

**PROGRAM BULLETIN #25-1902**

**To:** Owners, Developers, and Management Agents representing owners' interest in developments purchased through the low-income housing tax credit program  
**From:** Karen C. Georgetown, SVP of Program Compliance  
**Date:** February 19, 2025  
**Subject:** **Moratorium on MHC Policy for Rent Increases Over 5%**

Effective immediately, MHC has implemented a **moratorium on the approval of annual rent increases exceeding 5%**. This action is being taken in response to the significant financial challenges currently impacting operations of affordable housing developments, including:

- **Rising insurance premiums** driven by market volatility and heightened risk assessments.
- **Recent California wildfires** and other natural disasters, contributing to increased operational expenses and property maintenance costs.
- **Economic pressures** such as inflation and higher utility and service costs, affecting both property performance and resident stability.

While we understand the necessity of maintaining the financial health of each property, we must also remain mindful of our responsibility to the communities we serve. As such, we strongly encourage all owners, developers, and management agents to ensure that any rent increases:

- **Comply with applicable income and rent limits** as defined by governing affordability regulations and underwriting (LIHTC, HOME, etc.) requirements.
- **Reflect sensitivity to the economic realities** facing residents, recognizing the impact of inflation and other cost-of-living increases on their livelihoods.
- **Adhere to the rent increase policy as stated in the respective lease agreement**, ensuring no more than one increase annually, per household.
- **Prioritize resident retention and financial stability**, with a focus on long-term occupancy and community well-being.

This moratorium will remain in effect until further notice. MHC reserves the right to reinstate the rent increase approval policy as deemed necessary, collectively or individually. In such instances, a comprehensive review of financial documentation may be performed to assess the property's operational needs and the potential impact on residents.

MHC appreciates each of you and your continued commitment to preserving the affordability and integrity of LIHTC communities. For questions or clarification, please do not hesitate to contact me directly.

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