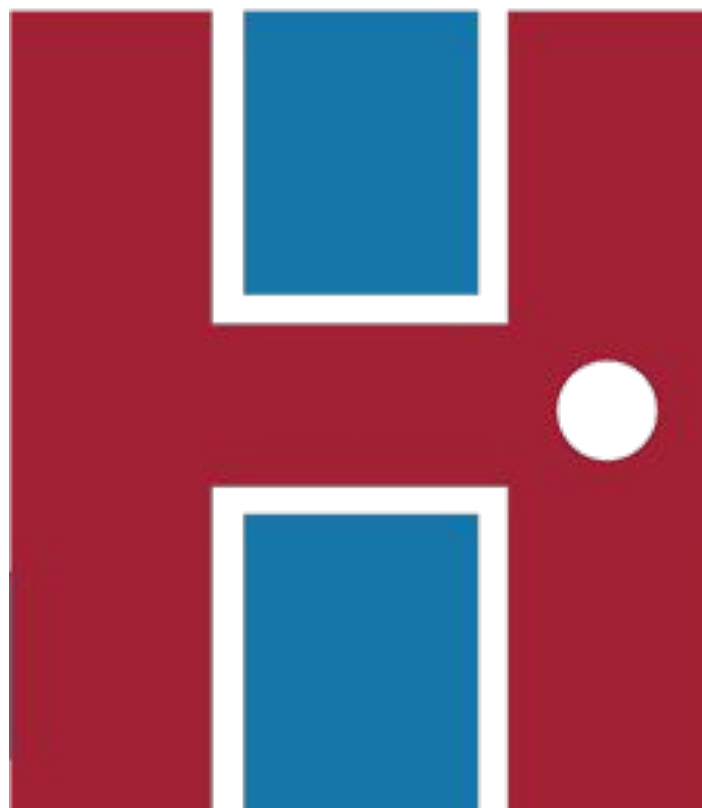


NOW AVAILABLE!

## ASSET MANAGEMENT SPECIALIST (AMS) CERTIFICATION



[www.chamonline.org/training](http://www.chamonline.org/training)



CONSORTIUM LEADERSHIP



LISC



# Opening Doors in the Affordable Housing Community