



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

PRINCIPAL DEPUTY ASSISTANT SECRETARY
FOR PUBLIC AND INDIAN HOUSING

February 09, 2024

Dear Executive Director:

This letter is being sent to all California public housing agencies (PHAs) that administer the Housing Choice Voucher (HCV) program, regarding the Tenant Protection Act of 2019 (hereafter referred to as “TPA 2019”). The TPA 2019 is a California state law that in part prohibits owners from raising rents for most tenants annually by more than 5 percent plus inflation, according to the regional Consumer Price Index, or 10 percent, whichever is lower, while providing a number of limited exceptions from these protections for certain rental properties.

As you are aware, the HCV program is a tenant-based rental assistance program under which the rent to the owner may not exceed the reasonable rent as most recently determined or redetermined by the PHA at all times during the assisted tenancy. The HCV program regulations at 24 CFR part 982.509 provide that, in addition to the rent reasonableness limits, the amount of rent to the owner may also be subject to rent control limits under state or local laws. In other words, owner participation in the HCV program does not automatically exclude the unit and the rent the owner may charge from applicable state or local rent control requirements. While some state and local rent control laws may exclude HCV units from the rent control restrictions, in other cases, the HCV owner is subject to those limitations and is responsible for ensuring that the charged rent complies with the applicable state or local law. These rent control restrictions can prevent an HCV owner from charging the full comparable rent that would otherwise be permitted under the PHA’s rent reasonableness determination, which is based on the rents charged for comparable unassisted units.

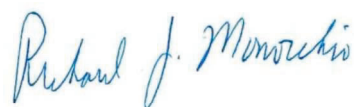
On June 29, 2023, Rob Bonta, the Attorney General of the State of California, sent the enclosed letter (“the CA Attorney General’s letter”) to all PHAs stating that the rent control provisions of TPA 2019 apply to HCV-assisted units, citing in part the tenant-based nature of the HCV program. The letter encouraged PHAs to take proactive measures, including issuing public guidance or otherwise informing HCV participating owners of the Attorney General’s determination that HCV units are not exempt from the rent control provisions of TPA 2019. HUD encourages you to provide the CA Attorney General’s letter or otherwise convey his determination that HCV units are subject to the rent control limits to your participating and prospective owners. Prior to the issuance of the CA Attorney General’s letter, there was reportedly a significant amount of uncertainty on this point, and sharing this information with owners will help ensure they understand the applicability of the TPA 2019 rent control limitations to the HCV program. Should your agency receive a rent increase request from an HCV owner that appears to violate the rent control requirements of TPA 2019, it is further recommended that you immediately alert the owner and provide an explanation of the

applicability of TPA 2019 so the owner can revise the rent request to comply with the state law and the HCV program regulations at 24 CFR part 982.509.

Should you have any questions regarding this letter, please contact Michael Dennis, Senior Program Advisor, Office of Public Housing and Voucher Programs, at michael.s.dennis@hud.gov.

I hope this information is helpful to you and thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink that reads "Richard J. Monocchio". The signature is written in a cursive style with a large initial "R".

Richard J. Monocchio
Principal Deputy Assistant Secretary
Office of Public and Indian Housing

Enclosure