

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE**

Asset Management and Compliance Branch
2020 W. El Camino Avenue, Suite 400
P. O. Box 952054
Sacramento, CA 94252-2054

**ASSET MANAGEMENT AND COMPLIANCE (AMC)****ADMINISTRATIVE NOTICE****Notice Number: 23-01**

DATE: June 13, 2023

TO: **CHRP-R, FHDP, RHCP-BOND, and SUHRP Borrowers and Management Agents**

FROM: **Lindy Suggs, Branch Chief** *LS*
Asset Management and Compliance Branch

SUBJECT: **Consumer Price Index (CPI) Factor for Rent Increase Calculation for 2024 for CHRP-R, FHDP, RHCP-Bond, and SUHRP**

Administrative Note: This Administrative Notice establishes a formal written notification of administrative guidelines that affect the operation of Department programs. This format is used to identify, clarify, and record administrative guidelines and interpretations of public interest.

The purpose of this notice is to inform borrowers and management agents that the Consumer Price Index factor (*rent of primary residence in West urban, all urban consumers, not seasonally adjusted, month of May*) to be used in the formula for calculating increases in project rents for fiscal years beginning in 2024 is **8.0** percent. This figure is based upon data from the U.S. Department of Labor, Bureau of Labor Statistics.

Program regulations require that borrowers submit a schedule of rental income and a proposed operating budget at least 60 days prior to the end of the current fiscal year. If you propose an increase in project rents that exceeds the CPI factor, please submit a written request to your Asset Management Representative as early as possible to confirm that it will meet Regulatory requirements.

Please note that this CPI factor is used for all CHRP-R, FHDP, RHCP-Bond, and SUHRP rent increase calculations.

When submitting your project schedule of rental income and annual operating budget, please use the forms on the HCD website at: <https://www.hcd.ca.gov/grants-and-funding/reporting-and-compliance-loan-programs>

If you have any questions regarding the 2024 CPI factor, please contact your Asset Management Representative.