

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF FINANCIAL ASSISTANCE****Asset Management and Compliance Section**

1800 Third Street, Suite 390  
P. O. Box 952054  
Sacramento, CA 94252-2054  
(916) 324-8282  
FAX (916) 324-3246

**ASSET MANAGEMENT AND COMPLIANCE (AMC)****ADMINISTRATIVE NOTICE****Notice Number: 10-02**

**DATE:** July 12, 2010

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

**FROM:**   
Janet Marzolf, Section Chief  
Asset Management and Compliance Section

**SUBJECT:** Consumer Price Index (CPI) Factor for Rent Increase Calculation for 2011 for RHCP-Bond, FHDP, CHRP-R 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 (All Urban Consumers, West Urban, Rent of Primary Residence) has decreased and, therefore, no gross rent increases will be permitted for 2011 for projects in the designated programs listed above that base their rent increases on the CPI factor. When submitting your Schedule of Rental Income for 2011, please use "0" as the CPI factor.

Program regulations require that borrowers submit proposed budgets and rent increase requests at least 60 days prior to the end of the current fiscal year. Even though no gross rent increases will be approved based on the CPI factor, please submit the Schedule of Rental Income along with your 2011 budget so that we can make sure the correct rents are being charged. If you wish to request an increase in project rents that exceeds the CPI formula increase (for this year zero), please discuss it with 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 RHCP-BOND, FHDP and CHRP-R rent increase calculations, and for only those SUHRP projects that require its use in the project's regulatory agreement. If you have a SUHRP-funded project, please check your SUHRP regulatory agreement to determine if you are to use this factor for your rent increase calculation.

When submitting your annual budgets and rent information, please use the forms on the Department's website at: <http://www.hcd.ca.gov/fa/amc>

If you have any questions regarding the 2011 CPI factor or the electronic budget forms, please contact your Asset Management Representative. If you need assistance in identifying your Asset Management Representative, please call (916) 324-8282.